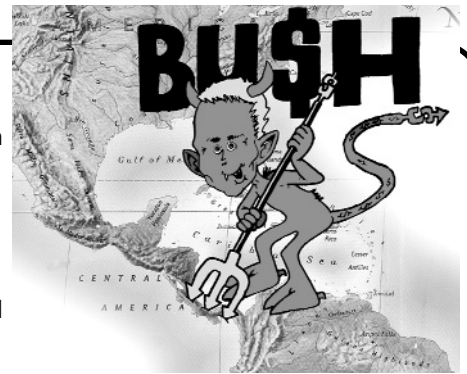


STOP CAFTA!

Formal negotiations for CAFTA, the Central American Free Trade Agreement, began in January of 2003. CAFTA is a proposed commercial pact between the United States and five countries in Central America: El Salvador, Guatemala, Nicaragua, Honduras, and Costa Rica. The name sounds familiar because it is modeled after the now-infamous NAFTA which has had devastating effects on the environment, workers and farmers in the United States, Canada, and Mexico.

CAFTA, like NAFTA before it, is part of the project to spread "free" trade, corporate power, and US political and economic domination throughout the Americas. That project has a name: The Free Trade Area of the Americas, or FTAA, a hemisphere-wide trade deal that is being forced upon the region with renewed vigor by the Bush Administration.



With CAFTA negotiations underway, now is a critical time to mobilize against "free" trade. Organizing to stop agreements like CAFTA and the FTAA is part of the fight for more just commercial relations in the world. Stopping CAFTA could destroy the FTAA!

Who wants CAFTA?

President Bush and multinational corporations are pushing CAFTA because they see a large potential market for US exports. Eliminating taxes and tariffs in Central America would lower production costs and increase corporate profits, while also benefiting large banks and foreign investors. In effect, CAFTA would turn Central America into one giant free trade zone, under the control of giant corporations.



Central America: Achilles Heel of "Free" Trade

El Salvador and Central America are a strategic spot on the path to hemispheric free trade. For years, Central America has served as a testing ground for key elements of the US' model of corporate globalization. Plan Pueblo Panama has initiated a massive regional project aimed at modernizing and integrating Central America's infrastructure (roads, seaports, and airports) to facilitate "free" trade. In 2001, dollarization was illegally imposed in El Salvador. Free Trade Zones abound in Central America, where sweatshop conditions and starvation wages are the norm.

Central Americans are mobilizing against this neo-colonial corporate scam. Unions, environmental organizations, women's groups, farm workers, marginalized communities, and left political parties are taking to the streets and organizing in opposition to any trade deal that puts corporate profit before human needs. In El Salvador, resistance to corporate globalization led to the victory of the FMLN in the legislative and municipal elections of 2003; the left-wing party has become the largest in the Salvadoran legislature, and governs 60% of the population at the local level. The FMLN strongly opposes CAFTA and could win the presidency in 2004.

CAFTA Would Punish Workers

In Mexico and the United States, the arrival of NAFTA in 1994 did not bring better jobs as its advocates had promised. Rather, millions of well-paying jobs left the US to be replaced by insecure low-wage employment. Mexico has also seen an abrupt decline in wages and an increase in the poverty rate. Between the years 1994 and 2000, the purchasing power for the poorest 80% of Mexicans dropped 39 percent.

Sweatshop or maquila jobs are the reward for countries that create an "attractive investment climate" by busting labor unions, cutting workers' benefits and worsening labor conditions in a "race to the bottom." The Salvadoran government has promised business leaders that it will apply the rural minimum wage to work in the maquilas, reducing salaries by over 40%. Salvadoran Economic Minister Miguel Lacayo told US business leaders in 2002 that CAFTA would create a "favorable investment climate" by lowering the level of trade union organizing in the country.



The STISSO healthcare workers union in El Salvador marches against privatization and CAFTA

The privatization of electricity in California led to power shortages and price hikes; in El Salvador it has been even worse. Prices have gone up over 400% since electricity distribution was privatized, and services in many rural areas have been cut off. US-based corporations fired union members only to hire them back as non-union labor at lower pay and with no benefits.

CAFTA Would Erode Democracy

Working hand-in-hand with privatization, free trade deals like CAFTA weaken regulatory measures and open the way for increased corporate exploitation in poor countries like El Salvador. The recent corporate scandals show how crooked corporate giants in the United States use the deregulated "free" market to destroy lives in the name of profit. It's no coincidence that Enron – facing scandal in the US – is setting up shop in Nicaragua and other third world countries.

CAFTA would give companies free reign in Central America, obliterating the democratic process by robbing citizens and communities of their power to shape their own society. The insidious Chapter 11 of NAFTA, which, gives corporations the right to sue governments for inhibiting "profit-making potential" would be included in CAFTA and the FTAA.

...And Destroy Agriculture

In Mexico, NAFTA devastated a once strong agricultural sector, leading to massive campesino protests and a pledge by President Fox to renegotiate the agreement. Central American economies have traditionally been agricultural based; in El Salvador, agriculture accounts for 30% of employment opportunities. Small farmers have condemned CAFTA for what it is: an asymmetrical agreement that will destroy a Central American agricultural sector that simply cannot compete. Years of governmental neglect and recent natural disasters have devastated farmers. CAFTA would introduce heavily subsidized US agricultural imports, thereby completely wiping out what remains of the fragile farming sector.

...And Lead to the Privatization of Public Services

"Free" trade agreements like CAFTA mandate the privatization of public services. These agreements see governmental support of public services such as water, education and healthcare as unfair "barriers" to trade and competition. However, privatization benefits only a tiny political and economic elite at the expense of the general public. For most, it has meant higher prices, poorer service, union busting and worsening labor conditions.

¡The People Respond with Solidarity and Resistance!

In Central America, the push for CAFTA has been countered by grassroots activism and massive organizing. The resistance began when George Bush visited El Salvador in 2002 to promote CAFTA and was met by angry protests. A prolonged healthcare strike in El Salvador has brought attention to the ill effects of privatization and "free" trade. Tens of thousands protested in Costa Rica when CAFTA negotiations began, and even more took to the streets in San Salvador in April, forcing 1500 police and military personal to surround the hotel where negotiations took place. The FMLN party helped organize the protests and pledged to use its voice in the new congress to stop CAFTA!

Join the people of Central America and organizations throughout the US in building an international struggle to defeat corporate globalization: join the fight against CAFTA!!



CISPES

Committee in Solidarity with the People of El Salvador

Call CISPES at 212 465 8115
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