

The Trans-Pacific Partnership: A Global Coalition of Big Business Actors

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During the week of July 1st – 7th an international cabal of corporate lobbyists will be meeting behind closed doors in San Diego. Their aim is moving the Trans-Pacific Partnership (TPP) towards completion. For over two years TPP negotiations have been in process, yet the proposals and agreements made so far have been carefully kept from public view, until recently.

A leaked TPP document, published at Public Citizen, has revealed what the 600 corporate advisers involved in the negotiations, including representatives from Verizon, FedEx, and Walmart, have been up to. Considering the contents of this document, it is no wonder why the public and even elected representatives have been kept in the dark.

Publicly the TPP is being described as a Free Trade Act (FTA). This understates its scope. While the FTAs already in existence have raked in giant profits for the corporate elite, for workers internationally they have resulted in lay offs and a race to the bottom in terms of living conditions and rights. The big business tops have been working hard to enhance the power of their moneymaking weapons of mass destruction. If NAFTA was a hand grenade, the TPP is a bunker buster.

What is perhaps most astonishing about the TPP is its architects' disregard for the consequences of its destructive potential. Their greed has blinded them to the political instability and popular revolt the consequences of the TPP will create. The corporate elite imagines their rule to be absolute and eternal. Sheltered by these illusions and goaded on by the need to increase their riches regardless of social costs, they are creating a bomb that could blow them up as well.

Currently the countries in on the TPP are the United States, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam. These countries alone are a combined market of 658 million people worth \$20.5 trillion annually. (1) Canada, Japan, and Mexico are also expected to get on board. The TPP also has built in mechanisms to allow other nations to join after its ratification.

While China could theoretically become a member, there can be little doubt that part of the intention of this pact is for the United States to build a coalition, in which its big business interests dominate, to compete against China's economic might. This ratcheting up of competition will result in greater political animosity. In turn, these consequences will contribute to a course towards greater conflict, including the possibility of war. This is because international capitalist competition is not determined by gentlemanly agreements, but by the law of the jungle and, frequently, brute force. While it may be a relatively simple

matter for the United States to bully its economically weaker TPP partners into line, China is not so easily dominated. Other more crude and costly measures than diplomacy will be required to get the competitive upper hand and the TPP is laying the foundation for this possibility.

What all FTAs share in common, including the TPP, is how they open up doors for multinational corporations to transfer operations to other nations where labor is cheaper and the profit rate is greater. In the first 10 years of NAFTA this outsourcing resulted in the net loss of 879,280 U.S. jobs. (2) Considering the greater number of countries involved in the TPP, this number of lost jobs will be all the greater.

In addition, for the nations these jobs are outsourced to, the results are even more devastating. The dislocation of local economies by the larger scale corporations moving in also results in greater unemployment. For instance,

NAFTA resulted in the loss of 1.3 million Mexican farm jobs as U.S. agribusiness moved in (3), leaving the farmers to toil for a living in the brutal Maquiladoras or move to the U.S. for jobs where they have been persecuted as “illegal” immigrants. Even more damaging was how NAFTA accelerated the privatization of Mexico’s once strong public sector resulting in huge layoffs, wage cuts, and a dramatic drop in the countries unionization rate. Other than for a well-connected few within the developing nations signing onto the TPP, there is nothing to gain and much to lose for these countries’ citizens if this agreement is enacted.

Where the TPP departs from past FTAs is in the range of issues it covers and the degree it flagrantly defies national sovereignty in favor of multi-national corporate interests. Only two of the TPP’s 26 chapters have to do with trade. The rest are focused on new corporate rights, privileges and tools to override local government interests.

Perhaps the most controversial of these tools would be the setting up of a three attorney tribunal, with no checks on conflicts of interest, to judge foreign corporate complaints regarding government regulations in the countries they are setting up operations in. If, for instance, a foreign owned corporation argues it is losing profits because of its host nation’s overtime laws, this tribunal could rule that the country’s taxpayers owe that corporation compensation for this loss. Such costly judgments could result from any regulations including labor law, local environmental standards, financial rules, etc. In short, the TPP’s tribunal would act as the hammer of multi-national corporate interests above the power of the states’ governments they do business in. While, because of their size, U.S. based corporations have the most to gain from this arrangement, it will result in not only a greater deterioration of the living standards of those working in the U.S. but also any semblance of democracy as well.

