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TRADE

CAFTA backers lash out at sugar interests in U.S.

Supporters of the Central American Free Trade Agreement lashed out at sugar interests in a Coral Gables conference to push for congressional passage of the trade pact.

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Proponents of a free-trade agreement with Central America and the Dominican Republic lashed out Friday at opposition to the pact from U.S. sugar interests, calling it "economic terrorism," during a Coral Gables event to drum up support for the accord.

Organizers urged those attending the conference to convince 10 others of the benefits of the agreement and warned of dire consequences -- ranging from lost momentum for a proposed Free Trade Area of the Americas to setting back the march of democracy in the region -- if the pact is not passed.

The centerpiece of the five-hour meeting, which was held at The Biltmore Hotel in Coral Gables, was the appearance of ambassadors from El Salvador, Honduras, the Dominican Republic and Nicaragua. Miami was the 12th stop on the ambassadors' U.S. tour to pitch the agreement known as DR-CAFTA.

FLORIDA EPICENTER

Florida is in the epicenter of the DR-CAFTA debate. Not only does the state have a large sugar industry, but South Florida plays a key role in the textile trade, serving as a major springboard for shipping textiles to Central American assembly plants and receiving finished apparel.

Supporters say they are aiming for a Congressional vote on the pact before Memorial Day, but admitted it will be a hard sprint to make it by then.

For some, the challenge is the U.S. sugar industry, which has fiercely opposed the accord that allows increased sugar imports under the U.S. quota system.

Trade negotiators insist the additional sugar quota amounts to less than two spoonfuls of sugar per person per week.

"We must decide whether we are prepared to sacrifice the nation's interests and the future of economic freedom in our hemisphere for two packets of sugar," said Christopher A. Padilla, assistant U.S. Trade Representative. Padilla was referring to the Bush administration's insistence that the imports will be small.

No sugar executives were at the meeting, organized by the U.S. Chamber of Commerce, the Association of American Chambers of Commerce in Latin America, Enterprise Florida and Florida FTAA.

But the sugar industry has said that the added imports will set the stage for upending the country's price support system, which not only preserves U.S. sugar production in states such as Florida and Louisiana, but also pays higher prices to sugar growers in Third World countries.

Jorge L. Arrizurieta, the head of the state's organization pushing for a permanent headquarters for a hemispheric trade agreement to be located in Miami, also struck out at sugar interests, calling their position "economic terrorism that one industry is bringing to our state."

Salvadoran Ambassador Rene León lamented the absence of lawmakers who support CAFTA in the nationwide debate. "We need to ask them to show up," León said, noting that at a recent dinner in Washington only two pro-CAFTA legislators attended, compared to 11 with reservations about the agreement.

FedEx Express managing director Francisco X. Santeiro also noted the difficulty in gaining support for the agreement: "We all wish we were speaking to a packed room of South Florida business executives. That makes our job just that much more difficult."

At the meeting, the U.S. Chamber of Commerce distributed a report forecasting Florida job gains from DR-CAFTA. Based on their economic model, the agreement would increase exports 17 percent and add 7,000 new jobs the first year.

MINIMAL CHANGE

But the report did not contemplate any increase in Central American exports displacing U.S. production, estimating "the change from the status quo in the import area is minimal."

Honduran Ambassador Mario Canahuati also raised the Chinese issue, insisting that without DR-CAFTA, the region would lose more apparel production to China.

"What we're trying to do with CAFTA is to find a way to compete against China," Canahuati said. "A vote against CAFTA is a vote in favor of China."