

# **CAFTA Deals Watchdog Report**

*A decade of revealing meaningless, worthless and silly deals-for-trade-votes*

TUESDAY, JULY 26, 2005

## **In Exchange for Supporting CAFTA, Will Rep. Sanford Bishop Buy the Same Peanut of a Deal He Was Promised (and Betrayed on) in 1997?**

### ***Bush Administration Tries to Get Georgia Democrat Whose District Was Hard Hit by Failed NAFTA Trade Policy to Vote for the CAFTA NAFTA Expansion; Leaked Corporate Lobbying Document Notes “Member Interest” in Peanut Program***

Washington, D.C. – After decades of failed U.S. trade policy and job and farm losses in Georgia’s Second District, Rep. Sanford Bishop, Jr. (D-GA) has indicated that he is reconsidering his opposition to the Central America Free Trade Agreement (CAFTA), a controversial expansion of NAFTA to six more nations. **Bishop declared in 2002 that NAFTA had had a “disastrous impact” on the U.S. economy**, yet he recently informed Georgia farm and labor leaders that he is rethinking his opposition to expanding NAFTA. The deal that Bishop is allegedly considering is the *same* unfulfilled promise to protect against surges in peanut imports that Bishop took in 1997 in exchange for a previous trade vote.

Now, despite overwhelming opposition to a CAFTA NAFTA expansion by almost all House Democrats and most members of the Congressional Black Caucus, reports from the coalition of large corporations pushing CAFTA indicate that Bishop is considering the same failed deal to switch to a “yes” vote on CAFTA. A corporate lobbying document, leaked on July 26<sup>th</sup>, asks for those with expertise on the peanut program to help an “interested Member.” The leak comes the day after Bishop, who had pledged a “blood oath” to oppose CAFTA, announced he was reconsidering his position. The Bush administration has been unable to pass CAFTA because of strong opposition by Democrats and a sizeable bloc of Republicans whose districts have suffered manufacturing and agricultural losses during NAFTA’s eleven years.

The news that Rep. Bishop is reconsidering his opposition to CAFTA has left many in Washington and Georgia baffled.

**First, the deal that Rep. Bishop is allegedly considering involves nothing more than a promise that the Bush administration will begin to enforce the *existing* U.S. laws** regarding the peanut program under the Farm Bill and the *existing* trade laws regarding reviews of import surges. Even if this promise to merely enforce the existing laws were fulfilled, it is difficult to understand what gains would be obtained for most farmers in Bishop’s district, who largely oppose the NAFTA trade model and are demanding a new trade policy that can improve their incomes.

**Second, this is the same unenforceable “commitment” that the Clinton administration made to Rep. Bishop – and then promptly failed to implement.** That a Republican President who has systematically refused to enforce such existing laws when pressured for years by numerous Republican Members of Congress would suddenly reverse course because of a *promise* to a Democratic Congressman is absurd.

**Third, a recent report shows that 90 percent of deals for trade votes were broken or rendered meaningless.** Thus even if the White House were promising something new and meaningful, the promise is unlikely to be fulfilled. Once both Republican and Democratic administrations have obtained the votes to pass past trade deals, they have systematically abandoned the Members of Congress to whom they made promises. Of the 93 promised deals taken by Members of Congress for trade votes between 1992 and 2004, nearly all were not kept or were reversed by subsequent events.<sup>1</sup> Seventy percent of pure pork barrel promises were broken and 90 percent of “policy fix” promises were unmet. Time and again, Members of Congress were left with meaningless White House letters in exchange for the deciding votes that put into place *permanent* trade pacts with *long term* negative consequences on the Members’ districts and political futures.

That Rep. Bishop is considering trading his CAFTA vote for a peanut of an offer is made more bizarre when considering:

