

CAFTA not merely about free trade

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At 2,400 pages, the Central America Free Trade Agreement isn't really about trade. Frankly, you don't need 2,400 pages to eliminate tariffs and regulations on exports and imports. But you might need 2,400 pages to smuggle through a new set of transnational corporate rights disguised by complicated legalese. I wonder how many in Congress will even bother to read this trade tome before voting?

I recall in 1994 that only one senator, Republican Hank Brown of Colorado, accepted Ralph Nader's challenge to win \$10,000 for charity by taking a simple 10-question quiz on the World Trade Organization agreement. After studying the agreement, Brown announced to the media: "I am a Republican, pro-business and a proponent of the free market economy . . . I am here to speak out against the WTO. For when you read this text . . . you will understand that the WTO is fundamentally undemocratic."

Any naïve Congress member who thinks CAFTA is merely about free trade should look carefully at its provisions on government contracts and corporate lawsuits.

Government contracts. For any purchases of more than \$117,000 (eventually to be lowered to \$58,000), CAFTA forces governments to open bidding to transnational corporations. That means that states will no longer be able to give preference to home-based businesses, and so mom-and-pop stores in Central America and the United States will suddenly be competing with the Bechtels and the Halliburtons of the world.

Corporate lawsuits against governments. Perhaps CAFTA's most worrisome provision expands the rights that corporations received under NAFTA to challenge any laws they perceive as barriers to trade and foreign investment. For instance, when California banned a carcinogenic gasoline additive called MTBE because it was seeping into the state's drinking water, the chemical manufacturer, Methanex, sued California for infringing on its trade rights under NAFTA and de-

manded \$970 million in compensation. Such suits are a direct threat to democracy because they prioritize the profits of foreign corporations over a country's own environmental, social and labor laws.

Already corporations are planning more such lawsuits. If CAFTA passes, a subsidiary of Harken Energy (on whose board George W. Bush once served) has said it will demand \$58 billion from Costa Rica (whose entire GDP is only \$37 billion) in compensation for hypothetical future lost profits, if the company is not allowed to drill offshore in Costa Rica's protected Talamanca region — one of the planet's richest marine ecosystems.

CAFTA also encourages privatization, especially for government services in health, water, energy and social security. In agriculture, it will allow transnational agribusiness cartels to dump food commodities at below-market prices. It will forbid the public health sector from buying life-saving generic drugs for such diseases as AIDS.

Far from a free trade agreement, CAFTA is rather a corporate trade agreement that transforms foreign investment from a privilege to an inalienable right.

It's like having a house guest who cleans out your refrigerator, claims your nicest bed, takes exclusive control of the television remote control and then — like Paris Hilton — demands that you pay for the pleasure of her company and writes you off as a business expense.

The United States has a perfectly sound trade agreement with Central America called the Caribbean Basin Initiative, which makes most of our trade with Central America duty-free. Congress should defeat CAFTA and send the Bush administration back to negotiate a real trade agreement that every U.S. and Central American citizen can read in less time than the pages of "Gone With the Wind" and the King James version of the Bible combined.

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