

The Trans Pacific Partnership: A Corporate Wish-List¹
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ABSTRACT

The Trans Pacific Partnership [TPP] is an ambitious "trade" agreement currently under secret negotiation. It covers far more than trade, and much of what we know is thanks to Wikileaks. TPP is the latest in a series of postwar agreements that set the rules for multinational corporations as they manage the global economy. Both this and the agreement being negotiated with Europe will further inhibit regulating corporate activity, by giving foreign corporations the power to sue governments before tribunals for loss of expected future profits. Current pacts are more about freeing corporate investment from constraints than about free trade. These agreements have always been justified as growth and jobs-promoting, though their results usually don't support the predictions. Instead, they have encouraged global firms to outsource, sometimes to other industrial economies but frequently to lowest-wage countries with few labor protections. Their ability to relocate freely and sell that output here, and avoid taxes on their profits so long as these are kept abroad, has undermined worker bargaining power and wages. The result is that now our economy's productivity gains are not adequately shared with workers. How will the terms of the agreement modify current arrangements? What is our experience with previous agreements? This paper will look at these questions as well as arguments of critics and, to some extent, defenders of trade agreements.

What do you think of this policy? Any foreign corporation whose *future* profits might be hurt by a change in an American law or regulation may sue to overturn it, bypassing US courts, or in fact, *any* court. Three arbitrators decide the case, without any recourse. If you think this is good policy, you'll like the Trans-Pacific Partnership, hereafter called the TPP.

Many of us consider trade to be generally useful. Who could object to buying from countries that can produce goods most cheaply, so that consumers get the lowest prices and the greatest variety of goods like beer, cell phones, and edible tomatoes in winter? Who could object to granting workers in poor countries a chance to raise their standard of living by getting jobs producing for a world market? Unfortunately, these so-called "free trade" agreements have consequences far beyond these obvious effects. Their convoluted language conceals less popular policies. For example, Ontario's proposed no-fault auto-insurance was scrapped because of a *potential* challenge by insurance companies.² Further, most trade supporters surely don't intend that low prices result from inadequate worker safety, unchecked pollution, or starvation wages, nor that benefits come at the expense of our own workers. However, as a study by Princeton and Northwestern researchers reports, "the preferences of the average American appear to have only a minuscule, near-zero, statistically non-significant impact upon public policy."³

This paper will outline the history of postwar trade policy, describe current provisions of the TPP, and then examine job claims made for previous agreements, similar to those made for the TPP.

Our current policy began in efforts during WWII to fix problems threatening the postwar international economy. One was *protectionist trade policies*. Many agree that "beggar thy neighbor" policies, like hiking tariffs or depreciating the country's currency, made the Depression of the 1930's worse. They tried to cure domestic recession and unemployment by transferring them to other countries. The new international order was signaled by the Bretton Woods Agreement of 1944, negotiated among the major allied powers. The General Agreement on Tariffs and Trade, GATT, which initiated the postwar era of declining trade barriers, was the related trade regime. It used *multilateral* negotiations to reduce trade barriers simultaneously. This replaced the prewar system of each country deciding its own trade policy, usually granting trade concessions for diplomatic, not economic reasons. The multilateral system ensures that as a country opens its markets to import competition, others are doing the same.⁴

There was an attempt to mandate fair labor standards and full employment policies, ensuring that workers who lost jobs to imports would find new ones.⁵ However, conservative forces, concerned that the treaty would infringe U.S. sovereignty, defeated it.

Even the original GATT included the intention that trade be consistent with full employment. Nearly fifty years later, the World Trade Organization [the WTO, 1995], which replaced GATT in governing the world trading system, has no major goals other than enlarging market access.⁶ Nor have the

trade agreements negotiated since then, like NAFTA, the North American Free Trade Agreement. Supporters merely *predict* that the agreements will create jobs.

After successful trade expansion in the 1960's, the Kennedy Round,⁷ Chase Bank CEO David Rockefeller and former Undersecretary of State and Wall Street banker, George Ball, began a campaign to reduce non-tariff barriers, like quotas, and health and safety standards. These were the focus because most tariffs had been reduced. Ball's testimony before a Congressional committee in 1967 urged giving corporations more power to manage the world economy. Matt Stoller, a blogger, researched this interesting history. Ball described their advantage as being able to consider the whole world in making production and marketing decisions. However, he added,

... to fulfill its full potential the multinational corporation must...operate with little regard for national boundaries—or, in other words, with little regard for restrictions imposed by ...national governments.... we must do far more than merely reduce or eliminate tariffs. We must move in the direction of common fiscal concepts, a common monetary policy, and common ideas of commercial responsibility.⁸

Because business "has outgrown the constrictive limits of the antiquated political structures even ...[domestic] supervision of earth-straddling corporations - will have to be increasingly entrusted to supranational institutions...." As Ball said, "Implied in this, of course, is a considerable erosion of the rigid concepts of national sovereignty..."⁹

He conceived of trade policy as key to taming nation-states, allowing multinationals to run the world economy.¹⁰ So the push toward eliminating national barriers "wasn't about free trade, it was about reorganizing the world so that corporations could manage resources for 'the benefit of mankind.'"¹¹ In this era, the John Birch Society believed [1959] that the goal of some US policy-makers was to create a world government. Some of the Right Wing still does. It turns out to be true, though in a form they would approve. Contrary to their supposition that it was a Communist plot, it is globalizers, both Liberal and Conservative, who want to create one world: a corporate-dominated world.

