

WEDNESDAY, FEBRUARY 09, 2005 12:00

## NAFTA still getting mixed reviews in South Carolina

### Federal director sings praises of agreement in Lowcountry speech

**BY KRIS WISE**

Of The Post and Courier Staff

A decade after the North American Free Trade Agreement was adopted, a lot of people still aren't sure whether NAFTA has helped stir South Carolina's economy or instead spurred company closures and unemployment.

Supporters of the relaxed trade rules cite South Carolina's growing agricultural exports to Canada and its ties to Mexico automotive industry as NAFTA success stories. NAFTA opponents point to the state's declining textile industry as proof that new rules have allowed cheaper imports to overwhelm the market.

"In addition to job losses, NAFTA has been blamed for pretty much everything right down to the weather," said Andrew Rudman, director of the federal NAFTA office. "The image many times is still just of cheap Mexican labor gluing things together, but that's just not the reality anymore."

Rudman, speaking Tuesday at the Charleston Women in Trade meeting, rattled off a string of statistics showing how the state has benefited from the controversial free trade agreement.

South Carolina's exports to Canada and Mexico have increased 187 percent since it kicked in, and consumers nationwide are estimated to save almost \$1,000 a year on goods made cheaper because of the relaxed trade rules among the three countries, he said.

Despite the favorable figures, the public's perception of NAFTA hasn't changed much since the heated political debates of 1994, when the trade deal took affect.

A 2004 pre-election survey of South Carolinians, done by a Democratic polling firm, showed about 67 percent of them wanted more restrictions on North American trade. They blamed it for the loss of more than 50,000 textile jobs in the state just since 1990.

On the other hand, textiles is an area Canada is now pushing as a potential cash cow for the state's exporters. Since NAFTA took affect, Canada has been South Carolina's second-largest trade partner, with raw textile exports topping \$2 billion a year.

U.S. cotton exports to Mexico also have jumped since 1995, rising to 2.2 million bales a year from 560,000 bales, according to the U.S. Department of Agriculture. Mexico receives the fourth-largest amount of South Carolina exports, worth about \$752 million a year.

Half the jobs created now in Mexico are related to growing trade spurred by NAFTA, and those employees earn about 31 percent more than workers in other sectors.

Rudman said many Americans miss out on the direct benefits of such growth in struggling foreign nations, especially when they see the U.S. economy also lagging.

However, he noted, "As you increase jobs in Mexico, you decrease the need for Mexicans to legally or illegally immigrate

to the United States and you increase Mexico's demand for goods."

The International Trade Administration says for every \$1 of disposable income Mexicans spend, 70 cents goes toward U.S.-made goods.

---

This article was printed via the web on 2/9/2005 1:50:50 PM . This article appeared in The Post and Courier and updated online at Charleston.net on Wednesday, February 09, 2005.