

What Corporations Want with the Trans-Pacific FTA

The Trans-Pacific Free Trade Agreement (FTA) is a massive new international trade pact being pushed by the U.S. government at the behest of transnational corporations for completion in 2012. If it continues on its current course, the Trans-Pacific FTA will serve two primary purposes:

1. Making it easier for corporations to shift jobs throughout the world to wherever labor is the most exploited and regulations are the weakest; and
2. Putting checks on democracy at home and abroad by constraining governments' ability to regulate in the public interest.

The Trans-Pacific FTA is already being negotiated between the United States, Vietnam, Brunei Darussalam, Singapore, Malaysia, New Zealand, Australia, Peru and Chile — and Japan, Mexico and Canada have also indicated their intentions to join. It is also intended as a “docking agreement” that other Pacific Rim countries would join over time, including Taiwan, the Philippines and possibly China.

Corporations already cheering the Trans-Pacific FTA include Citigroup, JPMorgan Chase, Wal-Mart, Newscorp, GE and Halliburton. It has been questioned — if not outright opposed — by labor, environmental, family farm, consumer, indigenous and other social justice groups on four continents.

Here, specifically, are examples of what corporations want with the Trans-Pacific FTA:

- **Cheaper Labor Costs.** Many corporations are looking for ways reduce labor costs and undercut worker power in the United States, China and throughout the world. The Trans-Pacific FTA would grant corporations easier access to labor markets in countries such as Vietnam where workers are paid even less than Chinese sweatshop workers. Whether or not corporations decide to move their production to these lower-paid countries, the threat of moving there (or of being undercut by competitors who have already done so) can be used suppress employee compensation virtually anywhere in the world.
- **New Tools for Dismantling Environmental Laws.** A wide range of transnational corporations, including those in extractive industries, have pushed for investment provisions in the Trans-Pacific FTA that would enable them to challenge virtually any new law, regulation or even court decision that adversely affects their expected profits as a “regulatory taking” through international tribunals that circumvent domestic judicial systems. Similar provisions under past trade pacts have already been used to weaken portions of the Clean Air Act, Endangered Species Act and Marine Mammal Protection Act in the United States, as well as the environmental and consumer safety protections of developing countries throughout the world.
- **Longer Drug Patents.** The leaked U.S. proposal for an intellectual property chapter within the Trans-Pacific FTA would have the effect of extending drug patents for big pharmaceutical companies, making it harder for countries to produce or procure low-cost generic medications for people with HIV, tuberculosis and other life-threatening diseases.



- **Further Financial Deregulation.** Wall Street banks, insurance companies and hedge funds want the financial services provisions of the Trans-Pacific FTA to handcuff the steps governments can take to: protect against “too big to fail,” regulate trade in toxic assets, erect firewalls between different financial service firms and control the flow of short-term capital into and out of economies.
- **Caps on Food Safety Protections.** So-called “life sciences” corporations that produce pesticides, food additives and genetically-modified organisms use trade pacts to erect barriers making it harder for countries to adopt and maintain strong food safety regulations based on the precautionary principle.
- **Concentration of Global Food Supplies.** Big agribusiness middlemen want the Trans-Pacific FTA to enable them to “buy low” and “sell high” throughout the Pacific Rim, a practice that increasingly concentrates global food supplies in their hands, undercutting family farmers and often leading to wild fluctuations in food prices for consumers.
- **Greater Access to Government Contracts.** A range of corporations want the Trans-Pacific FTA’s public procurement provisions to prevent governments from instituting public purchasing preferences designed to keep taxpayer dollars circulating in local economies. They also want to prevent government contracts from being used to advance a variety of other environmental, social and human rights goals.
- **Lower Taxes.** Corporations that have already offshored their production to countries throughout the Pacific Rim are also looking to avoid tariffs on merchandise they’ve been importing back to the United States.



Keeping the Public in the Dark

For years, the Trans-Pacific Free Trade Agreement negotiations have taken place behind closed doors. Since negotiations began in 2008, none of the negotiating documents have been officially released for public review (although some have been leaked).

In the United States, approximately 600 corporate lobbyists have been named as official advisors, granting them steady access to the negotiating texts, as well as the negotiators. Most civic groups, journalists and those whose lives will be affected by the negotiators’ decisions have no right to see the texts until the negotiations have concluded — at which point, it is more-or-less impossible to change them. An international “Release the Texts” campaign has, thus far, not been answered.

The Dracula Strategy

Besides a stake to the heart, what’s the best way to kill a blood-sucking vampire? Exposing it to the light of day.

Organizers have repeatedly stopped secretive trade negotiations over the years by dragging them out of the shadows and into public scrutiny:

- 1998: The Multilateral Agreement on Investment (MAI)
- 1999: The “Millennial Round” of the World Trade Organization (WTO)
- 2003: The Free Trade Area of the Americas (FTAA)

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