

**THE NORTH AMERICAN TRADE AGREEMENT AND ITS IMPACT ON RURAL COMMUNITIES.**

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This is a day in which many memories from my work with Mexican and Mexican American campesinos are coming to my mind. It was the year 1975 when I was teaching cooperative management skills and business administration out of the Center for Rural Studies "Earthworks", to members of campesino families that decided to end up their migrant and uncertain lives in exchange for the challenge to become owners of their own destiny as new co-entrepreneurs in economic agricultural ventures growing strawberries and broccoli. Most of them today are successful small individual owners of their own lands around the Salinas and Santa Maria valleys.

The Latino populations of California, Texas, New Mexico, Florida, Colorado, etc., are always searching for economic ventures to supplement their income. Trading is not new to us. But trade at a large scale is a different ball game, a game in which traders are interested mostly in their short term benefit even the result of their actions may affect the overall social economic fabric and the environment that surrounds it.

Agricultural business related jobs are just part of the equation to be affected by the trade policies under negotiations. The California, Texas or Florida proposed time line for gradual opening of markets to Mexican produce are useless when the states and the federal government lacking from funds, are unable to promote alternatives to agriculture to solve the economic problems which coming from NAFTA, will affect job markets leaving without jobs and businesses several thousand people.

## 2.

Family farmers out of their lands due to the impossibility to compete with Mexican low prices in most products, leads to a whole system to face a collapse: Agricultural supplies industry (local hardware stores, agricultural machinery, fertilizers, irrigation systems, seeds production and nurseries, trucking industry, processing plants, grading, canning, packing, freezing, drying, shipping, etc.) which leads to unemployment and consequently to lowering of living standards for our communities.

In the State of Florida as well as in California we already have large agricultural US based conglomerates working their ways to increase their exports into the US markets with produce, fruits and vegetables, meats, etc., coming from Mexico or Central America. They are benefiting already- without a treaty even signed- from their enormous capability to move operations to where their comparative advantage is higher (cheap labor, lack of sanitary enforcement of standards, use of stronger pesticides banned already in the US, tax benefits, price controls,).

We as Latinos in the U.S. have a rich history of economic experiences always telling us that trade conceived to concentrate wealth in a few hands ends up in wars. We had the experience of Spain, or Texas not too far away to know how that kind of trade, took out of native lands natural resources and left a legacy of broken communities, cultural impositions, and rules of the game that even today favor the destruction of the environment in the name of progress. This philosophy of trade is today expressed by President Bush in Rio de Janeiro, Brazil, just days ago, when he refuses to sign international United Nations agreements to preserve the Earth and is also a philosophy underlining NAFTA and the GATT (General Agreement on Trade and Tariffs).

This old fashion approach to trade disregards the fact that we all are facing in this planet a challenge : to make use of all our resources for the existence of our societies and the environment that supports them. This old fashion approach does not take into consideration that trade is a instrument not an idol to be venerated by the religion of the un-existent soul of a free market economy, at times in which the global economy is oriented and defined by super rich multinationals without a flag.

Trade and trade policies are important tools to be left out to be controlled by few negotiators. Trade impacts and potentials for benefit should be of the concern to all citizens and specially the ones engaged in trade as entrepreneurs of small or medium size business which here in the United States as well in Mexico, are the ones that make out of trade the most important source of job creation and wealth distribution at the same time that are the ones looking for the future of their families, with children to be feed and educated, the ones with real interests in the development of the communities were they live, not just in a

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price of a share in the New York stock exchange.

The NAFTA effects on agriculture are going to impact the farm business of my former farmworker students and friends at the Salinas Valley. They will realize sooner or later that in order to control their own lives, to be free, it is not enough to own the land and be a productive farmer to stay in business. When broccoli, strawberries, squash, melons, cauliflowers, tomatoes, bell peppers, eggplants, cantaloupes, arriving from Mexico at the local supermarkets to be consumed by shoppers without discriminating by origin, and a little bit cheaper than local produce, then, these farmers are going to be "non-competitive" driven out of production. After consumers are captured by produce coming from Mexico, the profits of firms producing there, will increase prices and their will due to lack of local competition. That is called food dependency.

