

Citizens Trade Campaign

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In Blow to Corporate-Driven Agenda, U.S. Forced to Complete a Scaled-Down CAFTA Without Costa Rica

Agreement Remains a Threat to Workers, Environment, Public Health, Faces Uphill Battle in Congress

WASHINGTON – U.S. negotiators announced the completion of Central America Free Trade Agreement (CAFTA) talks today, but with only four nations after Costa Rica walked out yesterday, objecting to U.S. demands that it open its telecommunications and insurance industries to privatization. CAFTA, if passed by Congress, would in effect create a NAFTA-style relationship between the U.S. and the Central American countries of El Salvador, Nicaragua, Honduras, and Guatemala. The Dominican Republic would also be annexed to the agreement, as well as Costa Rica, potentially. CAFTA would have to be approved by the U.S. Congress and by the governments of the Central American nations next year before it could take effect.

Because of concerns over workers rights, investment, access to medicines, the anticipated impact on the sugar and textile industries, strong Congressional opposition to the agreement is expected. A recent U.S. Zogby poll found that the majority of respondents opposed extending NAFTA to other Latin American countries. At a news conference earlier this month, Rep. Sander Levin (D-MI) suggested that CAFTA would fail in Congress due to contentious issues.

“You have Costa Rica walking out of CAFTA talks because it refuses to adopt the Worldcom-Arthur Anderson model of telecom and financial services deregulation, the FTAA nearly imploding in Miami over U.S. demands for expansive investor and intellectual property protections, and the WTO melting down in Cancun,” said Lori Wallach, Director of Public Citizen’s Global Trade Watch. **“What will it take before the Bush Administration stops desperately pushing the same old NAFTA model that has so clearly failed?”**

“CAFTA would further undermine workers’ rights in Central America and in the U.S.,” said Bill Klinefelter, Legislative and Political Director of the United Steelworkers of America. **“Moving forward with this agreement without ensuring safeguards for workers shows clearly that CAFTA is designed to benefit huge multinational corporations at the expense of the workers who make their products. CAFTA would strike a blow against working families in Central America and in the U.S.”**

Another controversial aspect of the agreement are the new rules it would impose on countries over pharmaceutical patents for life-saving drugs. **“CAFTA as completed would deny vital medicines to AIDS and HIV patients,”** says Gretchen Gordon, Director of Citizens Trade Campaign. **“The Bush Administration is going to bat for big drug companies’ patent profits while people with AIDS are literally dying for their medicines.”**

The Citizens Trade Campaign (CTC) is a national coalition of environmental, labor, consumer, family farm, religious, and other civil society groups founded in 1992 during the fight over the North American Free Trade Agreement (NAFTA). CTC members include the National Family Farm Coalition; United Methodist Church General Board of Church and Society; Public Citizen; International Brotherhood of Teamsters; UNITE!; Friends of the Earth; the United Steelworkers of America; United Students Against Sweatshops; Communications Workers of America; Western Organization of Resource Councils; American Lands Alliance; Institute for Agriculture and Trade Policy; Alliance for Sustainable Jobs and the Environment; and Defenders of Wildlife, as well as regional, state, and city-based coalitions, organizations, and individual activists throughout the United States.

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