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Another Trade Pact Brought into the Coalition of the Willing Campaigners Express their Dismay over the Passing of the Peru FTA

Washington, DC — The Administration succeeded again today at building its “coalition of the willing” on free trade, with the House passing the Peru Free Trade Agreement (FTA) by a 285 to 132 margin. While voters last year expressed widespread opposition to expanding the free trade model, the Democratic leadership has handed President Bush another resounding victory. The vote was one more indication that the shift in control of Congress has not resulted in the major overhaul that is needed in the U.S. approach to globalization.

“The people of Peru have suffered yet another attack on their national sovereignty today, delivered courtesy of the Democratic leadership,” said Tom Loudon of the Quixote Center. “This ‘agreement’ has passed in spite of scores of studies and reports which have clearly demonstrated the multiple negative effects of trade liberalization on agriculture, workers rights, access to medicines, and social security,” he said.

During the debate last night, Congress members repeated the stale rhetoric about finally leveling the playing field with Peru—a country where half the population earns the minimum wage of \$3.60 a day.

“The only level playing field being established is one for multinational corporations,” said George Naylor, an Iowa corn and soybean farmer and president of the National Family Farm Coalition. “There is no excuse for Congress to support one more free trade agreement given the very apparent record of free trade displacing rural people and farmers from their communities while only benefiting multinational corporations that export and process cheap agricultural commodities.”

With only 3% of Peruvian farmers exporting their products, it's very likely that hundreds of thousands of Peruvian small farmers will lose their markets and be forced to make difficult choices to provide for their families. Some of these options include migrating to already impoverished Peruvian cities, heading North to the U.S., or growing illicit crops for drug trafficking.

“Free trade agreements that fail to address economic disparities within and between trading partners will continue to displace people and increase migration,” says Hector E. Sanchez of Global Exchange.

These trade pacts have brought increased U.S. trade deficits with FTA countries, the loss of manufacturing jobs, and erosion of democratic process and sovereignty.

"There is considerable irony in Congress voting on the Peru FTA a day after President Bush promised to veto the Trade Adjustment Assistance for Americans who lose their jobs to trade," said Jim Mays of the NYC People's Referendum on Free Trade.

The very process of democracy is at stake with the way these trade deals are negotiated and pushed through legislative processes without an opportunity to amend the deal.

"Not only was Peruvian President Garcia reelected on a platform to renegotiate the FTA, but this FTA was approved by a lame-duck Peruvian Congress in an overnight session with eighty percent of the members having lost their seats in the elections," said Carlos Quiroz of the Peruvian Americans for Fair Trade.

The presidential decrees issued by Garcia to improve labor rights and comply with the new labor standards embedded in the trade deal are insufficient because labor laws will not be changed through legislation, thereby not guaranteeing effective enforcement.

"On the U.S. side, President Bush will be the enforcer, which is ironic given his track record in overturning our nation's labor and environmental laws," said Hilda Gutierrez of the Student Trade Justice Campaign.

"Seventy-five percent of Peruvian workers are in the informal sector and many of the remaining twenty-five percent work for private employment contracting agencies that are not obligated to enforce labor rights," said Quiroz.

Most Peruvians are of Indigenous and Afro descendant heritage. About 73 percent in Indigenous communities live below the poverty line.

"This trade pact opens the way for large pharmaceutical and agribusiness corporations to patent traditional knowledge, seeds, and life forms," says Jessica Walker Beaumont of the American Friends Service Committee. "This opens the door to bio-piracy of the Andean-Amazon region and threatens the ecological, medicinal and cultural heritage of indigenous peoples".

"This FTA is essentially the same failed NAFTA model," said Laurie King with Portland Jobs with Justice Globalization Committee. "The changes inserted have been aptly characterized as 'putting lipstick on a pig'," she said.

"By pushing for the passage of the Peru FTA, the Democratic leadership has sent a clear message that Wall Street matters more than the livelihoods of America's workers and family farmers," said Christine Ahn of Korean Americans For Fair Trade Despite. "All we can do is watch from the sidelines a broken democratic system that enables corporations to profit off the backs of hard working people."

Top Bush officials and several lawmakers had argued that a rejection of the Peru deal would be a victory for Venezuelan President Hugo Chavez, who has been critical of the U.S. approach to trade policy. According to Sarah Anderson, Director of the Global

Economy Project at the Institute for Policy Studies, “Playing the ‘Chavez card’ is an insult to all the Americans and Peruvians who have legitimate concerns about the impacts of free trade on their lives. We deserve a debate on the real issues – not tales of false bogeymen.”

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