CAFTA Not Good For Americans

This past Friday, May 28, 2004, the President signed CAFTA, the Central American Free Trade Agreement. Now its fate lies in the hands of Congress, and many observers believe that because CAFTA is so controversial, it won't come to a vote before the November 2 presidential election. And many others are betting that the American public isn't paying attention to this issue anyway..

CAFTA is NAFTA (North American Free Trade Agreement) expanded to all of Central America.

If you've been paying attention to NAFTA over the past ten years, you have noticed the loss of jobs in this country. In fact, according to "Policy Matters Ohio," Ohio has experienced a net job loss of 244,000 non-agricultural jobs between 1999 and 2003. PMO states, "trade-related job loss is a significant factor" in reducing manufacturing employment in Ohio.

But did you also know that NAFTA has resulted in a decrease in our meat inspection rules to make them less restrictive in order to protect corporate profits? Did you know that NAFTA has worked similarly at "least restrictive" rules for auto and truck standards, pesticides, food additives and animal diseases, just to name a few areas impacted by "free trade?" Did you know that it is NAFTA that gave corporations new patent rights that resulted in the increase of medicine costs? And did you know that NAFTA has created an alarmingly high rate of destruction of family farms in Mexico, Canada and the U.S.? According to "Public Citizen," 38,000 small U.S. farms have gone under since NAFTA, at least 1.5 million Mexican farmers have lost their livelihoods, and nearly 50,000 Canadian farmers have been forced off their land.

And chances are you haven't read anything in the news about NAFTA's Chapter 11 Investor Rights provisions. This little-known provision is systematically draining our taxpayer dollars by permitting corporations to sue any NAFTA country (or state or municipality) if the domestic laws of that entity are in any way "compromising" the profits of that corporation. In other words, multi-national corporations can override those laws that exist to protect us, and our environment, and our food, water, and air, and they are given these rights by NAFTA. To add insult to injury, these Chapter 11 cases are determined in private tribunals with limited public input!

California learned about Chapter 11 the hard way. The state implemented a ban on the gasoline additive MTBE because it is a suspected carcinogen and they found many cases of water contamination from MTBE. The Canadian company Methanex has sued the State of California under NAFTA's Chapter 11 for \$970 million for their perceived lost profits. (Over 20 such cases like this have occurred under NAFTA, demanding nearly \$14 billion in compensation!) So much for democracy!

We pay a very dear cost for this so-called "free trade" agreement! In reality, it is not "free trade;" rather, it is a giant corporate give-away! Our only hope is that Congress won't sell out our human rights, environmental protections and democracy by voting in favor of CAFTA. Make sure your

congressperson knows that your vote for her/him is contingent upon their refusal to sell-out the American public to corporations that would take advantage of these trade provisions! Make sure your congressperson knows that you are paying attention!

Karen Hansen Ohio Conference on Fair Trade Columbus