The Kennedy Round, ending in 1967, was followed by a series of agreements—the Tokyo Round [ended 1979], the Uruguay Round [1986-1994, created WTO 1995] with a broader agenda: services, intellectual property, and investor protection.¹² The US initiated a series of regional agreements like NAFTA [1994]. The TPP is the latest, along with an agreement being negotiated with Europe.¹³ At least since the Tokyo Round in the late 1970's, trade agreements have increasingly "elevated [corporations] to the status of an independent government, ...corporations can limit what a government might do, while governments lose significant power to limit what a corporation might do." It is possible that these treaties were a response to [below-average profit rates in the 1970's](#), as corporations sought new ways to invest.¹⁴

TPP is a major trade pact between the U.S. and 11 other Pacific Rim nations¹⁵ that is even more controversial than previous agreements. The Bush 2 Administration initiated negotiations in late 2008. In the 2012 presidential campaign, Obama described it as a counter to China.¹⁶ US officials hope that this ambitious agreement will set the agenda for future negotiations with the WTO. It aims to expand US

influence in the Asia-Pacific region. Thirty-four percent of US trade is already with TPP members.¹⁷ Workers have limited rights in Malaysia, Brunei, Mexico, Singapore, and Vietnam, and TPP labor provisions are too weak to improve their economic condition much.¹⁸ As a consequence, the TPP is likely to increase our inequality by exerting further pressure on U.S. wages. As the TPP has a "docking" provision, it may well be our last trade agreement: once it is adopted, any other country can join.

Not only are TPP negotiations secret: members are prohibited from releasing information for four years after adoption.¹⁹ Involved in negotiations are the U.S. Trade Representative,²⁰ Michael Froman, who had several top jobs at Citigroup,²¹ chief negotiator Barbara Weisel, about 500 hundred corporate advisers serving on private sector advisory committees, many of whom have access to confidential documents, and a few representatives of "civil society," who *don't*.²²

As trade is already substantially free,²³ the TPP is more about establishing global corporate governance: [only 5, perhaps 6, of the 29 chapters are about trade](#). The copyright and patent protections included in this agreement in fact extend trade barriers and raise prices. Supporters of contemporary trade agreements treat them as supported by international trade theory. However, these agreements concern issues like intellectual property rights that trade theory has not shown to provide mutual benefit. In fact, increasing the income of our own corporations by improving their patent protection is likely to make poor countries worse off.²⁴ In any case, there is no theory of trade which claims that *everyone* benefits from a trade agreement. The best it can promise is that the winners gain enough to pay off the losers, but of course they never do.

Why are the negotiations secret? Simply put, because its provisions are controversial, and not easily defended to the public.] Previous attempts to pass similar "free trade" pacts, like the expansion of the WTO in Seattle, met with widespread opposition.²⁵ Secrecy gives opponents less time to organize. We can thank Wikileaks²⁶ for chapters on the environment, intellectual property, and investment after nearly five years of negotiations.²⁷ Although Congress has exclusive Constitutional authority over trade, it has been excluded from negotiations and does not yet have the text. Members may read it but only if they don't take notes.²⁸ According to Senator Sherrod Brown (D-Ohio), "Members of Congress and their staff have an easier time accessing national security documents than proposed trade deals, but if I were negotiating this deal I suppose I wouldn't want people to see it either."²⁹ Lori Wallach of Public Citizen describes how unusual this secrecy is: "during NAFTA, any member of Congress could see any text. In fact, the whole agreement between negotiating rounds was put in the Capitol.... In 2001, the Bush administration published the entire Free Trade Area of the Americas text, when it was even in an earlier stage than TPP..., on government websites."³⁰ However, what is closed to Congress is available to corporations like Halliburton, Chevron, Pharmaceutical Research and Manufacturers, Comcast, and other corporations. These are not only privy to the agreement, but are consulted on it.³¹ The text is kept even from official trade advisors. One complains,

"Our trading partners have this text, but the government's own cleared advisors, serving on statutorily-created advisory committees, are kept in the dark."³²

Some people argue that secrecy is important to negotiating an agreement of any kind. Secrecy aids the negotiators, who can work best when their positions are known only to them, and can be changed in response to concessions.³³ However this principle applies best when all sides trust their negotiators and when issues reflect their priorities. With TPP negotiations, how can consumers, labor, domestic businesses or others who don't agree that "the business of America is [big] business" assume that the corporate goals of business lobbyists,³⁴ who are the main trade consultants, will not be served rather than those of these stakeholders?³⁵ The provisions of the current agreement, discussed below, show that those concerns are justified.³⁶ The current rules are so stringent that secrecy has undermined TPP support. A member of Congress who reveals information from a briefing could face criminal prosecution.³⁷ Even Robert Zoellick, U.S. trade representative from 2001 to 2005 and a supporter, expressed surprise: "I'm actually a big believer in the transparency of those arrangements, so I don't know why they've been more restrictive."³⁸

