

John Edwards Statement on Peru Trade Agreement (10-27-07)

Today I am announcing my opposition to the Peru Trade Agreement negotiated by the Bush Administration and being considered for approval by Congress. Despite strong efforts by many Democrats in Congress, labor organizations and fair trade advocates to embed international labor standards into the Agreement, what resulted were references to general principles and not specific standards. And the Agreement still replicates and in fact expands all of the other most damaging aspects of past trade agreements. In short, this agreement does not meet my standard of putting American workers and communities first, ahead of the interests of the big multinational corporations, which for too long have rigged our trade policies for themselves and against American families.

For far too long, presidents from both parties have entered into trade agreements, agreements like NAFTA in 1994 and the WTO in 1995, promising in each case that they would create millions of new jobs and trade surpluses. Instead, since these agreements were put into place we have lost millions of manufacturing jobs, seen wages decline, and storied U.S. firms close – and towns all over this country have been devastated. And we have run up larger and larger trade deficits. This irresponsible squandering of our national wealth now makes it increasingly difficult for us to control our own destiny.

NAFTA, which was one of our worst trade agreements ever, was written by corporate interests and insiders in all three countries, and it has served them well. But it absolutely hasn't served the interests of regular workers in any of the three countries. When NAFTA was passed, the American people were promised that by 2006 U.S. exports to Mexico would exceed Mexican imports by \$10 billion. But right now, hundreds of thousands of lost American jobs later, Mexican imports are \$70 billion more than U.S. exports to Mexico. And Mexican workers have lost too – average wages for Mexican workers have declined since NAFTA was passed.

Right now, President Bush is pushing to expand this NAFTA approach to four more countries. He has signed agreements with Peru, Panama, Korea and even Colombia, where since 1991, in this tiny country, there have been over 2100 documented cases of trade unionists being assassinated, 72 in 2006 alone.

All of these agreements replicate these terrible features of NAFTA:

- All of these agreements provide the expansive investor rights that literally create incentives to relocate U.S. jobs overseas;
- All of these agreements limit our ability to inspect imported food – even as the International Trade Commission projects that these pacts will result in a new flood of imported food;
- All of these agreements allow foreign corporations operating here to attack our environmental, health and even local zoning laws in foreign tribunals to demand our tax dollars in compensation if following our laws undermines their expected profits.
- All of these agreements even limit how we can spend our own tax dollars. These deals ban many Buy America and other similar policies. Instead of your tax dollars going to support American workers, these agreements take away one the few opportunities the government has to directly create jobs here.

But these four proposed agreements actually go even further than NAFTA.

For instance, these deals give those foreign corporations who get contracts to rebuild our nation's bridges and highways or to operate mines or cut timber on U.S. federal land special privileges superior to the treatment of U.S. firms. U.S. firms have to meet our laws, but in contrast, these agreements let foreign corporations operating within the United States who have a gripe about their contract terms drag the U.S. government into foreign tribunals stacked with their own lawyers acting as 'judges.'

The damage threatened by these NAFTA expansion agreements extends beyond the United States. Buried deep in the 800-page text of the Peru FTA are ambiguous provisions that could allow U.S. banks to demand compensation if Peru reverses its disastrous social security privatization. That's right, the Peru FTA could lock in the misery facing millions of the elderly and ill in that extremely poor country all to ensure U.S. firms can profit on what should be a government service available to all in the first place.

The Peru, Panama and Colombia agreements are also projected to displace millions of peasant farmers. This would be a major human tragedy. We saw how NAFTA's similar agriculture rules destroyed the livelihoods of 1.3 million peasant farmers with hunger increasing and desperate migration to the United States jumping 60 percent since NAFTA.

This is not just morally wrong, it is bad foreign policy. The United States needs to rebuild its friendships in Latin America, not push corporate trade agreements that undermine the livelihoods of the region's poorest residents.

The presidents of Peru's labor unions oppose this NAFTA expansion. So does Peru's Archbishop Pedro Barreto, who calls the NAFTA expansion into Peru immoral – and a threat to the national security of his nation and ours.

For too long, Washington has been looking at every trade deal and asking one, and only one, question – is it good for corporate profits? And they haven't looked at all at the harm it will do to workers, their wages, or to the U.S. economy.

What we need instead is trade based on what is good for America. And we need to act on deeply held principles and not, as the *Washington Post* said in a recent editorial, on "opportunism under pressure".

I believe we need to follow four principles to make sure that globalization works for everyone, starting right here at home.

First, our multilateral and bilateral trade deals and unilateral trade preferences must help America. They must benefit American workers and their communities.

This means they must:

- Stick to trade and not meddle with our domestic Buy America laws, our nation's investment policies, and our food safety and health laws;
- Have at their core strong protections for the global environment and basic labor standards, such as prohibiting sweatshops and child labor and protecting the right of workers to join unions; and
- Include prohibitions against illegal subsidies and currency manipulation and other trade cheating of the sort that is in fact encouraged under most of our current trade deals.

Second, our trade policies must also lift up workers around the world. Making sure that workers around the globe are treated fairly and share in the gains of trade is the right thing to do morally, it's the right thing to do economically, and it will make us here in America safer and more secure. We can never again condone trade agreements with countries where there is violence against workers or they are denied just wages and working conditions.

Third, we must understand in negotiating trade agreements that "one size does not fit all". We need to be realistic about global differences in form of government, in the rule of law, in the relative state of countries' economies, and in the day-to-day trade and business practices of potential trading partners. How utterly foolish is it that we treat China with its massive controlled and manipulated economy, Mexico with its porous three thousand mile-long border with the U.S., and developing countries in South America and Africa, as all the same when it comes to trade?

Fourth, our trade deals must be fairly and fully administered. For free trade to be fair, it must be based on rules, and then those rules must be followed. The top prosecutors at the Department of Justice should be responsible for enforcing our trade agreements, and when I am president I will insist that they prosecute all cases of illegal foreign subsidies, currency manipulation, and unfair trade practices.

Some of the folks who still defend our failed status quo trade policies want to avoid discussions about the vital changes that are needed. Here's a preview of what they will say about these common sense suggestions: they will attack my smart trade vision for America as being protectionist or anti-trade. They are dead wrong.

I absolutely believe in fair free trade, and I always will, since fair free trade creates jobs for Americans and fairness in the global economy. I do not, however, believe in trade that only helps multinational corporations and that hurts American workers and America.

And so it is that looking ahead, as I am opposed to the Peru Trade Agreement, I intend to also oppose the Colombia, Panama and South Korea Trade Agreements in their present forms.