

May 17, 2005

Lynch retracts NH support for CAFTA

By DENIS PAISTE

Union Leader Staff

Gov. John Lynch last week wrote to the U.S. Trade Representative, Ambassador Rob Portman, reversing former Gov. Craig Benson's support for several recent or pending free trade agreements, in particular the Central America Free Trade Agreement, or CAFTA.

"I am writing to let you know that New Hampshire will not be participating in the Panama and Andean Free Trade Agreements currently being negotiated," Lynch wrote in a May 11 letter to Portman.

Lynch declined to authorize the state to participate in trade agreements with Morocco, Australia, the nations of the Central America Common Market, the South African Customs Union and the Free Trade Agreement of the Americas.

The CAFTA agreement, first reached in December 2003 with four countries and expanded into a final deal last summer, would over 15 years eliminate most tariffs on industrial goods, consumer products and farm exports among its seven members — the United States, El Salvador, Guatemala, Honduras, Costa Rica, Nicaragua and the Dominican Republic, according to a Washington Post report.

President George W. Bush signed the pact last May, but it needs the approval of Congress, The Associated Press reported. The CAFTA agreement is supported by business groups who say it will open up new markets for U.S. exporters. But many labor, human rights and immigration groups are working equally hard to defeat it because they say it will do little to correct abuses of workers and the environment.

Lynch spokesman Pam Walsh said yesterday CAFTA government procurement provisions could tie the state's hands on a host of issues from requiring recycled content in paper to buying mercury-free products.

"He was uncomfortable signing the state up to participate in a trade agreement that hasn't been ratified by the Senate, whose implications and ramifications are not widely known and some of the provisions of which should be debated here in New Hampshire, for example, changes in state government procurement practices," Walsh said.

In a press release yesterday, Washington, D.C.-based Public Citizen said Lynch's withdrawal of New Hampshire from procurement provisions of CAFTA brought the number of state governments agreeing to be bound by the rules down to 19 out of 50.

Public Citizen spokesman Sara Johnson said CAFTA would bar anti-offshoring legislation and require states to treat foreign suppliers equally to domestic suppliers.

"There is more awareness at this point about the threat that trade agreements pose to state and local sovereignty," Johnson said. "Increasingly, state officials are more knowledgeable about the actual implications of these rules rather than signing on blindly."

Other states that have rescinded their commitments to CAFTA's procurement rules are Iowa, Kansas, Maine, Maryland, Minnesota, Missouri, Oregon and Pennsylvania, according to Public Citizen.