



## ***Committee on Domestic Justice and Human Development Committee on International Justice and Peace***

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### **NAFTA Negotiations**

#### **Comments by the United States Conference of Catholic Bishops on the Renegotiation of the North American Free Trade Agreement (NAFTA)**

Trade agreements have human consequences and moral dimensions; they must be evaluated with reference to the effects that they have on the people of both developing as well as developed countries. The Church believes trade must benefit people, not just markets and economies. It is crucial that these complex, multifaceted agreements include a robust juridical framework that protects the common good and the most vulnerable. Between 1991 and 1993, the United States Conference of Catholic Bishops urged the United States Senate and the U.S. Trade Representatives to make modifications to the North American Free Trade Agreement to ensure that all parties to the agreement would be better able to attain integral human development in their respective societies. The version of NAFTA signed into law by President Bill Clinton on December 8, 1993 left many of our concerns unaddressed.

In 1991, Pope Saint John Paul II called for an economic reality at the service of human beings, one in which the full thriving of all people was the aim of economic activity. He wrote:

“If by ‘capitalism’ is meant an economic system which recognizes the fundamental and positive role of business...as well as free human creativity in the economic sector, then the answer [to whether capitalism should be the path to progress] is certainly in the affirmative... But if by ‘capitalism’ is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative.”  
(Centesimus Annus no. 42)

He further developed his vision for an ethic of the market and integral human development:

“[T]he Church offers her social teaching as an indispensable and ideal orientation, a teaching which... recognizes the positive value of the market and of enterprise, but which at the same time points out that these need to be oriented towards the common good. This teaching also recognizes the legitimacy of workers' efforts to obtain full respect for their dignity and to gain broader areas of participation in the life of industrial enterprises so that, while cooperating with others and under the direction of others, they can in a certain sense "work for themselves" through the exercise of their intelligence and freedom. The integral development of the human person through work does not impede but rather promotes the greater productivity and efficiency of work itself, even though it may weaken consolidated power structures. . . (Centesimus Annus, no. 43).

In an address to the Global Foundation Roundtable in January 2017, Pope Francis referred to unregulated capitalism as “irresponsible globalization” and noted, “Sadly, the dangers that troubled Saint John Paul II have largely come to pass.” He went on to urge us to replace the “globalization of indifference” with a “fraternal and cooperative globalization” that begins with each of us overcoming our indifference to the

needs of the poor, learning instead to have compassion for those suffering. He said, “We need to learn to “suffer with” those who lack access to health care, or who endure hunger, cold or heat. This compassion will enable those with responsibilities in the worlds of finance and politics to use their intelligence and their resources not merely to control and monitor the *effects* of globalization, but also to help leaders at different political levels – regional, national and international – to *correct its orientation* whenever necessary. For politics and the economy ought to include the exercise of the virtue of prudence.”

NAFTA has brought-about an extensive transformation of our country’s bilateral relationship with Mexico, opening-up avenues of economic and cultural exchange, and creating a climate for greater security cooperation. The trade deal has also brought-about economic displacement in our own nation, and especially in rural areas of Mexico. It is critical that we take this opportunity to improve the terms of the agreement, including addressing the root causes of migration that continue to compel many Mexicans to risk the dangerous journey north. Addressing the economic conditions of poor families in Mexico, especially small agricultural producers, as well as growing security-driven displacement, will allow our bilateral relationship to continue evolving for the mutual benefit of our countries.

As we stated in a recent letter to Ambassador Robert E. Lighthizer, the Committee on Domestic Justice and Human Development and the Committee on International Justice and Peace of the United States Conference of Catholic Bishops expressed deep reservations about the possible expansion of intellectual property rights as regards pharmaceuticals-access in the Trans Pacific Partnership (TPP). It is imperative that the NAFTA renegotiation process does not introduce new limitations on the right of sovereign nations to employ national health flexibilities beyond the provisions of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement of 1994, an agreement that already applies to NAFTA member-states. In particular, an expansion of NAFTA’s five-year market exclusivity for pharmaceuticals as proposed in TPP would jeopardize the health of millions as they struggle to support their families.

