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With Illinois Jobs at Risk, Freshman Rep. Melissa Bean Flip-Flops from Campaign Pledge to Oppose NAFTA Expansions, Casts a Deciding CAFTA Vote

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

WASHINGTON, D.C. – In a blow to the Illinois working families who campaigned to put her in office in 2004 and in contradiction to a 2004 campaign pledge, Rep. Melissa Bean (D-Ill.) voted in favor of the Central America Free Trade Agreement (CAFTA). Bean cast a deciding vote as the controversial trade agreement eked past the U.S. House of Representatives 217 to 215 on July 27. CAFTA was opposed by all but 15 of the 202 Democrats in the U.S. House of Representatives. If Bean had stuck to her pledge to oppose expansion of the North American Free Trade Agreement (NAFTA), CAFTA would have failed on a 216-216 tie vote.

Illinois has been hard hit by NAFTA, which CAFTA expands to six additional countries. U.S. Department of Labor data show that Illinois has lost approximately 17,089 jobs directly linked to NAFTA¹ and more than 1,000 workers in Illinois' 8th district have been certified for assistance under just one narrow NAFTA job-loss program since the passage of NAFTA.² Given Illinois' dramatic job loss under NAFTA, Bean was the only Illinois Democrat to support CAFTA. CAFTA also was opposed by the Central American Council of Churches, numerous Central American Catholic bishops, the American Jewish World Service, the American Friends Service Committee (Quakers), Presbyterian Church (U.S.A), the United Methodist Church's General Board of Church and Society, the United Church of Christ's Justice and Witness Ministries, and Lutheran World Relief as an immoral attack on some of the hemisphere's poorest inhabitants.³

The 20,000-member Northeastern Illinois Federation of Labor had planned to honor Bean as its 2005 "Person of the Year" to celebrate her replacement last year of veteran GOP congressman Phil Crane in this swing congressional district. Crane had been a leading champion of NAFTA and other trade pacts that had cost Illinois tens of thousands of jobs. During the campaign, Bean signed a candidate questionnaire that pledged her opposition to expansion of "the NAFTA model that has created import surges that cost jobs and does not require the enforcement of internationally recognized workers' rights."⁴ On August 3, the labor federation, which includes approximately 12,000 members in Bean's congressional district, withdrew the award because of her CAFTA vote.⁵

"The gallows humor in Washington about Bean's shocking vote for CAFTA is that either she decided she wanted a one-way ticket home because did not enjoy being in Congress or that she forgot that her constituents, not the *Chicago Tribune*, must re-elect her," said Lori Wallach, director of Public Citizen's Global Trade Watch. The *Chicago Tribune*, which endorsed Bean in 2004, had conducted a heated editorial campaign in favor of CAFTA, targeting Bean.

Bean's decision to support CAFTA stunned political observers in Illinois and Washington as it dramatically dims her chances of re-election. The National Republican Campaign Committee has called Bean "literally, No. 1"⁶ on its list of targets in the 2006 midterm election. Although the Republican Party passionately supported CAFTA,

GOP campaign operatives have launched an effort to highlight Bean's flip-flop away from her previously pledged position as an indication of her unreliability.

During her run in 2004, then-candidate Bean not only pledged opposition to NAFTA expansion but during her primary campaign had explained her opposition to Fast Track trade authority legislation by stating that Congress' decision to grant the president such authority to negotiate new trade agreements could help "expedite the implementation of trade agreements that *undermine or ignore labor and environmental practices*" [italics added].⁷ The near-universal opposition to CAFTA by Democrats and opposition by a bloc of Republicans concerned with labor and environmental standards was based on CAFTA's rollback of existing labor rights standards required under the Caribbean Basin Initiative, which currently controls the terms of trade between the United States and the CAFTA nations. Several independent studies of CAFTA nations' labor standards by the International Labor Rights Fund, a nonprofit research group commissioned by the Bush administration's Department of Labor to investigate Central American labor conditions, found that labor standards in CAFTA countries were abysmal.⁸ Examinations of State Department and International Labor Organization (ILO) studies found more than 20 separate ways in which CAFTA countries' laws violated "core ILO labor standards."⁹

CAFTA's rollback of workers' rights protections was cited by many pro-free trade Democrats as reason to oppose CAFTA. For example, Rep. Ellen Tauscher (D-Calif.) in an anti-CAFTA statement made on behalf of the pro-free trade House New Democrat Coalition affirmed that "[w]e cannot abide trade deals that lower worker protections or reduce the ability to enforce fundamental labor standards. Unfortunately, CAFTA fails this test."¹⁰

Despite NAFTA's record in Illinois and its devastation of some 1.3 million Mexican small farmers' livelihoods with direct effects on the Chicago area's Mexican American community, in the days leading up to the CAFTA vote, the *Chicago Tribune* editorial board rallied for CAFTA and chastised Bean for even considering voting against the agreement. Following the Senate's CAFTA vote, in which Illinois Sens. Dick Durbin and Barack Obama voted against it, the *Tribune* singled out Bean for attack.¹¹

"Sadly, it seems Rep. Bean was more responsive to the *Tribune* editorial board than her own constituents and in a politically suicidal move decided against the folks who brought her to the dance and went with a newspaper whose editorial position on numerous issues contradicts the values she espoused to get elected," Wallach said. Wallach was invited to replace Bean as the keynote speaker at the Northeastern Illinois Federation of Labor dinner next month, which was originally to honor Bean.

