

Background

The 1994 **North American Free Trade Agreement (NAFTA)** set new rules limiting government policy safeguarding worker's rights and the environment in the U.S., Mexico and Canada while providing multinational corporations expansive new rights and powers. NAFTA's record is horrible: wage levels fell, 3 million U.S. manufacturing jobs were eliminated and even Mexico has fewer factory jobs after corporations traded down Mexico's \$5/day wages for China's \$1/day. Some 1.3 million Mexican *campesino* (peasant) farmers lost their livelihoods, hunger rates jumped and desperate migration increased.

The Bush administration wants to expand the failed NAFTA model to the entire hemisphere in a 34-nation **Free Trade Area of the Americas (FTAA)**. But much of South America, reviewing NAFTA's damage, said "no." To pressure nations like Brazil, which are targets of U.S. oil, pharmaceutical, logging and other corporate giants, the Bush administration has pushed for agreements with smaller nations in the hemisphere. The administration pressures these countries to agree to agreements opposed by their own populations by threatening to cut off these nations' existing tariff-free access to the U.S. market.

After breaking congressional arms "into a thousand pieces," billions in pork barrel projects and corporate campaign cash, one such deal - the **Central America Free Trade Agreement (CAFTA)** - passed by one vote in July 2005. Now, the Bush administration is trying to push the same model into South America. Peru and Colombia recently submitted to "take-it-or-leave-it" deals that empower big Pharma to cut off access to affordable medicines, require privatization of basic services and imports of subsidized U.S. agribusiness food that will ruin millions of impoverished farmers.

It remains unclear if the Bush administration will attempt to push a U.S.-Peru FTA through Congress this year, push a combined Peru-Colombia FTA or wait until Ecuador, which is facing enormous pressure to also cave in, can be added to pass all three together as an **Andean Free Trade Agreement (AFTA)**. Because these deals are based on NAFTA, people in the target nations know the damage they will suffer and have held major protests. In the U.S., Congress is nervous about more bad trade deals. Because the political pain of the CAFTA battle lingers, if we speak up loudly now, we can send AFTA back to the drawing board.



Tell Congress that expanding NAFTA to Peru and Colombia is a bad idea

Call the U.S. Capitol Today (202) 224-3121. Ask to be connected to your House member (Give you zip code if you're not sure of your Rep's name)

- ❖ When you are connected to your Representative's office, ask for the staffer handling trade issues. Tell him or her that you oppose expanding NAFTA to Peru and Colombia.
- ❖ Ask for your Representative's position on in writing to be sent by email or regular mail.
- ❖ Use a local or personal story of damage from bad trade deals to illustrate your case or use the talking points on the back of the flyer.
- ❖ After you've called, share with us what you were told. This is key to our holding Congress accountable. Contact David Edeli at Public Citizen at dedeli@citizen.org or (202)-454-5111

AFTA Talking Points:

More NAFTA will be bad for our economy. With the highest trade deficit ever, and ever more outsourcing, we can't afford any more NAFTA-like trade deals. If Congress approves a U.S.-Peru Free Trade Agreement or an AFTA, **more U.S. factories will move overseas**, we'll lose more good paying jobs, and more family farmers will go bankrupt. *We need to change this broken trade model!*

Why are there no enforceable labor standards? Peru's president requested real workers' rights in AFTA, but the Bush administration rejected that idea, even though Bush's own State Department found rampant use of child labor in Peru. So much for the Bush administration's arguments that the reason workers rights' can't be in trade deals is because "our partners don't want them." What's worse, over **2,000 labor union activists have been assassinated in Colombia since 1990**, with 70 assassinated in 2005 alone. The Colombian army has been implicated in many of these killings, and very few have been prosecuted. If the text of the U.S.-Peru agreement, with its unenforceable labor provisions, is expanded to include Colombia, then Colombian unions will no longer be able to use trade rules to try to force the government to stop the human rights abuses. *Wages and working conditions in all countries will be hurt if trade pacts encourage corporations to race to the bottom in workers' rights.*

AFTA is a threat to regional and international security:

AFTA runs directly counter to longstanding U.S. anti-narcotics policies in the region, especially support for alternative development projects in rural areas. Support for the Colombian military has not been able to reduce cocaine and heroin production in that country, and experts argue that only policies to reduce inequality—rather than further militarization—in rural areas will make a dent in Colombia's civil violence and the narcotics production fueling it. But AFTA's agricultural rules covering corn, rice and beans would hurt rural employment, undermine critical alternative development projects, and **increase inequality**. Small farmers would be forced to migrate to overcrowded Colombian cities and to the United States, or else to grow more opium poppies and more coca for **cocaine production** or to **join illegal armed groups**. *It isn't worth creating more instability in a fragile, war-torn region just so big corporations can make extra profits.*

"The United States is spending billions trying to eradicate the cocaine trade and here we are giving them an incentive to grow more coca."

-Joseph Stiglitz, former World Bank Chief Economist, on the potential impacts of AFTA.

Reuters, October 21, 2004

AFTA endangers the lungs of the planet. The upper Amazon basin in Colombia, Ecuador and Peru is among the most biodiverse areas on earth. The investment rules in AFTA could allow foreign investors to challenge environmental laws, a process which would chill direly needed efforts to protect the Amazon basin. Furthermore, despite specific requests from the countries involved, the Bush administration has **rejected protections for biodiversity and indigenous peoples'** traditional knowledge. *It is a threat to our families' futures when trade agreements like AFTA gut environmental protections.*

It is immoral to put Big Pharma's drug profits over lives. Talk about protectionism! The monopoly patent rules in AFTA will jack up prices for essential medicines – **causing people cut off to die unnecessarily from HIV/AIDS** and other treatable diseases sweeping the region. *The Big Pharma rip-off of exorbitant drug prices that we suffer should not be exported to other countries – instead we need a fix!*

AFTA is a stepping stone to FTAA – a danger to US farmers: After CAFTA, AFTA is next agreement that the Bush administration is using to pressure Brazil and Argentina to join a Free Trade Area of the Americas (FTAA). Brazilian and Argentine agribusinesses are powerhouse exporters of Beef, Citrus, Sugar, Soy, and Cereals and they could **seriously undercut U.S. farmers** if an FTAA is put in place. *We need to fix the trade system that has lead to rock-bottom commodity prices and American family farm bankruptcies, not expand it.*

For More Information on AFTA, visit www.tradewatch.org

