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Narrow Vote on Oman Free Trade Agreement Exposes Continuing Shift in U.S. Trade Politics, Shows Opposition That Larger NAFTA-Modeled Pacts Face

With Only 22 Democrats Supporting Trade Model That Majority of Public Considers a Failure, Bright Line Issue Drawn for November Congressional Elections; Statement of Lori M. Wallach, Director of Public Citizen's Global Trade Watch Division

When a trade pact with a nation whose economy is the size of Worcester, Mass., can obtain only 221 votes of support in the 435-member House of Representatives, it's clear that the U.S. public and Congress have had it with our trade status quo. Already many in Congress opposed this deal because it was a NAFTA-CAFTA clone, but by sneaking in security-threatening, politically tone-deaf provisions that give foreign firms the right to drag us to foreign tribunals if we prevent these firms from controlling U.S. port operations, the administration almost lost this vote. Four of the Democrats who supported CAFTA opposed the Oman Free Trade Agreement (OFTA).

We have witnessed a dramatic shift in U.S. trade politics. Last July's one-vote passage of CAFTA and today's narrow vote on a pact with tiny Oman reflects American rejection of status quo NAFTA-style trade policy and makes nearly impossible the passage of an extension of Fast Track or larger NAFTA-clone trade deals. The political shift, shaped by increasingly negative public opinion over trade, is even more apparent considering that only 22 Democrats voted for this deal, with its forced labor and port security problems, while last December a trade agreement slipped through Congress with little public attention. That agreement, the Bahrain FTA, passed 327-95, with 115 Democrats voting yes after Bahrain agreed to bring its labor laws to International Labour Organization standards.

Trade will be a hot issue in the 2006 elections. House Republicans who were pushed to vote for this deal after walking the plank on CAFTA last year could end up with the next trade-related pink slips. Only 22 Democrats supported OFTA, so the administration and Republican Party now have full ownership of a policy most Americans think has failed terribly. The GOP now owns the dangerous trade deficit, stagnant wages and increased undocumented migration caused by this model. It would be ironic if Republican pressure to pass this latest NAFTA expansion were to result in the GOP losing its majority. It could happen given how trade is playing in races in Ohio, Pennsylvania, New York, North Carolina and Indiana, among other states. It is worth nothing that more Republicans opposed this agreement than CAFTA, signaling the increased political pressure on trade issues at home. Thirteen Republicans who were pushed to vote for CAFTA opposed the Oman FTA.

The Bush administration declared its intentions to pass the Oman agreement by a wide margin by February, but opposition to the pact – which is nearly identical to CAFTA – was too significant. Recent State Department reports about human trafficking and forced labor in Oman have intensified opposition, as have recent press reports detailing abysmal sweatshop conditions resulting from a 2001 Jordan Free Trade Agreement. Until the Bush administration reverses course on a trade agenda that has helped create a record trade deficit, job loss, declining tax base, jump in undocumented immigrants and other harsh realities, it will find Capitol Hill no friendly place for more of the same.

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