

# Citizens Trade Campaign

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## **NAFTA's 10-Year Record of Failure**

### **Statement of Gretchen Gordon, Director:**

This month marks the 10<sup>th</sup> anniversary of the North American Free Trade Agreement (NAFTA). Far from a milestone of economic progress and prosperity, nor a step forward for workers through higher wages and better labor conditions, NAFTA has been a miserable failure for workers, small farmers, and the poor across the continent. NAFTA's impact on the environment, public health, and even democracy itself has also been profoundly negative, posing new dangers to the air we breathe, the food we eat, the water we drink, and to the ecosystems upon which we depend for our survival.

Whereas some NAFTA proponents promised that NAFTA would reduce the U.S. trade deficit, the reverse has been true. The deficit is now five times greater with Canada than it was before NAFTA and the deficit with Mexico is up to a staggering \$37 billion. The U.S. has become the largest debtor nation in the world, with even the IMF warning that its deficits threaten the world economy. NAFTA has helped to create this unsustainable and unhealthy situation.

NAFTA proponents promised an annual 170,000 new U.S. jobs. Instead, NAFTA only delivered unemployment as millions were thrown out of work, usually when their corporate employers relocated factories to other countries. Workers who lost these jobs have often at best had to settle for precarious service sector employment, earning far less. Now, new trade agreements threaten even these service sector jobs.

NAFTA has been a tremendous tool for large corporations to wield over their workers. Now, all a company has to do to squelch union-organizing is threaten to relocate to Mexico. Big business knows that in the Mexican maquiladoras that have proliferated since NAFTA's implementation, labor rights are trampled and legitimate trade unions are few.

Mexico has been blind-sided worst of all by the NAFTA steamroller. Mexican farmers have been driven off their land in droves as agribusiness giants like Archer Daniels Midland dumped corn onto the Mexican market. Many Mexican farmers were forced into jobs in the maquiladoras where they toil for a mere \$5 to \$4 a day. Today over half the population does not earn enough to cover basic needs.

NAFTA's notorious Chapter 11 provisions that allow foreign investors to sue governments have put corporate profits above the health and well being of communities throughout North America. They have held endangered species and vital ecosystems hostage and undermined state, local, and federal democratic institutions.

NAFTA has been a poison pill shoved down the throats of working families and the poor. Now the Bush Administration wants to force the same bad medicine on the people of Central America with CAFTA, on the people of the Dominican Republic, and again subject the American people to more of the same lost jobs and devastated communities. It is long past time to reject the NAFTA model in favor of a trade policy that promotes societal goals such as economic justice, human rights, healthy communities, a sound environment, and democracy.

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