As negotiated under the Obama administration by U.S. trade representative Ron Kirkland, the TPP is extremist. Public interest and national sovereignty are sacrificed on the altar of a corporate agenda to a degree that it is doubtful a Republican president could get away with. Should it be passed into law, revolts against its effects are likely. This will set into motion events that will not go as planned by the 1% behind the measure.

The time is now to start trying to defeat the TPP. Currently, many of the organizations expressing concerns about it, including the AFL-CIO leadership, are limiting the fightback to pressuring the Obama administration to amend or drop the TPP. It should first be demanded that the agreements and proposals regarding the TPP are open for all to see. The public needs to be educated about its effects. If such efforts are linked to a mass action campaign

for jobs – not cuts, it would go a long way towards creating a grass roots political movement that could take on this extremist 1 percent agreement.

Such a movement cannot afford to counter the TPP with an equally reactionary protectionist program. Currently, this is the position put forward by the AFL-CIO leadership and their “buy America made” slogan. At first glance, it appears to be common sense for many rank and file U.S. workers. “If we want to prevent the off shoring of American jobs we should only buy products made at home” goes the reasoning. However, there are several problems with this line that undercut our ability to combat the TPP.

One problem is that there are very few products that are made exclusively in the U.S. The division of labor to produce even most “American made” commodities is international in scale. Otherwise, few if any of the corporations that make them would be able to survive. Therefore, the logic behind this protectionist slogan is utopian, harking back to a long gone time before the economy became such a globally dependent system.

There are other more pernicious consequences to protectionism, however. It fosters jingoistic “America first” attitudes that, as political tensions increase between economically competing nations, can easily be manipulated into support for military adventures that are against the 99% interests. In addition, even if U.S. jobs are being protected by such measures as tariffs against foreign competitors, this, in effect, exports unemployment and divides the working class by nationality. If extremist 1% measures are to be defeated, it can only be done by a political policy that unites the 99% across national boundaries. Protectionism creates just the opposite.

Workers need their own international campaign to fight the TPP. The labor movement in the U.S. could begin by linking up with other union and community groups from the nations signing onto it. An international conference could be set up to share information, assist one another in their efforts to combat the TPP, and plan for joint actions. However, in order for such a conference to not be limited to purely symbolic value, serious efforts must be dedicated towards turning the ideas coming out of it into a physical force through mass organizing.

The passage of NAFTA was a defeat for workers that we are still suffering from in a big way. Labor and its allies were unprepared to effectively fight it, though there were notable solidarity efforts between U.S. and Mexican unions. The stakes are even higher with the TPP. Statesman like appeals to President Clinton by labor to drop or, at least, reform NAFTA did no good. Likewise, similar appeals to President Obama, especially after the passage of the Korean, Colombian, and Panama FTAs, will leave us saddled with the TPP. The unions need leverage to defeat the TPP, and that leverage comes from mass organizing and action.

For further reading check out the leaked document at <http://www.citizenstrade.org/ctc/wp-content/uploads/2012/06/tppinvestment.pdf>

For “Controversial Trade Pact Text Leaked, Shows U.S. Trade Officials Have Agreed to Terms That Undermine Obama Domestic Agenda go to <http://www.citizen.org/documents/release-controversial-trade-pact-text-leaked-06-13.pdf>

For Public Interest Analysis of Leaked Trans-Pacific Partnership (TPP) Investment text go to <http://www.citizen.org/documents/Leaked-TPP-Investment-Analysis.pdf>

Notes

1.) Trans-Pacific Partnership decoded: Canada lobbied to be part of trade talks. Now what?
By Madhavi Achar-Tom Yew for Business Reporter.

<http://www.thestar.com/business/article/1214595-trans-pacific-partnership-decoded-canada-lobbied-to-be-part-of-trade-talks-now-what>

2.) See "NAFTA - Related Job Losses Have Piled Up Since 1993" by Robert E. Scott for the Economic Policy Institute.

http://www.epi.org/publication/webfeatures_snapshots_archive__

3.) Disadvantages of NAFTA By Kimberly Amadeo for About.Com US Economy.

http://useconomy.about.com/od/tradepolicy/p/NAFTA_Problems.htm

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