The renegotiation of the North American Free Trade Agreement offers a unique opportunity for you to address and reorient our approach to globalization. We encourage you to consider the following moral principles to evaluate any proposed trade deal:

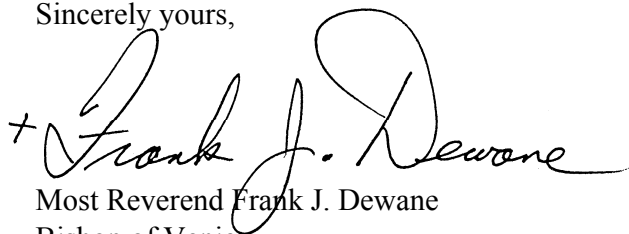
- **Migration.** If migration is to be reduced, we believe that it must be done through alleviation of the conditions that impel people to leave their homelands. Any trade or investment agreement should be designed in a way that would aim to reduce the need to emigrate.
- **Labor Protections.** The Church teaches work has inherent dignity. We support the protection of worker rights, including the right to organize, as well as compliance with internationally-agreed worker standards. Our concern with job loss in our own urban and rural communities requires that any agreement be accompanied by firm commitments to help U.S. workers, as well as their families and communities, cope with both the social and financial strain of dislocation that free trade might bring about. Similarly, our concern extends to the human rights implications that any U.S. action can have for the people of other countries, especially developing nations. In particular, this requires that special attention be devoted to safe working conditions, reasonable work hours, time off, living family wages, and other recognized social benefits. This also demands commitments to provide aid, either directly or through international institutions, to displaced workers and their families in countries affected by the agreements.
- **Indigenous People.** Catholic bishops throughout the world minister extensively among indigenous groups. Out of respect for their cultural heritages and in view of their need for economic development, we hope that the United States will ensure that commercial agreements honor the

patrimony of these indigenous communities, and that the communities share equitably in the benefits of any commerce which uses their traditional knowledge or natural resources.

- **Agriculture.** Our brother bishops at home and abroad, along with other partners with whom we work, have expressed grave fears about the vulnerability of small agricultural producers when confronted with competition by large-scale agricultural producers that enjoy a notable advantage due to U.S. government policies. Any agreement should promote the agricultural sector of developing countries and protect those who live in rural areas in our own nation.
- **Sustainable Development and Care for Creation.** Increasing global economic integration holds potential benefits for all participants, but it should do more than simply regulate trade and investment. The essential link between preservation of the environment and sustainable human development requires prioritizing attention to the environment and health of communities, including assistance to poor countries that often lack sufficient technical knowledge or resources to maintain a safe environment. Agreements should include relieving the crushing burden of external debt held by poor countries and should support development that increases self-reliance and broad participation in economic decision-making.
- **Intellectual Property Rights.** We are also concerned about intellectual property rights provisions regarding pharmaceuticals and agriculture. The Church locates intellectual property rights within the broader framework of the common good and believes these rights should be balanced with the needs of the poor for access to medicines and to food.
- **Dispute Resolution Mechanisms.** We question the merits of requiring sovereign parties to international treaties to agree to binding international arbitration as the forum for dispute resolution. Such a path may lead to unfair advantages for commercial interests willing to exploit the rules of the arbitral system and may result in the weakening of important environmental, labor, and human rights standards.
- **Participation.** It is critical the people have a voice in decisions that touch their lives. Human dignity demands transparency and the right of people to participate in decisions that impact them.

As pastors and teachers in a global Church, our experience of the impact of trade and other aspects of economic integration, their possibilities and perils, is both broad and deep. We stand ready to work with you to ensure that policies are informed by these criteria.

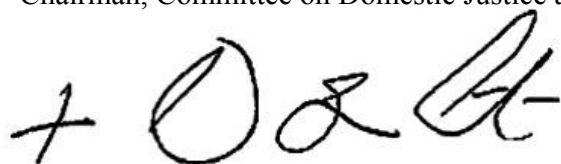
Sincerely yours,



Most Reverend Frank J. Dewane

Bishop of Venice

Chairman, Committee on Domestic Justice and Human Development



Most Reverend Oscar Cantú

Bishop of Las Cruces

Chairman, Committee on International Justice and Peace