

To the United States People and Members of Congress

Free trade effectively began in Honduras in 1990. It has led to the massive closure of local agricultural and industrial businesses, causing unemployment of more than a million people, the majority of whom were compelled to illegally migrate to the United States, join the informal economy or engage in criminal activities. Just 130,000 found precarious jobs in the maquiladoras. Poverty increased to 80%; the gap between rich and poor grew; imports increased to twice as much as exports; the foreign debt nearly doubled; the balance of payments deficit rapidly increased; and corruption and citizens' insecurity increased. How can you approve a free-trade agreement that will worsen the Honduran people's economic and social conditions and those of people whose governments have ratified the accord behind their backs and against their will?

The Honduran popular organizations endorsing this letter write to the U.S. people and Members of Congress in reference to the so-called free-trade agreement among the countries of Central America, the Dominican Republic and the United States (DR-CAFTA) to express the following concerns:

1. Free trade was imposed on us as a condition of so-called "development assistance", with the promise that we would export more, there would be more employment; we would receive massive foreign investment; we would rise out of poverty and indigence; and democracy would be strengthened; and that all of this would occur with respect for our sovereignty. To the contrary, this has only brought greater failures:
 - 14 years later, we were officially classified as a highly indebted poor country.
 - Accumulated inflation in the 14 years since trade liberalization began is 186%.
 - The National Industrial Association (Asociación Nacional de Industriales – ANDI) has declared the bankruptcy of three businesses a day because of the measures imposed under the name of "development assistance".
 - The bankruptcy of many small, medium and large agricultural businesses has contributed to increased food insecurity and unemployment of more than a million people, while the maquiladoras absorbed just 130,000.
 - Foreign debt increased from just over US\$3 billion in 1990 to more than US\$5 billion today. The tendency towards indebtedness will continue due to the fact that the country imports double what it exports.
 - Monetary liberalization has resulted in capital flight and has not brought massive investment.
 - Under trade liberalization, poverty and indigence in Honduras have increased to 80% of the population, out of a total of approximately 7 million people.
 - Official and private corruption have reached unprecedented levels as a result of privatization, fiscal fraud and the sale of passports to people from other countries to travel to the United States.
2. Under "free trade agreements" the winners are transnational corporations, not the U.S. or Honduran people. The enormous unemployment in Honduras makes it impossible to apply national labor laws or International Labor Organization (ILO) conventions, and hunger compels workers to accept the labor conditions imposed in the maquiladoras,

including temporary contracts and unreachable production quotas with tendencies toward enslavement. DR-CAFTA would legalize these practices because its labor chapter is not categorical, it is ambiguous, and speaks partially of some rights without guaranteeing any of them.

3. DR-CAFTA would not only make work in Honduras precarious, it would also do so in the United States, since many workers from the countries signing DR-CAFTA would continue to be expelled to the United States, thus increasing the labor supply of immigrants and directly affecting the labor force in your country.
4. Central America integration would be weakened under DR-CAFTA. One of the effects of the accord would be the near elimination of intra-regional trade with the consequent closure of local businesses, whose operations would be taken over by transnational corporations. This would further increase unemployment and illegal migration to the United States.
5. Some Central American Presidents are campaigning for DR-CAFTA, telling U.S. Members of Congress that the agreement would stimulate trade and investment and that it would benefit our people. To the contrary of what these presidents, and particularly the President of Honduras, are saying, the Honduran social movement expresses its rejection of DR-CAFTA because of its negative consequences and because it was negotiated, approved and ratified in an anti-democratic manner and behind the backs of the people.

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Bloque Popular

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Centro de Derechos de Mujeres

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