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Joan Claybrook, President

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Contact: Todd Tucker (202) 454-5105
Valerie Collins (202) 588-7742

Rep. Edolphus Towns (D-N.Y.) Reverses Strong CAFTA Opposition, Becomes Prominent Flip-Flopper and Casts Deciding Vote for Expansion of NAFTA to Central America

Towns Made Passionate Congressional Floor Speech in 2004 Declaring His Opposition to CAFTA Because “Multinationals Will Emerge as Main Beneficiaries from CAFTA Ratification”

Public Citizen Launches CAFTA Damage Report to Track Results of Misguided CAFTA Votes

WASHINGTON, D.C. – The Nov. 19, 2004, congressional floor speech of Rep. Edolphus Towns (D-N.Y.) left no doubt that he opposed a proposed Central America Free Trade Agreement (CAFTA). The lengthy statement described, in detail, why CAFTA would harm most people in the affected nations. Yet nine months later, on July 27, Towns cast a decisive vote in favor of CAFTA that allowed the controversial trade pact to eke through the U.S. House of Representatives 217 to 215. Although the CAFTA text was unchanged between Towns’ 2004 speech and the congressional vote on the six-nation expansion of NAFTA, Towns provided one of the deciding votes in favor of the trade agreement. Had he stuck with his opposition to CAFTA, the agreement would have been defeated on a 216-216 tie vote.

In Towns’ anti-CAFTA floor statement, titled “Multinationals Will Emerge as Main Winners from CAFTA Ratification,” Towns argued that CAFTA’s “underlying principle is the aggressive protection and expansion of individual and corporate investor rights. These privileges come at the expense of environmental protection, legislative independence, and a nation’s right to autonomously determine social and economic policy. Despite the assurances of its proponents, the Central America Free Trade Accord (CAFTA) [sic] is not likely to translate into a significant improvement for the region’s atrocious labor rights record because it does not institute the fixed penalties and incentives required for such a profound change. The absence of such provisions is especially distressing in Central American societies that, in a twisted and deadly caricature of respectable collective bargaining, have historically witnessed hundreds of labor leaders gunned down and intimidated by hired hands on the payrolls of land owners and factory managers.” The four-page statement goes on to argue that CAFTA was negotiated in an un-transparent way, on “uneven ground,” will offer “no new labor protections,” and will “handcuff [...] the state” from promoting economic development.¹ Towns’ statement is available at http://www.citizen.org/documents/Towns_CAFTA_Speech.pdf

Despite these strong words – one of the fiercest and most eloquent criticisms of CAFTA given by a member of Congress – Towns cast a decisive vote in favor of CAFTA. CAFTA was opposed by all but 15 Democrats in the U.S. House of Representatives, and all New York Democrats except Towns and Rep. Gregory Meeks (D-N.Y.). New York senior Democrat Rep. Charlie Rangel, who represents Harlem and is the ranking member of the House Ways and Means Committee, which is responsible for trade policy, opposed CAFTA. To track the damage Towns’ flip-flop vote will cause his constituents, Public Citizen is launching the *CAFTA*

Damage Report, a publication that will monitor CAFTA's effect on working families, consumers and the environment in the United States and CAFTA target countries.

"Rep. Towns' alarming flip-flop on CAFTA was a shock," said Lori Wallach, director of Public Citizen's Global Trade Watch. "The Rep. Towns of November 2004 – who made a congressional floor speech passionately criticizing CAFTA – sounded like a leader of the global justice movement, so clear was his analysis of the problems with the NAFTA model of trade agreements. This leaves his constituents to angrily ask how he could have provided one of the deciding votes that passed CAFTA."

In the days following the CAFTA vote, *Roll Call*, *The Hill* and *CongressDaily* – periodicals that track Congress – cited senior Democrats and congressional aides commenting on Towns' and other Democrats' pro-CAFTA votes in the following terms:

- "There's going to be a lot of discussion at the meeting, [of House Democrats] however it's going to focus on a certain group of Members who have no explanation for their votes. That's what it's going to focus on," said a senior Democratic aide. "There are a handful of members who have explaining to do." Another leadership aide said, "There are Members who don't seem to have any sort of reason for voting the way that they voted." [...] Several Democratic sources said Pelosi and other House leaders are particularly upset with New York Reps. Greg Meeks and Ed Towns, members of exclusive committees with safe seats, who voted for CAFTA."²
- "Fifteen Democrats voted for CAFTA, some out of political necessity. But support by other members raised the ire of prominent Democrats who were seeking to send a party message on what they viewed as a flawed treaty. 'They are 15 different people, 15 different constituencies, and I think the judgments will be different for different people,' Pelosi told reporters Thursday. 'But we thought it was unfortunate to have missed the opportunity to change how people viewed free-trade agreements.'"³
- "This time, Democratic ire fell on those among the 15 who did not face pressure from their districts to back the measure, focusing on such members as secure New York Democrats Greg Meeks and Ed Towns."⁴
- "In an interview with *CongressDaily*, Ways and Means ranking member Charles Rangel, D-N.Y., expressed disappointment in the final tally but opted not to speak directly to Meeks and Towns' support of the bill. 'I am very, very political but I have to admit with these two people, who are my friends, it's very, very personal,' he said."⁵

