

# The Trans-Pacific Partnership: We Won't Be Fooled By Rigged Corporate Trade Agreements

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Global Research, October 02, 2013

[Truthout](#)

Region: [Asia](#), [USA](#)

Theme: [Global Economy](#)

*Early October, President Obama will attend the Asia-Pacific Economic Coordination (APEC) meeting in Bali, Indonesia where he is expected to announce his goal of having the Trans-Pacific Partnership signed into law by the end of 2013. Obama will host a meeting of the leaders of the Trans-Pacific Partnership (TPP) nations during the APEC conference.*

The Obama administration has been negotiating the TPP in secret for more than three years. Unlike past trade agreements, the text of the TPP is classified and members of Congress have restricted access to it. If they do read the text, they are not allowed to copy it or discuss any specifics of it. However, more than 600 corporate advisers have direct access to the text on their computers.

The final formal round of negotiations was held in Brunei this August and since then, there have been informal meetings to try and finalize sections of the agreement. As far as the President is concerned, the TPP is entering the home stretch. All he needs now is for Congress to vote to grant him Fast Track, also known as Trade Promotion Authority, and it's a done deal.

Fast Track would allow the President to sign the TPP before it goes to Congress. Members of Congress would then have a short time period to hold an up or down vote and would be prohibited from making amendments. Without Fast Track, which was used to pass NAFTA and the World Trade Organization (WTO), it is unlikely that the TPP could be signed into law

This is because the TPP goes far beyond a trade deal. Only five of the twenty nine chapters contain provisions related to trade. The other chapters consist of provisions related to patent protections, investor state rights and finance deregulation, among others. The TPP is a backdoor corporate power grab to advance the stalled WTO agenda. Or as Sachie Mizohata writes in [Asia Times](#), "The TPP is a Trojan horse, branded as a 'free trade' agreement, but having nothing to do with fair and equitable treatment. In reality, it is precisely 'a wish list of the 1% – a worldwide corporate power'."

We expect the President to return from Bali with increased enthusiasm to push for Fast Track. To accompany this push will be the usual misinformation campaign coming from supporters of the TPP. To prepare the public for the expected propaganda, we will look at what is being said and provide facts to counter their arguments.

As far as some members of Congress are concerned, as well as hundreds of civil society groups and a growing number of US residents, Fast Track and the TPP are not going to slide through Congress smoothly. Opposition to the TPP is growing as more people come to understand that the TPP is a rigged corporate trade deal and not fair trade that respects the

needs of people and the planet.

### What's Wrong with Fast Track?

For most of the past 200 years, Congress negotiated trade policy and wrote the laws to oversee trade, as required in the Constitution's Commerce Clause. This power was first transferred to the Executive Office when Nixon was granted Fast Track in 1974 as part of his consolidation of presidential power. Fast Track expired in 2007. Only 16 trade agreements have been passed using Fast Track, and some of these were the most unpopular and controversial agreements such as the WTO and NAFTA signed by President Clinton.

The previous Fast Track legislation required the President to submit both the trade agreement and implementing legislation to Congress for approval. According to a [2011 report by the Congressional Research Services](#), "The fast-track authority provides that Congress will consider trade agreement implementing bills within mandatory deadlines, with a limitation on debate, and without amendment..." In other words, [Fast Track](#) permits the President to negotiate an entire trade agreement over many years and then present it to Congress for an up or down vote within a short time period (60 to 90 days), with debate limited to twenty hours and no amendments.

Fast Track severely undermines the transparent and democratic process required to ensure that the full implications of the agreement are understood and are acceptable. Trade agreements require that laws, even down to the local level, are changed to be in compliance with provisions in them. For example, when the WTO was passed, which was fast tracked [despite having been negotiated for over 10 years](#) and containing thousands of pages, most members of Congress did not read or understand it. One of the requirements of the WTO was that Glass-Steagall had to be repealed. This removed the wall that protected traditional banking from risky investments and is partially responsible for the current economic crisis which started in 2008. Similarly, [NAFTA was 1,700 pages](#) including annexes and footnotes. NAFTA involved only three countries, the TPP includes 12. Congress cannot digest all of this information and consider its implications in such a short time.

Passage of the Trans-Pacific Partnership and its sister, the Trans-Atlantic Trade and Investment Partnership (known as TAFTA) for which negotiations began in July, will require Fast Track to become law. Supporters of the TPP such as the [US Chamber of Commerce](#) and, of course, the office of the US Trade Representative (USTR) are promoting Fast Track with flimsy and false arguments. Basically, they boil down to these points:

1. The President should have Fast Track so he can negotiate job-creating agreements and boost trade and the economy.
2. It's ok to give the President Fast Track because Congress is going to include negotiating objectives within the Fast Track law and Congress must vote on the agreement.
3. The President should have Fast Track because other presidents have had it.