To track the damage that Bean's flip-flop vote will cause her constituents, Public Citizen announced a new initiative, the *CAFTA Damage Report*, to monitor CAFTA's effect on working families, consumers and the environment in the United States and CAFTA target countries. Among the issues the *CAFTA Damage Report* will track include:

- **Did Bean get corporate campaign funding pledges for her CAFTA vote?** "Some of my friends cast their [CAFTA] votes for special interests," said Rep. John Lewis (D-Ga.), a civil rights movement hero who now serves as Democratic senior chief deputy whip.¹² As if Bean's abrupt betrayal of her labor constituency, which she called the "key element"¹³ of her 2004 victory, was not sufficiently shocking, Bean's press release announcing her "yes" vote specifically cites pharmaceutical giant Abbott Laboratories and CAFTA's patent rules as a reason for her position.¹⁴ Abbott Laboratories, a major drug company located in her district, strongly supported CAFTA through the drug company lobby group PhRMA.¹⁵ The drug giants, which contribute hundreds of millions in campaign funds annually,¹⁶ devoted considerable efforts to passing CAFTA because it requires all signatory countries to implement new patent rules that eliminate competition from generic drugs. Yet, millions of impoverished Central Americans rely on generic anti-retroviral drug and antibiotics to survive HIV-AIDS, malaria and tuberculosis. According to Doctors Without Borders, Oxfam and ACT-UP, CAFTA's patent provisions will not increase sales of expensive brand-name drugs but will cause the deaths of Central Americans and Dominicans who will no longer be able to obtain affordable essential medicine. "That Bean would vote for an agreement that will doom tens of thousands of our neighbors who have HIV-AIDS to avoidable deaths is unconscionable," said Wallach. Perversely, in 2004 Bean insisted that one of her goals as a congresswoman would be to "work in Congress to reach a compromise that would reduce the prices of

HIV/AIDS treatment drugs for patients in the U.S. and in other countries, especially developing nations where the AIDS epidemic is especially prevalent.”¹⁷ CAFTA Damage Report will track and publicize Bean campaign contributions from corporations that pushed CAFTA and whether Abbott Laboratories increases employment in her district because of CAFTA-related trade.

- **CAFTA is not expected to provide new opportunities for high-tech companies:** During Bean’s congressional campaign she often focused on her credentials as a businesswoman who had been especially involved in the high-tech sector, which includes Motorola and Dataflex.¹⁸ In announcing her support for CAFTA, Bean argued that CAFTA would help expand new markets for high-tech products and thereby create good jobs in her district. Yet, a methodical study of the precise CAFTA provisions relating to high-tech products and services and the CAFTA regional market for such goods published by the Washington Alliance of Technology Workers (WASHTECH) found that CAFTA did not offer new high-tech business opportunities. The study revealed that more than 60 percent of U.S. exports of high-tech goods to CAFTA countries *already* enter duty-free and that there is extremely limited demand for such goods and services in these poor countries, whose combined annual economic activity is equal to about one-quarter that of Chicago.¹⁹ Bean also contended that CAFTA’s copyright rules would protect and expand U.S. high-tech business with Central America, yet the WASHTECH study found that under NAFTA, which contains the same copyright provisions, the amount of losses due to copyright violations tripled.²⁰ Meanwhile, most members of Congress representing the nation’s leading high-tech regions in northern California, Washington state, Massachusetts’ Route 128 corridor and North Carolina’s Research Triangle opposed CAFTA. The *CAFTA Damage Report* will track high-tech employment in Bean’s district related to CAFTA.
- **Did Bean accept a meaningless promise from the Bush administration in exchange for her CAFTA vote?** In a statement issued by her office following her vote for CAFTA, Bean claimed that CAFTA would improve worker rights in Central America, thanks to a promise from the Bush administration to provide \$40 million per year for labor and environmental capacity-building, which Bean called a “first” for a trade agreement.²¹ Yet, the independent labor unions in the Dominican Republic and Central America *strongly* opposed CAFTA because it would roll back labor standards now in effect under existing U.S. trade law with these countries. In fact, considerably greater sums of money were included in the NAFTA legislation for labor and environmental capacity-building, with roughly \$1.6 billion in funds going to programs such as the North American Development Bank (NADBank) and the Commission for Environmental Cooperation.²² However, even though these funds were authorized in the NAFTA implementing legislation, only a fraction gained subsequent appropriations, and in the case of the NADBank, less than one-percent of its capitalization was ever disbursed.²³ Second, in the case of CAFTA, the funding behind this promise has not been appropriated in the Senate spending bills that are being finalized now, and such a commitment does not appear in the CAFTA’s implementing legislation, much less the CAFTA text itself. Third, even if \$40 million per year were to appear despite not being included in the current spending bills, \$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 insultingly inadequate. The amount of money to be spent each year for labor and environment in all six CAFTA countries is only \$1.5 million a year more than the city of Chicago’s annual budget for the Bureau of Rodent Control.²⁴ If it takes almost three-fourths of the money allocated for labor and environmental programs just to deal with rodents in Chicago, it is ridiculous to think that it could substantially improve both labor and environmental conditions in an entire country – especially when the country in question already has abhorrent labor standards.