Large agricultural commodity firms will benefit at the beginning of this treaty. They will sell to Mexicans quality packaged produce from California or Texas for a period of three to five years until Mexican agricultural industry as a whole be able to increase productivity and quality. Then, besides supplying their own internal market, Mexican exports will compete with US agriculture even in areas of fruits such as apples, peaches, and citrus. Why this will be so? Because Mexican agriculture is under deep changes that will open to a different system of land tenure and were modern agricultural firms oriented to foreign markets will replace older government controlled ejidos. Likely this new firms will be moved by large sums of financial capital coming from other areas of the Mexican economy as well as from abroad. In being part of the US market the labor cost differentials in favor of Mexican products will be the prevalent variable to define prices.

A general conclusion done by the American Farm Bureau Research Foundation on their study of NAFTA on FRUITS AND VEGETABLES, points out the need to develop economic alternatives to business that will be going under as a result of the US by NAFTA. But nothing specific is proposed. When we see who is in the farm Bureau we find the answer: too many members are already in Mexico benefiting from cheap labor, lack of pesticide regulation enforcement, tax breaks. When we look for family farmers associations we see a different picture: opposition to NAFTA, pressure on Congress to stop fast track negotiations, need to develop alliances with urban consumers and environmentalist to preserve our family farms.

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In my opinion, the Institute for Agriculture and Trade Policies as well other nongovernmental organizations' strategies to generate alternative policies to the way trade is being implemented is probing to be a real initial step to solve farmers and consumers differences by linking their concerns to healthy food and quality of life in rural communities.

This is done under a different concept that sees trade as important part of the integration process of the human and material resources already taking place in this continent, and not as a competition between people of different countries for survival, which always lead to hate, racism, poverty and wars.

Let us just remember here the multiple expressions of that in the maquiladoras along the Mexican- US border, were human conditions and ecological disasters are taking place in the name of an old fashion concept of trade that poses more value on products and short term profits that in human societies. In a new world vision, to continue that way, is just plain ignorance in economics.

The Institute is promoting dialogues among Canadian, American and Mexican counterparts in setting alternative channels that can complement the real interests of small and medium size family farmers, producers of grains as well as ecologists, consumers and community advocates. For California we expect at the end of the Fall to have an international meeting in Sacramento in which representatives of the whole spectra of the food system that wants healthier lands and foods, can express their views and network alternatives to help each other in different areas, such as using investments from local credit unions in promoting local and international economic ventures that are able to direct market produce among producers and consumers, or to strengthen the existing experiences.

Meetings in Mexico City, Los Angeles, Minneapolis, Seattle, are steps towards defining the ground for international cooperation along with trade. The realization that producers and consumers in the three countries are suffering from the same problems of monopolistic controls on the economy and from governmental regulations imposed on them regardless of their concerns is leading towards implementing direct contacts for developing business between them under concepts related to sustainability of the economy, meaning by that reproduction and expansion of resources for the populations to come.

## 5.

Negotiations on NAFTA are not isolated from other negotiations in the continent. The Caribbean Basin Initiative, MERCOSUR, are just part of a new trend on capital flow purchasing industries that previously were government supported, and now are "privatized" to allow that internationalization to take place. Mexico is being transformed consequently. And assumptions are that we will sell to Mexicans services and products which will benefit our US economy. My question is, why most industries already are in Mexico negotiating partnership with the intention to hire and establish their local labor forces to fulfill the demands foreseen? Are we Latinos in the US going to benefit from NAFTA? How? Changing our current employment into packing due to the exports boom predicted by economic gurus?

Once the tax base for our communities is lost due to the failure of the agricultural system to cope with new realities, communities will loose not just jobs, but revenues for running basic services among them schools. And the ones that are using public services and schools are us.

NAFTA negotiators refusal to deal with the contexts in which the economy rest (environment, labor mobility, migration) are clearly giving us the message that their only concern is for making money. Our cultural heritage tell us that the name of the game is pursuit of happiness which goes far behind what money can bring to us. We want to see our children growing without fears or scarcity, we want to have jobs or businesses that are stable enough to provide a decent income for the acquisition of basic needs, and overall, we want to see our communities stronger to be able to provide a support for its members when they need it.

Finally, we as Latinos should be concerned about our role in this type of economic policies. We do not want to be used or called malinchistas in serving the interests of the few. We want to open with alternative trade negotiations, the roads to people to people businesses and services. A step towards the future, a rejection to the past that oppressed us for so long.