

# Who's Saying What About the Trade Death Star Deal: Not One Union, Small Business, Environmental or Faith Group Supports it; Big Business Loves It

**O**n May 10, the Bush administration and some Democratic House leaders abruptly announced a secretly negotiated deal to facilitate passage of Bush NAFTA expansion pacts with Peru and Panama. **Groups representing millions of Democratic base voters reject the deal.** Big corporate lobbies working to restore a GOP majority, such as the Chamber of Commerce, praise it. As President Bush vetoes (or Senate Republicans) block Democratic initiatives, could it come to pass that the Democratic majority's big "deliverable" will be **more Bush trade deals** approved by a majority of the GOP and a minority of the Democratic majority?

Like the **Death Star** of *Star Wars* lore, this "deal" to revive Bush's stalled middle-class-crushing trade agenda could wreak unimaginable damage in one blast. Labor, small business, environmental and health groups note the deal **fails to remove the worst core NAFTA provisions from Bush's Peru and Panama deals.** While improved labor and environmental standards are important steps toward a new trade policy, **adding them to a NAFTA-style agreement is like putting a new roof on a condemned building.**

The damage: **obliterating the American public's faith that the Democrats will deliver on its election mandate** not to stay the course on Bush's failed trade policy; **splitting the Democratic caucus and alienating its base; handing Bush a big political victory;** and **creating extreme political vulnerabilities** for the majority-making freshmen Democrats in 2008.

And now, the administration is saying it **does not even intend to re-open and renegotiate** the trade agreements to implement even the modest terms of the deal!

## BUSH/BIG BUSINESS LOVE IT

**President Bush:** deal paves "a clear path for advancing our proposed free trade agreements with Peru, Colombia, Panama, and South Korea."

**U.S. Chamber of Commerce:** is **"encouraged by assurances that the labor provisions cannot be read to require compliance" with core international labor standards.**

**National Association of Manufacturers:** "the deal **would not bind** the U.S. to more detailed ILO conventions on labor."

**National Retail Federation:** "a significant breakthrough... has the potential to be very important for reauthorization of the President's trade negotiating authority."

## NO ONE ELSE SUPPORTS IT

**Teamsters (1.4 million members):** "To my great disappointment, Democratic leaders in the House joined with the Bush administration yesterday to announce a trade "deal" that **sells out American workers...** this "deal" is NO DEAL for the Teamsters or American workers, and **we will fight like hell to oppose** this shortsighted agreement." – President Jim Hoffa

**Machinists (700,000 members):** "The IAM is highly suspicious that the trade deal is **seriously deficient** in many respects... This Administration has demonstrated all too often its unwillingness to defend workers' interests and enforce our trade laws." – President Tom Buffenbarger

**Sierra Club (1.3 million members):** "We are starting from such a bad baseline – trade deals which are neither free nor fair – that **we have a long way to go,** much further than Washington has agreed to this week." – Executive Director Carl Pope

## BIG BUSINESS LOVES THE DEAL...

**Electronic Industries Alliance:** deal will allow “lawmakers to approve trade agreements with South Korea, Columbia, Panama and Peru as well as legislation to extend the president’s trade promotion authority.”

**Financial Services Forum:** “This agreement will help to move forward pending free trade accords with Colombia, Panama, Peru, and South Korea and we hope it will also lay the groundwork... for the renewal of Trade Promotion Authority.”

**American Apparel & Footwear Association:** “pleased that trade policy negotiations have yielded a bi-partisan agreement and hopes that all pending trade agreements – Colombia, Peru, Korea and Panama – will be swiftly approved by Congress... Further, we hope the momentum created by last night’s agreement will lead to an extension of the president’s Trade Promotion Authority (TPA).”

**American Electronics Association:** “sees this agreement as a critical step forward in efforts to renew Trade Promotion Authority.”

**Microsoft:** “We hope that today’s announcement paves the way for Congressional consideration of agreements between the U.S. and Peru, U.S. and Colombia, U.S. and Panama, and the U.S. and Korea.”