- **CAFTA will increase cheap peanut imports from Central America.** According to the U.S. Department of Agriculture's (USDA) analysis, CAFTA will increase the duty-free access that Nicaragua and El Salvador have to the U.S. market. Between 1995 and 2002, Nicaragua already expanded its peanut imports into the United States by nearly 3,000 percent. U.S. peanut exports to the world have fallen over 40 percent in the period 1995-2004, while U.S. peanut exports to Mexico are at the same level today as they were a decade ago despite NAFTA's implementation.<sup>2</sup> Given that the United States is projected to be become a net food importer this year, these trends in peanut trade should worry Rep. Bishop.
- **CAFTA would expand the failed NAFTA model that has cost Georgia's Second District a devastating number of jobs.** According to the Bureau of Labor Statistics (BLS), Georgia has 81,200 fewer manufacturing jobs since NAFTA went into effect. Furthermore, the Department of Labor (DOL) has certified 1,615 people in Georgia's Second District as having lost their jobs directly as a result of NAFTA between 1994 and 2002, and nearly 4,000 people in Georgia's Second District have been certified by the DOL as having lost their job as a result of trade more generally since NAFTA (1994-present).
- **Promises since 1993 to safeguard the peanut program or to assist other commodities important to Rep. Bishop's district have been repeatedly broken – even before Rep. Bishop came to Congress.** The record of peanut-related deals for trade votes is an inside joke in Washington. The Clinton administration promised during the NAFTA debate to monitor peanut imports and to use trade safeguard law to protect the U.S. peanut industry. This was promised to Reps. Bill Sarpalius (D-TX) and Glenn English (D-OK) in exchange for their "yes" votes on NAFTA. But despite a surge of peanut imports and a sharp reduction in the number of farms growing peanuts after NAFTA went into effect, no safeguards were imposed. Indeed, the USDA dismantled its peanut program, contributing to the demise of many U.S. peanut-producing family farms. Then Bishop took the same promise – made first in exchange for NAFTA support, but that had already been broken – in exchange for his promise to support Fast Track in 1997, and for a second time the promise was broken.
- **Would Rep. Bishop want the same broken deal on his record again while his district's peanut farmers continue to be devastated by trade?** In exchange for Bishop's commitment to vote for fast track in 1997, the Clinton administration promised to take into account the import sensitivity of peanuts in future trade pacts.<sup>3</sup> This promise was dramatically broken when the Clinton administration implemented policy changes that *continued and intensified* the phase-out of peanut import limits.<sup>4</sup> Peanut imports rose to a record high in the late 1990s through 2002. The number of peanut farmers in Georgia fell from about 6,000 farmers in 1995 to about 4,000 in 2002. Nationally, there was a decline from about 18,000 farmers to 12,000 farmers during that period.<sup>5</sup> The Bush administration's 2005 budget proposal and its comments on the upcoming Farm Bill reveal that the administration's widely criticized agricultural policy will not be changing course, making the notion of relying on a promise to save a peanut program the Bush administration does not support even more perilous.
- **How could Rep. Bishop consider supporting CAFTA NAFTA expansion, when his own stated position is that NAFTA has a "disastrous impact" on the economy?** In 2002, Bishop voted against giving President Bush Fast Track authority, because he believed that Congress might be conceding too much power. In a 2002 press release, he said, "our experience with the North American Free Trade Agreement (NAFTA) proves that trade agreements can have a disastrous impact on some segments of our economy, including the textile and auto industries which have lost thousands of jobs. NAFTA has also led to environmental problems, including a public health threat from the importation of tainted food and agricultural products not properly inspected. We need safeguards."<sup>6</sup> Yet CAFTA, an agreement whose text is 90 percent identical to NAFTA's, has no such labor or environmental safeguards, and is widely predicted to lead to U.S. job losses. Furthermore, it was negotiated under the Fast Track authority that Bishop opposed; meaning Congress cannot amend CAFTA to repair its many problems. Would Bishop to reverse his position on trade issues now, perhaps in exchange for a meaningless promise, and turn his back on those in Georgia's Second District who he himself noted have suffered because of wrong-headed trade policies that CAFTA would expand?

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<sup>1</sup> Public Citizen, Trade Wars – Revenge of the Myth: Deals for Trade Votes Gone Bad," June 2005, <http://www.citizen.org/documents/tradewars.pdf>

<sup>2</sup> Foreign Agricultural Service, "FAS Agricultural Export and Import Commodity Aggregations: Peanuts, 1995-2004 Calendar Years," U.S. Department of Agriculture website, accessed July 26, 2005.

<sup>3</sup> "Administration Deals on Fast Track Span Industry, Agricultural Sectors," *Inside U.S. Trade*, Nov. 11, 1997.

<sup>4</sup> Erik Dohman, Edwin Young, Linwood Hoffman, and William McBride, "U.S. Peanut Sector Adapts to Major Policy Changes," *Amber Waves*, U.S. Department of Agriculture's Economic Research Service Policy Brief, Nov. 2004.

<sup>5</sup> Public Citizen interview with Emory Murphy, Georgia Peanut Commission, June 13, 2005.

<sup>6</sup> Rep. Sanford Bishop, Jr. (D-GA), "Opposes 'Fast Track' Measure," Congressional Press Release, June 26, 2002.