The questions to be answered by the *CAFTA Damage Report* include:

- **Did Towns receive corporate campaign funding pledges for his CAFTA vote?** "Some of my friends cast their votes for special interests," said Rep. John Lewis (D-Ga.), Democratic senior chief deputy whip.⁶ Thus far in the current election cycle, three of Towns' top six campaign contributors are Pfizer Inc., GlaxoSmithKline and Abbott Laboratories; other contributors include Eli Lilly & Co., Merck, Novartis and Bristol-Myers Squibb.⁷ All of these corporations are part of the pharmaceutical lobby, which made passing CAFTA a major legislative priority because CAFTA contains intellectual property rules that would cut off access in Central America and the Dominican Republic to cheaper generic drugs. The pharmaceutical companies hope that eliminating competition from generic drugs will force more purchases of expensive brand-name anti-retrovirals for treating HIV-AIDS and antibiotics used for treating malaria and tuberculosis, all of which plague Central America.⁸ However, according to Doctors Without Borders, Oxfam and ACT-UP, CAFTA's patent provisions would simply make it much more difficult for impoverished Central Americans and Dominicans to obtain affordable medicine, dooming the hundreds of thousands who have HIV-AIDS to avoidable deaths. The *CAFTA Damage Report* will track and publicize Towns' campaign contributions from corporations that pushed CAFTA and the damage CAFTA's patent rules cause to poor patients in the Dominican Republic and Central America, who will be

cut off from access to affordable drugs necessary to keep those with HIV-AIDS, tuberculosis and malaria alive.

- **Did Towns accept a meaningless promise from the Bush administration in exchange for his CAFTA vote?** Some of the 15 Democrats (of a 202-member caucus) who voted in favor of CAFTA said they believed that CAFTA could improve labor conditions for workers in the Dominican Republic and Central America. But as Towns said himself in his November 2004 speech: “The chapter in CAFTA that addresses this issue, however, seems much more concerned with ensuring a level playing field for U.S.-based corporations than protecting the region’s workers. The real aim of the agreement’s provisions appears to be the ability to retain the excessively low costs of production that grossly unsatisfactory working conditions help maintain without appearing to do so.” Indeed, the independent labor unions in the Dominican Republic and Central America opposed CAFTA because it would *roll back* existing labor standards now in effect under existing U.S. trade law with these countries. To try to provide cover for Democratic legislators support for CAFTA, the Bush administration was expected to offer promises of major aid to the CAFTA countries for labor rights improvement. However, the administration promised to provide only \$40 million per year for labor and environmental capacity-building in the six affected nations. The funding behind this promise has not been appropriated in the Senate spending bills, which are being finalized now, and such a commitment does not appear in the CAFTA’s implementing legislation, much less the CAFTA text itself. However, even if \$40 million per year were to be appropriated, \$6 million per CAFTA country per year for labor *and* environmental capacity-building has been dismissed by development experts in the United States and Central America as insulting and inadequate. For example, \$6.25 million is set aside in the House transportation bill for graffiti removal in the New York City metropolitan area, including Towns’ Brooklyn district. If \$6 million cannot even pay for graffiti removal in a single city, it is ridiculous to think that it could substantially improve both labor and environmental conditions in an entire country.
- **Did Towns receive pork barrel promises for his CAFTA vote?** Given the lasting damage that CAFTA will cause to Towns’ constituents, the *CAFTA Damage Report* will seek to unearth and reveal the promises Towns may have received from Republican House leaders for short-term funding for projects. Those leaders announced that they were going to use transportation and energy legislation to offer taxpayer-funded “goodies” in exchange for CAFTA “yes” votes. Knowing that such promises prove elusive, and even when followed through on provide only one-time “good news” to share with constituents in contrast to a bad trade agreement’s lasting damage, most Democrats did not buy into such tactics.
- **Why did Towns so publicly turn his back on positive aspects of his legislative record?** In the only known public defense of the biggest flip-flop of the CAFTA debate, Towns’ office said that “while the treaty held no particular local interests for his Brooklyn-area district, he believed CAFTA was a ‘step forward’ for global economic interests and for Latino workers.”⁹ Not only does this brief post-vote statement contradict both the analysis and conclusion of Towns’ November 2004 statement, but the factual basis for Towns’ new conclusion that the agreement with the small CAFTA target countries (their combined economies equal the annual economy of New Haven) would affect “global economic interests” is unclear. U.S. Department of Labor data show that U.S. Latino workers have been disproportionately and negatively affected by NAFTA-style trade deals: The percentage of Latino workers who are certified by the Department of Labor in its very limited trade adjustment assistance program as having lost their job due to trade is nearly 50 percent larger than Latinos’ share of the U.S. population.¹⁰ Further, Brooklyn already has been negatively affected by the failed trade policy that CAFTA would expand. Two years ago, Towns issued a press release stating that he “Decries Continued Job Loss in New York.”¹¹ By voting for CAFTA, Towns risks helping this ongoing New York job loss crisis intensify. New York’s working people have been hard hit by NAFTA. Since NAFTA, 219,700 New York manufacturing jobs have been lost,¹² and under just one narrow assistance program, the Department of Labor certified at least 61,435 New York workers as having lost their jobs to plants’ relocation overseas or import floods.¹³