## ...NO ONE ELSE SUPPORTS IT

**U.S. Business and Industry Council** (*represents 1,500 small and medium-sized companies in 44 states*): “The ‘New Trade Policy’ compromise announced yesterday by House Democratic leaders, House Republicans, and the Bush administration **will become a simple sell-out** of U.S. producer and worker interests if not quickly accompanied by more fundamental changes in America’s global trade strategy.”

**United Steelworkers** (*1.2 million members*): “We are **deeply disappointed** that neither the Democratic caucus nor the Labor Movement were fully briefed about the details of the proposed agreement before those who negotiated it were publicly proclaiming its virtues.”

**Sierra Club, Friends of the Earth, Defenders of Wildlife and Earthjustice** (*1.8 million members*): The deal “is **not a sufficient template** for trade agreements generally or for presidential trade negotiating authority...” It’s pretty difficult to trust a deal with a president who has “the worst environmental record in modern history.” – Joint Statement

**Change to Win** (*6 million members*): “We are disappointed that House Democratic leaders joined with the Bush Administration yesterday to announce a trade deal that is more free than fair... [The “deal”] **opens the door for subsequent harmful trade policies that resemble NAFTA/CAFTA.**” – Chairwoman Anna Burger

**AFL-CIO** (*10 million members*): “We also remain concerned that the agreement **fails to adequately address issues**

**related to the outsourcing of U.S. jobs** and the ability of foreign corporations to challenge U.S. laws, among others.” – President John Sweeney

**Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America** (*represents thousands of U.S. cattle producers in 47 states*): “Unfortunately, the Committee **included absolutely no language** that would address U.S. agricultural concerns ... R-CALF members feel strongly that Trade Promotion Authority (TPA), or Fast-Track Authority, should not be granted to the President.”

**American Manufacturing Trade Action Coalition** (*represents U.S. manufacturing companies in the South and Northeast*): “this deal **fails to address the fundamental flaws in U.S. trade policy** that have resulted in the United States losing more than three million middle-class manufacturing jobs and racking up cumulative trade deficits of more than \$4 trillion since 2000.”

**Health Gap, Essential Action, Student Global AIDS Campaign** (*Student Global AIDS Campaign has chapters on 85 campuses across the country*): “If passed by Congress, these trade agreements with Peru and Panama **will restrict rather than expand access to lifesaving medicines...**”

**Northwest Indiana Federation of Labor** (*22,000 members*): “it sure **blows my mind** why Congress would cut a deal that we know will trade away good jobs from Indiana.” – President Jerome Davidson

**Alliance for Responsible Trade** (*national network of 34 labor, family-farm, religious, women’s, environmental and other organizations*): “By making a deal with President Bush the Democratic leadership **divided their own party and their key supporters in one fell swoop.** The people most pleased with this agreement are... the Business Roundtable.”

**National Indigenous Organization of Colombia:** “There are no changes that can make the US-Colombia Free Trade agreement better because there is a government whose officials are linked to massive human rights violations.”

**Peru labor and retiree group:** “the problem with the Social Security provisions in the Peru FTA haven’t been fixed. In Peru, our social security system has undergone a failed privatization, and the U.S. company Citigroup is one of the investors that has benefited. We are worried that the trade agreement **will make it difficult for us fix our broken social security system.**”

**Paul Krugman** (*economist and New York Times columnist*): “Realistically ... labor standards won’t do all that much for American workers... trade will continue to place pressure on U.S. wages... if Democrats really want to help American workers, they’ll have to do it with a pro-labor policy that relies on better tools than trade policy.”

**Organization for Competitive Markets** (*organization of producers of cattle, corn, soybeans, wheat, hogs, vegetables, and other crops*): “The new bipartisan accord **ignores the American voters** who sent many new Congressman to Washington promising to reign in misguided trade policies. The announced deal **does nothing** to create jobs, protect food safety, address currency manipulation, counter foreign value added taxes, or preserve U.S. sovereignty.”