

Majority of House Democrats Stand up for Constituents, Vote No on Peru NAFTA Expansion, Demand a New Direction on Trade

Statement of Lori M. Wallach, Director of Public Citizen's Global Trade Watch Division

Despite intense pressure and lobbying from some Democratic leaders, a massive corporate coalition and the White House, a majority of Democrats in the House of Representatives today opposed Bush's Peru NAFTA expansion agreement, echoing the American public's widespread discontent with the status quo trade policy.

That a majority of Democrats opposed the Peru NAFTA expansion - theoretically the least controversial of Bush's remaining trade deals - will put the final nails in the coffins of any further Bush administration expansions of NAFTA to Panama, Colombia or South Korea.

The opposition from 117 Democrats - including nearly three-fourths of Democratic freshmen and a majority of the party's committee chairs- shows that significant work remains to create a framework for trade agreements that can earn public support nationwide and thus bipartisan support in Congress.

Despite the fact that many more Democrats occupy House seats, the Peru "free trade agreement" (FTA) obtained less Democratic support than the 2004 Australia FTA, the 2004 Morocco FTA, and the 2005 Bahrain FTA. The Peru FTA, because it fell short of approval by the Democratic majority, has proven itself an unacceptable framework for future trade deals.

Hopefully the next trade debate in the Congress will be about how to create a new template for future trade agreements that will benefit the majority of Americans and thereby be able to win the support of the Democratic majority.

In light of the 2006 elections, when Democrats took control of Congress after 37 freshmen successfully campaigned against the Bush trade agenda and replaced 37 anti-fair traders, many Americans likely will wonder how President Bush managed to eke out this rare victory and get a NAFTA expansion agreement through the Democratic-majority Congress. That a Democratic-majority Congress would pass a Bush trade agreement opposed by most Democrats may be especially puzzling since the vote came a week after Bush announced he would veto Democratic legislation to help workers who lose jobs to trade, and after Bush vetoes of Democrats' priorities - children's health insurance and anti-war legislation.

This vote reveals that many in Congress understand that what determines the effects of a trade agreement is not mainly the economic size of the country involved but instead the scope of the extraordinary corporate rights established under the agreement - rights that undermine U.S. domestic and foreign policy goals.

Trade per se was not the issue today. The Peru NAFTA expansion was opposed by so many Democrats because it establishes new corporate rights that promote offshoring of U.S. jobs; expose our environmental, food safety and health laws to challenge in foreign tribunals; empower foreign corporations to skirt Buy America and anti-off-shoring policies; provide Big Pharma with extended patent rights that undermine affordable access to medicine; and empower U.S. firms, such as Citibank, to demand compensation if Peru reverses its disastrous social security privatization.

No U.S. labor, environmental, consumer, faith, family farm or development group supported this agreement, which also is opposed by both of Peru's labor federations, its major indigenous people's organization and its leading archbishop.

The passage of the Peru NAFTA-expansion, which was overwhelmingly opposed in the United States and Peru, is bad foreign policy, bad domestic policy and egregiously bad politics.

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30 Freshmen Democrats Voting No Peru FTA

1. Arcuri (NY)
 2. Altmire (PA)
 3. Boyda (KS)
 4. Carney (PA)
 5. Cohen (TN)
 6. Courtney (CT)
 7. Donnelley (IN)
 8. Ellison (MN)
 9. Hall (NY)
 10. Hare (IL)
 11. Hirono (HI)
 12. Hodes (NH)
 13. Johnson, Hank (GA)
 14. Kagen (WI)
 15. Loeb sack (IA)
 16. McNerney (CA)
 17. Murphy C. (CT)
 18. Murphy P. (PA)
 19. Richardson (CA)
 20. Rodriguez (TX)
 21. Sarbanes (MD)
 22. Shea-Porter (NH)
 23. Shuler (NC)
 24. Space (OH)
 25. Sutton (OH)
 26. Tsongas (MA)
 27. Walz (MN)
 28. Welch (VT)
 29. Wilson (OH)
 30. Yarmouth (KY)
- Bralley (IA) missed vote, issued news release in opposition

11 Freshmen Democrats Voting Yes Peru FTA

1. Castor (FL)
2. Clarke (NY)
3. Ellsworth (IN)
4. Gillibrand (NY)
5. Hill, B. (IN)
6. Klein (FL)
7. Lampson (TX)
8. Mahoney (FL)

9. Mitchell (AZ)
10. Perlmutter (CO)
11. Sestak (PA)

Chairs:

12 House Chairs voting no: Brady, Conyers, Filner, Miller, Markey, Obey, Peterson, Rahall, Slaughter, Spratt, Thompson, Velazquez

7 House Chairs voting yes: Dingell, Frank, Gordon, Rangel, Skelton, Waxman, Reyes

Missing: Oberstar and Lantos, both opponents of Peru FTA