Towns also has a long history of interest in African-American affairs, as well as Caribbean and Haitian issues. However, his vote for CAFTA conflicts with these interests. “CAFTA is a bad deal for African-Americans,” who have seen stagnant wages since the 1970s and seen good-paying, middle-class jobs disappear overseas due to trade agreements, wrote Rep. Barbara Lee (D-Calif.) and Hilary Shelton of the NAACP in a recent newspaper oped.¹⁴ CAFTA is opposed by all major U.S. African-American and Latino civil society organizations, including New York’s *Alianza Dominicana*, which have concluded that CAFTA would be an economic and social disaster for these minority groups, especially since Afro-Latinos suffer disproportionately from HIV-AIDS, the treatment of which will become prohibitively costly under CAFTA.

Background: Public Citizen’s Global Trade Watch has studied more than 90 deals taken by members of Congress for trade votes during the period 1992-2004 and found that more than 80 percent of promises on such deals were not kept or were reversed by subsequent events. We divided these deals into pure pork barrel promises, of which 70 percent were broken; and ameliorative policy fix promises, of which 90 percent were broken. For our full report, “Trade Wars – Revenge of the Myth: Deals for Trade Votes Gone Bad,” please visit <http://www.citizen.org/documents/tradewars.pdf>

¹ Rep. Edolphus Towns (D-N.Y.), “Multinationals Will Emerge as Main Winner from CAFTA Ratification,” Congressional Floor Statement, Nov. 19, 2004.

² Erin Billings, “Pelosi Calls Steering Meeting to Review Defectors’ Votes for CAFTA,” *Roll Call*, July 28, 2005

³ Susan Davis, with Martin Vaughan contributing, “House Dems Take Stock After CAFTA,” *Congress Daily*, July 29, 2005.

⁴ Josephine Hearn, “Reverberations from CAFTA vote are still being felt on Hill,” *The Hill*, August 3, 2005.

⁵ Susan Davis, with Martin Vaughan contributing, “House Dems Take Stock After CAFTA,” *Congress Daily*, July 29, 2005.

⁶ Erin P. Billings, “Pelosi Calls Steering Meeting to Review Defectors’ Votes for CAFTA,” *Roll Call*, July 28, 2005.

⁷ Center for Responsive Politics, “Edolphus Towns (D-NY): Top Contributors,” *Opensecrets.org* Database, accessed July 28, 2005.

⁸ M. Asif Ismail, “Exporting Prices: Drug makers’ trade group makes the industry’s priorities U.S. trade policy,” Center for Public Integrity Report, July 1, 2005.

⁹ Susan Davis, With Martin Vaughan contributing, “House Dems Take Stock After CAFTA,” *Congress Daily*, July 29, 2005.

¹⁰ Analysis of Census data and Trade Act Participant Report data, 2001-2004, obtained from U.S. Department of Labor.

¹¹ Rep. Edolphus Towns (D-NY), “Rep. Towns Decries Continued Job Loss in New York: New Data Shows 3.2 Million Jobs Lost Nationwide During Bush Presidency,” Congressional Press Release, Aug. 1, 2003.

¹² Bureau of Labor Statistics, Current Employment Statistics Survey, All Employees, Manufacturing Super Sector.

¹³ Bureau of Labor Statistics Trade Adjustment Assistance numbers, available on Public Citizen’s website.

¹⁴ Rep. Barbara Lee (D-CA) and Hilary Shelton, “CAFTA is a bad deal for African Americans,” *The Hill*, July 21, 2005.