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On Eve of Central American Presidents' Visit to Washington, Analysts Express Grave Concerns Over Aspects of Trade Agreement Farmers, Workers, Local Government to Bear Brunt of Negative Effects; Deadline for CAFTA Negotiations Should Be Extended

Washington, DC, April 9— Bush Administration officials await the arrival tomorrow of the presidents of five Central American nations—Nicaragua, Guatemala, El Salvador, Costa Rica, and Honduras—with whom they hope to negotiate a regional trade agreement set to be signed at the end of this year. US Trade Representative Robert Zoellick and others in the administration have promoted the agreement as a tool to reduce poverty and aid development in Central America. However, a broad group of analysts from labor, development, human rights, and farm organizations today issued statements of grave concern over the potential impact of the agreement on Central American farmers, workers, and local governments.

They also expressed alarm over the way the negotiation process has gone forward: three months into the negotiations, no text has been made public, and only select sectors—most representing business interests—have been consulted on the content of the agreement. Over sixty national and local organizations in the United States signed a letter that was delivered today to President Bush, urging him to extend the deadline for CAFTA negotiations so that the mechanisms for a transparent and participatory negotiation process could be created.

The following analysts are available for interviews on this topic:

Vicki Gass, Senior Associate for Economic Issues and Brazil, Washington Office on Latin America (202/797-2171; vgass@wola.org): "We are very concerned that the trade negotiations are taking place in a non-democratic manner without transparency or the informed participation of civil society actors in Central America or the United States. For any trade agreement to be legitimate, the deadline must be extended, the text made public, and the mechanisms created for participation in both the negotiation process and the implementation of the agreement."

Karen Hansen-Kuhn, Trade Program Coordinator, The Development GAP (202-898-1566; khk@developmentgap.org): "NAFTA, the FTAA draft text, and the U.S.-Chile agreement all include language that gives foreign investors the right to sue governments over public-interest laws that might undermine their profits. This provision has been used, for example, against a Mexican community's ban on a toxic-waste dump, against a California law banning a carcinogenic gasoline additive, and against Canadian government subsidies to its postal system. It is an undemocratic and unfair mechanism that should not be duplicated in CAFTA or any other trade or investment agreement, but all evidence indicates that is exactly what the U.S. negotiators intend to push."

Stephen Coats, US Labor Education in the Americas Project (PHONE, usglep@igc.org): "Current U.S. trade policy helps enforce international standards on worker rights. For example, U.S. trade requirements forced Guatemala a few years ago to reform its labor law, raise the minimum wage, and increase sanctions for worker rights violations. However, new trade agreements accept local labor laws as they are—and local labor law in Latin America is often far below international norms. This Administration is negotiating trade agreements that will set back U.S. commitments to protect worker rights by two decades."

Dena Hoff, US farmer from Montana, National Family Farm Coalition (406-687-3645): “As a US farmer, I urge the Latin American presidents to study carefully the documented disastrous effects of the North American Free Trade Agreement on the farmers and workers of Canada, Mexico and the United States. Before any further negotiation on CAFTA takes place, farmers, workers and other sectors of the population must be given a chance to participate in the design of the agreement, so that vulnerable groups, especially farmers, are not driven further into poverty and food insecurity. Most US lawmakers did not even read the NAFTA agreement in its entirety before voting to approve it, leaving their citizens, especially family farmers, to pay the price. For the sake of your rural communities, please do not repeat this mistake.”

Adriana Beltrán, Program Officer for Guatemala, Washington Office on Latin America (202-797-2171; abeltran@wola.org): “Questions abound about the speed in which CAFTA is being negotiated, and the impact that a hastily negotiated agreement could have on Central American citizens. But there are other issues raised by the signing of a trade agreement with governments of countries where human rights are regularly violated. For example, Guatemala's failure to live up to its 1996 peace accords, and credible allegations of government corruption and organized crime involving current and retired members of the security forces, bring into question its inclusion in the trade pact. The government's recent agreement to establish a commission to investigate illegal armed groups, corruption and organized crime is a step forward, but much remains to be done to eliminate corruption and protect basic human rights.”

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