So, let's examine the facts. First, despite promises of American jobs, past free trade agreements have actually been huge job losers. NAFTA is responsible for the [loss of nearly 700,000 jobs](#). The recent Korea Free Trade Agreement was promised to bring 70,000 new jobs, but [lost 40,000 jobs in the first year](#) alone instead, and Public Citizen estimates that [nearly 160,000 jobs will be lost](#) over the first seven years. In total, US free trade agreements

over the past two decades have [netted a loss of nearly five million](#) American jobs. The Congress needs to hear testimony to closely question the claim that TPP and TAFTA will create jobs, when the evidence shows it will lose jobs.

In addition to the loss of jobs, free trade agreements have contributed to the stagnation of wages in the US. American workers cannot compete with extremely low wages in countries like China, Malaysia and Vietnam. A [recent study](#) predicts that the TPP will cause wages for 90 percent of American workers to decrease while wealth of the top one percent will soar. How can US workers [compete with workers](#) in Malaysia where the minimum wage is \$1.24, Peru where it is \$1.37 or Vietnam where it is 0.3 cents? The TPP will increase the race to the bottom that will further impoverish US workers.

The same study predicts that the TPP will only boost the US Gross Domestic Product (GDP) by 0.1 percent. In fact, free trade agreements do not seem to work at all when it comes to expanding US exports. [According to the data](#), overall the US trade deficit has increased by 440 percent with countries with which we have free trade agreements and has declined by seven percent with countries with which we do not have agreements. If we look at the outcome of a '21<sup>st</sup> century trade agreement,' which is how the office of the USTR describes the TPP, like the [Korea Free Trade Agreement](#), we find that "average monthly exports to Korea since the FTA have sunk 11% below the average monthly level before the FTA." TAFTA is expected to increase the US GDP by a mere 0.2 to 0.4 percent, which [Public Citizen reports](#), is "a smaller contribution to GDP than was delivered by the latest version of the iPhone."

Second, let's look at Congressional oversight under Fast Track. Carol Guthrie from the office of the US Trade Representative recently wrote an email response to the producer of a video interview of Margaret Flowers in which she said:

"Checking in on your story on TPP – afraid there seems to be some misunderstanding about Trade Promotion Authority, sometimes known as 'fast track.' Under such a law, which lays out just how the Administration should consult with Congress on trade agreements, and in which Congress sets out negotiating objectives for the United States, there are indeed hearings and an up or down vote in Congress before the agreement can be implemented in law and enter into force. There are rules in TPA about whether or not the implementing legislation for an agreement can be amended, but it does not allow an agreement to become law or enter into force without Congressional approval. Glad to share more information as it's helpful to you."

Flowers wrote back immediately and asked if there was Fast Track legislation available for review and whether there would be full hearings on the content of the TPP and its implications and whether amendments would be allowed. That was on September 20 and no response has been received.

In the past, Fast Track has limited hearings and debate and has not allowed amendments. There have also been negotiating objectives in the past, and these have often been ignored. For example, [labor rights were required under the WTO](#), but still were not included. Even when provisions such as [worker protections are required](#) in trade agreements, they are not enforced, as is recently demonstrated in [Colombia](#) where deaths of worker advocates have increased and there are [massive strikes and protests](#). And in the case of the TPP, negotiating objectives enacted now, when the negotiation of the entire agreement is concluding, will have absolutely no effect. The negotiating objectives are merely window

dressings designed to confuse labor unions, environmental groups and others who should strongly oppose TPP.

Members of Congress are overruled by the agreements when they do try to change the provisions. [Ray Rogers writes](#), that trade agreements “have nullified the efforts of political leaders like Senator Tom Harkin (D-IA) who introduced legislation in 1994 to ban the imports of products produced by brutal child labor. President Clinton’s U.S. Trade Representative informed him that his bill would violate the General Agreement on Tariffs and Trade (GATT), which the United States is obliged to obey.” Thus, trade agreements tie the hands of Congress and undermine US sovereignty.

The definition of Congressional oversight by the office of the US Trade Representative falls far short of the degree of oversight necessary if Congress and the public are to have the ability to fully understand what is in the secret TPP and what the economic impact will be on the United States and nations around the world as well as how it will impact protection of workers, consumers and the environment. What we expect to see under the Fast Track process are limited hearings in which supporters of the TPP praise it and Congress members are not able to fully question or amend it. How could it be anything else when Members of Congress will not even have time to read the agreements?