The *CAFTA Damage Report* will be regularly updated and available at www.tradewatch.org.

“We will track and publicize how Representative Bean has helped inflict damage on her district and her state by voting for CAFTA,” Wallach said.

Background:

Public Citizen's Global Trade Watch has studied over 90 deals taken by members of Congress for trade votes during the period 1992-2004, and found that over 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 Bureau of Labor Statistics NAFTA-Trade Adjustment Assistance numbers, available on Public Citizen's website

² Bureau of Labor Statistics Trade Adjustment Assistance numbers, available on Public Citizen's website. These numbers only cover TAA certifications in McHenry, Zion, Mundelein, Palatine, Rolling Meadows, Hoffman Estates, and Schaumburg, IL.

³ "CAFTA Fails Standards of Justice," Sign-on letter circulated by Washington Office on Latin America; American Jewish World Service, "AJWS Announces Opposition to CAFTA," Press Release, June 23, 2005.

⁴ Illinois AFL-CIO Candidate Questionnaire, on file with Public Citizen.

⁵ Nicole Wagner, "Bean's Vote on CAFTA Sparks AFL-CIO Reaction," *Barrington Courier-Review*, Aug. 11, 2005; Dennis Conrad, "Congresswoman loses 'Person of the Year' award over vote," *Associated Press*, Aug. 4, 2005.

⁶ Dennis Conrad, "Freshman IL Congresswoman in GOP's sights," *Associated Press*, Aug. 15, 2005.

⁷ "IVI-IPO Congressional Questionnaire: Melissa Bean 2004," Independent Voters of Illinois – Independent Precinct Organizations, Jan. 16, 2004. http://www.iviipo.org/2004queries_primary/CD_8_Bean.pdf

⁸ Larry Margasak, "U.S. Blocked Release of CAFTA Reports," *Associated Press*, June 29, 2005.

⁹ Mary Jane Bolle, "DR-CAFTA Labor Rights Issues," Congressional Research Service, July 8, 2005. <http://www.au.af.mil/au/awc/awcgate/crs/rs22159.pdf>

¹⁰ Doug Palmer, "Pro-trade U.S. Democrats Deal Blow to CAFTA," *Reuters*, May 4, 2005.

¹¹ "Harvesting Votes for CAFTA," Editorial, *Chicago Tribune*, July 11, 2005.

¹² Erin P. Billings, "Pelosi Calls Steering Meeting to Review Defectors' Votes for CAFTA," *Roll Call*, July 28, 2005.

¹³ "Illinois Blue," *LaborLetter*, Nov/Dec 2004. <http://www.ilaf-cio.org/newsletters/nov04nl.pdf>

¹⁴ Rep. Melissa Bean (D-Ill.), "Statement from Congresswoman Melissa Bean on DR-CAFTA," Congressional Press Release, July 25, 2005.

¹⁵ Developing Countries Gain Access to More Medicines Under CAFTA," PhRMA Press Release, June 14, 2004.

<http://www.phrma.org/mediaroom/press/releases/14.06.2005.1175.cfm>

¹⁶ M. Asif Ismail, "Drug Lobby Second to None: How the pharmaceutical industry gets its way in Washington," Center for Public Integrity Report, July 7, 2005.

¹⁷ "IVI-IPO Congressional Questionnaire: Melissa Bean 2004," Independent Voters of Illinois – Independent Precinct Organizations, Jan. 16, 2004. http://www.iviipo.org/2004queries_primary/CD_8_Bean.pdf

¹⁸ "Biography," Melissa Bean for Congress 2004. <http://www.melissabean.com/biography.htm>

¹⁹ International Monetary Fund (2005); The United States Conference of Mayors, "The Role of Metro Areas in the US Economy," July 2003, Appendix.

²⁰ "The Real Pirates of the Caribbean: U.S. High Tech Industry's False CAFTA Promises Disguise Bad Policy," Washington Alliance of Technology Workers, May 2005.

²¹ Rep. Melissa Bean (D-IL), "Statement from Congresswoman Melissa Bean on DR-CAFTA," Congressional Press Release, July 25, 2005.

²² All figures available in "Trade Wars: Revenge of the Myth," Public Citizen, June 2005.

²³ All figures available in "Trade Wars: Revenge of the Myth," Public Citizen, June 2005.

²⁴ "Annual Appropriations Ordinance: Bureau of Rodent Control," Office of Budget and Management, City of Chicago. http://216.146.77.178/BA2005/Recommendations/BUREAU_OF_RODENT_CONTROL.pdf