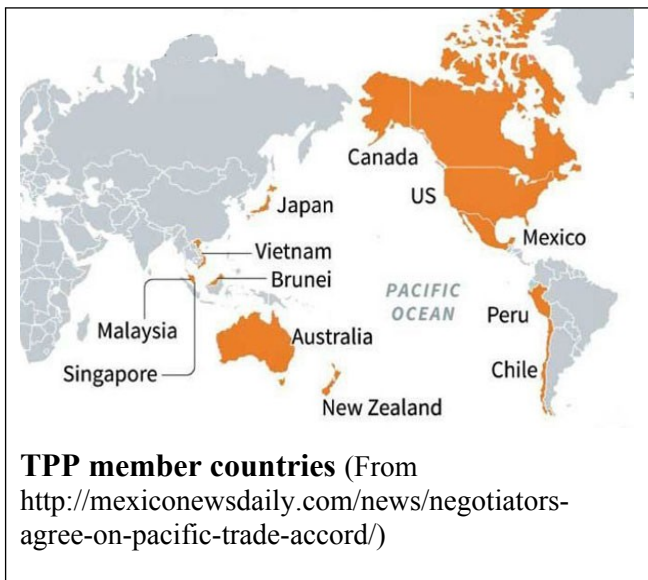


A New Threat to Democracy, the Environment and the Middle Class – the Trans-Pacific Partnership

In case you haven't heard of it, this article is about the Trans-Pacific Partnership, or TPP – the so-called “trade agreement” that covers 14 countries that range Canada to Peru to Brunei to Japan that constitute about 40 % of the world GDP (see map).



TPP member countries (From <http://mexiconewsdaily.com/news/negotiators-agree-on-pacific-trade-accord/>)

Highlights of the TPP

Many, myself included, support free trade with the experience of the disastrous Smoot-Hawley protective tariffs etched in our historic memory. But TPP is more than a trade treaty. Of its 30 chapters, just six deal with traditional trade issues. The other 24 chapters fulfill corporate wish lists that will affect every part of our lives – for the worse. For starters, according to Public Citizen the TPP will: (1)

- Make it easier for corporations to offshore American jobs to low-wage countries. The much smaller

North American Free Trade Agreement (NAFTA) led to closing 57,000 manufacturing facilities and five million lost jobs. Trade deficits from NAFTA and the World Trade Organization (WTO) led to losing seven million jobs. (2)

- Prevent food labels that state its country of origin, if it includes genetically modified organisms, or how it was produced. (3) We can expect limits on what safety standards the United States can require for imported foods and how much inspection will be permitted. (4)
- Give big banks a backdoor to water down efforts to re-regulate Wall Street. TPP rules were written, with bankers' help, before the financial crisis when deregulation was in style. TPP will undermine bans on risky financial “products” like those that led to bailing out AIG. It will threaten reinstating Glass-Steagall like “firewalls” to prevent banks that keep our savings accounts from taking risky bets. (5)
- Allow big pharma to increase drug prices and limit consumers' access to cheaper generics. It will also allow for monopoly rights over surgical procedures. (6)
- Make it more difficult to deal with climate change, fracking, and other environmental issues. (7, 8)

That's a lot and there are many other problems; see reference 1.

Investor State Dispute Settlement (ISDS) – Ceding National and Local Sovereignty to Multinational Big Businesses

The biggest problem with TPP is the Investor-state dispute settlement process (ISDS). Senator Elizabeth Warren stated, “If the tilt toward giant corporations wasn't clear enough, consider who would get to use this special court: only international investors, which are, by and large, big corporations. So if a Vietnamese company with U.S.

operations wanted to challenge an increase in the U.S. minimum wage, it could use ISDS. But if an American labor union believed Vietnam was allowing Vietnamese companies to pay slave wages in violation of trade commitments, the union would have to make its case in the Vietnamese courts.” (9)

Under ISDS, businesses can sue governments for alleged losses of profits before a trade tribunal that issues non-appealable decisions. The tribunals will have three magistrates who will often be lawyers working on international trade issues for multinational businesses. (10)

NAFTA and the WTO have ISDS provisions that offer a preview of coming attractions:

