

The President has approved a far-reaching trade deal called the Central American Free Trade Agreement, also known as CAFTA, which has many of the problems of NATO and GATT, will severely victimize the middle class and working class, harm our environment, our values, and benefit rich corporate-connected upper classes. If two thirds of the U. S. Senate approves it, CAFTA will become the law of the land.

- CAFTA would allow corporations to circumvent domestic courts and sue governments over environmental, public health, or public safety protections in secret trade tribunals. NAFTA and WTO have featured secret trade tribunals which have overturned the Marine Mammals protection act and required governments to pay polluting corporations for harm to profits resulting from when corporations failed to obey environmental laws and obtain local permits (See in the Metalclad case featured in "Trading Democracy.", a Bill Moyers report. )
- CAFTA is worse than NAFTA because the definition of what counts as an "investment" over which a corporation can sue is broader in CAFTA than NAFTA. These tribunals can accept appeals directly from a corporation even if the country itself hasn't approved appeal from the corporation.
- Corporations as well as governments are the judges on these tribunals. The proceedings are secret and the public cannot see what decisions they have made.
- CAFTA forces our government to bid out for certain essential services, forcing privatization regardless of the will of the public or legislators. The CAFTA agreement is "top-down," meaning it would cover all services unless a country explicitly excludes a service. The services rules in CAFTA would apply to federal, state, and local regulation of services.
- Intellectual property rules under CAFTA reduce the limited ability of governments to make generic medicines available for public health crises such as HIV/AIDS.
- CAFTA could devastate small farmers in both the U.S. and Central America. The elimination of an effective price floor would force down market prices, allowing corporate agribusiness to sell their products at far below cost. Under NAFTA, huge multinational agribusinesses all but wiped out Mexican corn farmers – forcing many of them to either seek slave labor jobs in maquiladoras or emigrate to the U.S.
- CAFTA would open the door to imports into the U.S. of crops such as sugar, threatening to wipe out thousands of small sugar beet farmers and devastate rural communities in Maine.
- CAFTA would restrict government procurement policies such as living wage laws, anti-sweatshop policies, "buy local" preferences, and human rights procurement legislation. These restrictions would apply to state procurement for any states that sign on to the agreement and federal procurement.
- CAFTA has no meaningful enforced workers' rights protections. CAFTA only applies to failure of signatory nations to enforce their existing labor laws – regardless of the fact that Central American countries laws are substantially below international standards. Significant loopholes make it difficult to take action against countries that have repeatedly failed to enforce its laws to attract investment.
- *Human Rights Watch* characterized the labor rights enforcement provisions in CAFTA as "clearly inadequate for Central America, where the failure to enforce existing labor laws is egregious, systemic, and, in some cases, largely attributable to a lack of political will."