Lastly, the idea that other presidents had fast track, so President Obama should too is embarrassing in its lack of logic. Most Presidents have not had Fast Track. And the agreements passed by Fast Track have caused the loss of US jobs, lowered wages and higher trade deficits. Congress must serve its Constitutional function as a check and balance to the power of the President and the branch of government responsible for regulating trade and passing legislation. Fast Track undermines the constitutional power of Congress and creates an imperial presidency.

Fortunately, the process to grant Fast Track trade authority this time around has slowed significantly. In February, 2012, then US Trade Representative Ron Kirk, in his testimony before the House Ways and Means Committee, included a [request for Fast Track](#) by the end of 2012 in order to complete TPP negotiations. Senators Max Baucus and Orrin Hatch [urged the White House](#) to request Fast Track trade authority last April. They expected to have a Fast Track bill passed in Congress by last June.

President Obama waited until August of this year to formally request Fast Track and as of the writing of this article no Fast Track bill has been introduced in Congress. A [recent report in Politico](#) stated, “Efforts by leaders of Senate Finance and House Ways and Means to craft a bipartisan TPA bill have taken longer than expected, prompting speculation the two panels may not be able to produce a package.”

Bipartisan opposition to Fast Track has already appeared in Congress. Alan Grayson (D-FL) voiced opposition and Rosa DeLauro (D-CT) is gathering signatures from other members on a letter to the President opposing Fast Track. Michelle Bachman (R-MN) and Walter Jones (R-NC) have a similar letter to the President. Many groups are lobbying against Fast Track, including Public Citizen, environmental groups and labor. We are organizing [Fair Trade Brigades](#) to track congressional support for Fast Track through our [Flush the TPP](#) campaign. Everyone is encouraged to participate in that effort. This is a battle between the people and transnational corporate power. It is one the people can win; and we will stop the TPP if people mobilize and participate.

## Don't Fast Track this Train Wreck

As Mizohata wrote in [Asia Times](#), the TPP is Trojan horse that is not about trade. We know this because only five of its 29 chapters are about trade. [Ben Beachy reports](#) that "The United States already has trade deals with six of the seven largest TPP negotiating economies, which constitute 90 percent of the combined GDP of the negotiating bloc."

So, if we already have trade agreements with these countries and we know that trade deals don't reduce our trade deficit, what is the reason for the TPP? It looks like a backdoor to the neo-liberal economic agenda that has been stalled under the WTO since the Battle of Seattle in 1999. The tremendous secrecy surrounding the TPP is because the policies that are being pushed through are both harmful to and unpopular with the American public. Fast Track is necessary to protect this secrecy because the TPP would not survive the light of day.

Senator Elizabeth Warren (D-MA) has been one of the most outspoken members of Congress on the need for transparency. She wrote a letter to the President requesting that the text be made available to the public. Even members of Congress have restricted access to the text. [Zach Carter writes](#) that "Some [members of Congress] have said they [were insulted](#) by the complex administrative procedures the office of the U.S. Trade Representative, or USTR, imposed to actually access the texts — barriers not imposed on unelected corporate advisers."

And, it is not only texts, when Rep. Darrell Issa (R-CA) sought to observe negotiations being held near his California Congressional District, the [US Trade Representative would not allow it](#). While corporations have been allowed to participate throughout the process, a member of Congress who serves on committees dealing with energy, small businesses, foreign policy government oversight – which would all be impacted by the TPP – was blocked from merely observing. The disrespect showed to Congress by the Obama administration is something that will come back to haunt them. As Rep. Issa wrote: "Congress has a constitutional duty to oversee trade negotiations and not simply act as a rubber stamp to deals about which they were kept in the dark. While I had hoped the TPP would permit me to observe this round of the negotiation process firsthand, our efforts to open TPP negotiations up to transparency will continue."

Looking at the office of the USTR website, one would think that the process of negotiating the TPP has been open and broad. They [write](#) that they are reaching out to a "broad cross-section of stakeholders" and they want to "set the stage for a deeper level of engagement with these and other stakeholders in the weeks and months ahead." But these are empty promises and misleading statements as both Members of Congress and stakeholders know.

The actions of the USTR are designed to give the illusion of engagement while needs and interests of those affected by the TPP will be ignored. One of the authors, Kevin Zeese, participated in a stakeholder briefing last September. He found that questions from the stakeholders in attendance were not answered by the representatives and the entire event felt like a charade.

That is why last week we decided [to expose the secret TPP](#) and make the public's demands for democracy and transparency [more visible](#) through spectacle protests. On Monday, September 23, eight of us wore work coveralls and hard hats and [climbed scaffolding](#) next to the USTR building. We [draped the outside](#) of their building with four large banners calling for democracy and transparency and calling the TPP what it is in reality, a global corporate



coup against people and the planet. Our efforts told the whole city as the [Washington Post reported](#) on the protest calling it “one of the best ever.” The next day we spread the news by [conducting a march featuring a 35 foot Fast Track train](#), going back to the US Trade Rep., the World Bank, White House, Chamber of Commerce, business district, Pennsylvania Ave. and Congress. Many tens of thousands of people now know about the secret trade deal.