- Trans Canada is suing the US for \$15 billion for not approving the Keystone XL pipeline. (11)
- The Canadian firm Methanex sued California over its plan to eliminate methyl tertiary butyl ether (MTBE) as a gasoline additive; this shows that ISDS threatens state and local governments. (12)
- Under WTO, the U.S. "dolphin-safe" tuna fish label was successfully challenged and Congress repealed our country-of-origin meat labels after the WTO authorized \$1 billion in sanctions from Mexico and Canada - until the U.S. repealed the law. (3)



(From <http://www.careertoran.com/rights-of-investor-vs-rights-of-state/>)

Some Disturbing History

The history of TPP is a case study of how the one-time “Party of the People” has become big business’ obedient servant. The TPP began under George W. Bush, but was embraced by his Democratic successor (13) much as NAFTA began under Presidents Ronald Reagan and George H. W. Bush and was then embraced by Bill Clinton. (14)

While the TPP was treated as a secret almost like the a nuke design at Livermore Lab, concealed from the eyes of the public and almost all labor and civil society observers, 600 “observers” from big business did participate in hatching the TPP. According to the *New York Times*, “Ron Kirk... was remarkably candid about why he opposed making the text public: doing so, he suggested to Reuters, would raise such opposition that it could make the deal impossible to sign.” (15) Mr. Kirk was the US Trade Representative charged with negotiating the TPP. He was replaced by Michael Froman, who received over \$4 million when he left CitiGroup to join the Obama administration. (16) Did CitiGroup pay Mr. Froman such a princely sum to protect the public interest?

The constitutional role of Congress to “regulate Commerce with foreign Nations” has been reduced in the case of the trade agreements using a Nixon-era trick called “Fast Track,” now benignly called “Trade Promotion Authority” (TPA) by the Obama administration. Under TPA, the president can sign a trade agreement, as Mr. Obama did with TPP, and then require Congress to consider the agreement with nothing more than

an up or down vote within 90 days of whenever the President says so. President Obama started the 90-day clock on August 12, 2016 ([17](#)).



But Wait! There's More!

TPP is not alone. The Obama administration has two more similar “trade” agreements in the pipeline, the Transatlantic Trade and Investment Partnership (TTIP) and the Trade in Services Agreement (TSA). ([18](#), [19](#))

TPP, like NAFTA and the other “trade” agreements Neo-Liberal Democrats and Republicans promote, will speed up our Race to the Bottom by putting American workers in direct competition with low-wage workers in places like Brunei and Vietnam. TPP may accelerate expanding inequality in all participating countries – and certainly will here - leading to social instability both here and abroad.

([2](#), [20](#)) Social instability brings the risk of armed conflict abroad and, given the ominous behavior of Mr. Trump and some of his supporters, also right here at home.

Is There an Alternative?

Proponents say, “Globalization is inevitable” when supporting TPP. Maybe globalization is inevitable, but it doesn't have to be rigged to favor the rich the way it has through NAFTA and TPP. Societies, through governments, set rules of the road for markets and trade. God did not make markets and trade - they are made by man and can be changed by man. The TPP can be scrapped and replaced by something like the Trade Reform Accountability, Development and Employment (TRADE) Act. ([21](#)) Public Citizen promotes a three-step process: 1) Stop TPP now; 2) renegotiate extant trade agreements to promote the interests of average people; and 3) Pass the TRAE Act. ([22](#)) So yes -there is an alternative.

What Can I Do?

The TPP will void democracy both nationally and locally. It will contribute to environmental deterioration. It will be yet another, perhaps final, blow to the Middle Class essential to creating and maintaining a modern developed society and economy. Can I stop it?

Fortunately, many of us live in California Congressional District 11 where Congressman Mark de Saulnier, as well as Eric Swalwell and Jerry McNerney in nearby districts, oppose TPP. However, Senator Feinstein appears to support it ([23](#)) as does Rep. Ami Bera ([24](#)). Senator Boxer, who will not run again, appears to oppose TPP ([25](#)). Contact them to thank those who oppose the TPP and express disapproval if they support it. If you know people who have or may have Representatives or Senators who favor or may favor the TPP, please contact them and ask them to inform themselves about the TPP (please see the references) and ask them to express opposition to TPP to their Representatives and Senators.

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