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Trade deal would bolster C. America democracies

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Much has been made about President Bush's efforts to promote democracy and freedom across the world. Free trade agreements, in addition to promoting the trade of goods and services, also promote the exchange of ideas and values.

Central America has had a turbulent democratic past. The region was plagued for decades by democratic repression, economic mismanagement and civil war. It goes without saying that the six Central American countries that make up the Central American Free Trade Agreement (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic) are strategically important to the United States. Together, they represent a potentially significant trading bloc with the United States.

Implementation of CAFTA will strengthen these burgeoning democracies and further foster democracy and freedom in the region.

While CAFTA is not a perfect trade agreement, it will spur U.S. economic investment and exports and promote further economic development in the region. For these primary reasons, Congress should pass CAFTA, and it should pursue similarly aggressive trade agreements with our South American trade partners.

As the North American Free Trade Agreement has demonstrated, CAFTA will begin to spur economic development and investment in both the United States and in participating countries. Economic competition will reduce costs for domestic producers and lower prices for consumers.

Critics of the agreement argue that reduced environmental and labor standards in the participating countries will put pressure on U.S. companies to cut corners or lower standards to compete.

Don't believe it.

Not only does CAFTA include strong provisions relating to environmental and labor standards, but the critics' argument is based on an unproven assumption. Around the world, we have seen that free trade raises environmental and labor standards in developing countries, rather than lowering the standards of more developed countries.

Critics of CAFTA have tried to scare people with many of the same arguments that were made during the debate on NAFTA, despite the fact that those predictions have not come true. We have not seen a rush of American companies closing shop in the United States and rushing south for cheap labor and lax environmental laws.

Instead, NAFTA has benefited Mexico's economy and helped set the stage for the country's election of its first opposition party presidential candidate, Vicente Fox.

As mentioned previously, CAFTA is not perfect. Tariffs on sugar and textiles that may exacerbate problems in those industries in the long run remain and will surely impede any price reductions for consumers.

However, those examples are the exception rather than the rule.

The agreement does not include provisions on immigration, which needs to be considered in any discussion on trade. However, stabilizing and growing the economies of developing countries in Central America should help curb the influx of illegal immigrants into the United States.

Imperfections aside, CAFTA is a good deal for the United States as well as American consumers and producers. It also will help foster economic prosperity in Central America, which is also in the United States' best interest.

Congress would be wise to take up CAFTA quickly and implement it as soon as possible.

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