It is up to the public and their representatives in Congress to demand that the full text of the TPP be released and that there be a democratic process of review. We must fully understand the effects of the TPP on employment, wages, the environment, Internet freedom, public health and safety and more. Jim Hightower outlines some of the major concerns in his newsletter, [The Lowdown](#).

We cannot blindly accept the information coming from the USTR, President Obama and Big Business supporters of the TPP. They have misled the public before and they are doing it again to advance an agenda that puts profits before the needs of people and protection of the planet. The TPP will force smaller countries like Vietnam to change their entire economy by eliminating their publicly- supported enterprises and services and opening them up to the private sector and foreign investors. This will increase poverty and suffering while lining the pockets of the wealthy.

Countries negotiating with the United States need to realize that if the TPP becomes law they will be under the thumb of Monsanto, JPMorgan, Bank of America, Wal-Mart and other US-based transnational corporations. They will have lost their sovereignty. Rodrigo Contreras, [Chile’s lead TPP negotiator recently up and quit to warn people of the dangers of TPP](#) highlighting how big financial institutions will dominate their governments and how the TPP “will become a threat for our countries: it will restrict our development options in health and education, in biological and cultural diversity, and in the design of public policies and the transformation of our economies. It will also generate pressures from increasingly active social movements, who are not willing to grant a pass to governments that accept an outcome of the TPP negotiations that limits possibilities to increase the prosperity and well-being of our countries.” The TPP will destroy the sovereignty of the nations who agree to its terms.

The destruction of sovereignty includes the United States. One of the most egregious outcomes of the TPP, if it passes, is the way it will undermine our national sovereignty as well as the ability of state and local governments to pass laws. All laws will have to be brought into compliance with the TPP. This means that public institutions like schools and hospitals can no longer give preference to buying local products and consumers may be barred from knowing whether the foods we buy contain GMOs. It means the “Buy America” laws will be illegal so Americans will be forced to spend their money on foreign products that create a massive trade deficit. And if we pass laws that interfere with expected corporate profits, those laws can be challenged in a special court, an international trade tribunal that operates outside of our legal system and that is staffed largely by corporate lawyers on leave from their corporate jobs. There will be no appeal to traditional courts from these rigged trade tribunals.

The TPP Unites Us and We can Stop It

The TPP will affect everything we care about. It is a cause that unites us, and if we work together to stop it, we will have won against the behemoth of transnational corporate power. A broad range of groups across the political spectrum are involved in stopping the

TPP from becoming law. This includes Internet freedom, anti-GMO, health care, labor, faith, immigrant rights and environmental groups, among others.

We can stop the TPP. Indeed, [14 trade agreements have been prevented](#) in the last dozen years. As more people know about it, the less popular it will become among politicians who will be held accountable for the TPP's failures. It is up to the public to demand that our representatives put the interests of their constituents before the profits of their corporate campaign financiers. They must know that they will be held accountable for the detrimental consequences that are being predicted.

Public awareness and pressure are already having an effect. The media is starting to cover the TPP more and the process of granting Fast Track has been slowed. We can expect more propaganda to appear as the TPP falters and so we must prepare ourselves to repel it with the truth. And we must remember that no matter what we are told about it, no matter what protections we are told are included in it, we must have access to the text before it is signed and we must review and fully understand what its impacts will be. These demands are reasonable in a country that claims to be the greatest democracy on Earth.

And other countries are taking steps to demand transparency and democracy. Recently, [the Parliament of Peru](#) passed a resolution "requesting that the government open a "public, political, and technical debate" on the binding rules being negotiated in the TPP." Protests in Japan have been widespread. The more we are visible in our concerns about the TPP, the more people in other nations will be emboldened to stand up to US imperialism and domination.

It is time to end the era of rigged corporate trade and begin fair trade that respects all people and the planet; and that is developed in an open and transparent manner. [Join the Fair Trade Brigade](#) either in Congress or where you live. Tell your member of Congress to vote "no" on Fast Track and pass a resolution locally that declares your community to be a fair trade zone. Visit [FlushtheTPP.org](#) for more information on what you can do.

Other articles on the TPP by Margaret Flowers and Kevin Zeese:

[TransPacific Partnership Will Undermine Democracy, Empower Transnational Corporations](#)

[Protesters Take Over US Trade Rep Building, Expose Secret Negotiations](#)

[Why It's Time to Revolt Against the Worst "Trade Agreement" in History](#)

For more on the TPP visit: [here](#) and [here](#).

This article was first published on [Truthout](#).

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