

Media Release

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MAJORITY OF DEMOCRATS PUSH FOR NEW TRADE MODEL

President's Initiative to Hold More Trade Votes in Congress Hits Standstill

Washington D.C. -- With a majority of Democrats voting in opposition to the Peru "free trade agreement" (FTA) last Thursday, the Bush agenda to push even more controversial trade deals through Congress comes under serious jeopardy. The Peru agreement received less Democratic support than the 2004 Australia FTA, the 2004 Morocco FTA, and the 2005 Bahrain FTA. While Democrats control Congress, a majority of Republicans joined the minority of Democrats to support the Peru trade deal, giving it enough votes for final passage.

"The Peru Agreement includes improvements, but it is still grounded in a broken model that will outsource U.S. jobs, empower foreign corporations to skirt anti-off-shoring policies, and expose our environmental, food safety and health laws to challenge in foreign tribunals," said Andy Gussert, Director of Citizen Trade Campaign. "We still have several steps to take to fix trade agreements, and make them fair."

The Peru FTA is the least controversial of four agreements the President is attempting to push before Congress this year. On Monday, U.S. Trade Representative Susan Schwab announced that the Bush administration wants Congressional leaders to schedule a Colombia trade vote "as soon as possible". This Bush trade push comes in the same week the President threatened to veto the Trade Adjustment Assistance (TAA) program which passed with strong bipartisan support in late October. The TAA's purpose is to provide training for new careers to workers who lose their jobs because of trade.

"The president continues to push a failed trade model," added CTC Director Gussert. "He's out of step with American workers, with environmentalists, with farmers and with faith organizations." Not one U.S. labor, environmental, interfaith or consumer group endorsed the Peru FTA.

Opponents argue that the major problems of NAFTA and CAFTA are replicated in this agreement. For example, the Peru FTA contains foreign investor provisions that are almost word-for-word identical to the language found in the controversial Central American Free Trade Agreement (CAFTA). Not one word was changed in the Peru agreement concerning foreign investor chapters that promote off-shoring and subject our domestic environmental, zoning, health and other public interest

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policies to challenge directly by foreign investors in foreign tribunals. The Peru FTA investment chapter still affords foreign investors greater rights than those enjoyed by U.S. investors.

The current administration, with a consistent record of undermining domestic labor and environmental enforcement, is also unlikely to enforce the labor and environmental provisions of the Peru FTA. There are additional enforcement problems with the language, as the agreement allows dispute settlement panels to interpret and apply terms differently than has been interpreted and applied by the ILO itself in the past.

The Peru FTA will also force that country to remove tariffs on staple food crops like rice, corn and beans, which will expose small farmers to import dumping of these crops at below the cost of production into their local markets. “This will force Peruvian farmers from the land, leaving them with few choices except to migrate to urban areas or north to the United States, exacerbating poverty and fueling the immigration crisis,” said Gussert. “A sound trade policy must end the practice of import-export dumping by global food corporations, which harms farmers both at home and abroad.”

The agreement was also opposed by both of Peru’s labor federations, its major indigenous people’s organization, and a prominent Peruvian Archbishop. With a majority of Democrats also opposing the Peru FTA, it is unlikely that more controversial agreements including Colombia, Panama or South Korea will be brought up during this session.

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If you’d like more information about Peru or other trade agreements, please call CTC at (202)494-8826 or email Andy Gussert at agussert@citizenstrade.org. Citizens Trade Campaign (CTC) is a national coalition of environmental, labor, consumer, family farm, religious, and other civil society groups, and serves as a leading advocacy vehicle in the fight for international trade policy that focuses on the interests of the majority of the world’s working people.

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