Congressional and popular opposition slowed the vote on President Obama's request³⁹ for Fast Track Authority, but the Senate and House have finally granted it.⁴⁰ Both have also passed aid to workers displaced by trade, earlier rejected by the House.⁴¹ Fast Track extends to trade agreements negotiated until mid-2018, with a possible extension of another three years.⁴² This has been a major issue for critics, as it would extend the same lack of scrutiny to two other noxious agreements under negotiation: the Transatlantic Trade and Investment Partnership (TIIP) with Europe⁴³ and the Trade in Services Agreement (TiSA), which includes 51 countries and threatens a range of services, from finance to healthcare and education. It aims to further deregulate global financial services, and privatize public services. These would be prevented from ever returning to public ownership.⁴⁴ Fast track limits debate and bans amendments and filibusters, with only a yes or no once the bill comes up for a vote. It will then require only a simple majority [51] to pass, rather than 61 votes required for most legislation, or the 67 required for a treaty. Giving the President such authority avoids disruptive changes in the text, but at the expense of Congressional and public oversight.

Opposition in Congress has come from both Republicans and Democrats. For example, Senator Jeff Sessions [R-AL]⁴⁵ is rightly concerned about the "Living agreement" provision, which gives power to a new global authority to modify the agreement after its enactment.⁴⁶ President Obama himself created some effective backlash by his attack on critics like Senator Elizabeth Warren as "dishonest."⁴⁷ Her response was a report showing that "despite decades of nearly identical promises,"⁴⁸ even when labor standards are included in trade agreements, they are not enforced.

There is also the problem that some Administration comments about the bill are untrue.⁴⁹ The Administration promised that the fast-track bill "expressly forbids changing U.S. law." The promise has

already been contradicted: the bill to aid workers who lose their jobs to imports, which accompanies fast track, includes a change to U.S. law as it is funded by cuts to Medicare.⁵⁰ Another example: a recent ruling by the World Trade Organization rejected US use of country of origin labels for meat. Agriculture Secretary Tom Vilsack has said that Congress must change the law to avoid retaliation, like more tariffs, by Canada and Mexico.⁵¹ A similar ruling forced the U.S. to revoke a ban on tuna caught with nets deadly to dolphins.⁵² TPP would also subject our states to Investor State Dispute Settlement, discussed later [pg. 9], thereby undermining the 11th Amendment of the Constitution.⁵³

There are still negotiating obstacles, like opposition in other potential signatories. The Australian trade minister⁵⁴ In Japan, there is the resistance of rice farmers.⁵⁵ The US has already succeeded in changing Japan's dietary preferences, in the interest of our companies. As a consequence, its food self-sufficiency is now one of the lowest in the OECD. After WW II, the US applied pressure on them to accept our surpluses of wheat, soybeans and corn to open up a market for our food products. Their traditional diet—rice and locally produced vegetables and fish—had to be changed to include bread, meat and dairy products. A US-funded nutrition program told people, “Eating rice makes you stupid! Eat Bread!” School lunch menus were modified and American marketing promoted a Western diet. Success! Japanese people now consume “9.5 percent more wheat, 152 percent more animal products and 131 percent more fat than in the 1950s.”⁵⁶ TPP would further reduce food self-sufficiency, and hit rice growers severely.⁵⁷

Parliamentarians and other interested people from countries involved in the negotiations [Australia, Canada, Japan, Malaysia, and New Zealand] have sent a protest letter concerning the power given the US to ensure the laws of other countries conform to the trade agreement.⁵⁸ Farmers' groups have organized against the increasing corporate control of global commodities markets,⁵⁹ and undoubtedly other popular opposition will increase as TPP terms become more widely known. In Australia especially criticisms are increasing. “There seems to be the beginnings of a rear-guard uprising against the Trans-Pacific Partnership (TPP) trade agreement ... with a number of groups rallying against the deal.”⁶⁰ Opposition there is perhaps related to awareness of the Philip-Morris action against Australian tobacco rules, using an investment tribunal. [[See p. 9 for further information.](#)] Effective political action in slowing down fast track, along with the failure of the most recent negotiations to complete the agreement, have made it impossible for the Congress to vote on a completed treaty in 2015, after which the Presidential season begins.⁶¹ So it is likely that the TPP fight awaits the next President, should s/he care to take it up.⁶²

What will the TPP accomplish for corporations? Foreign firms will be able to acquire resources like land and factories without government review; move funds without limits; enjoy investor protections that cover intellectual property; avoid performance requirements and domestic content rules, even when these are required of domestic companies;⁶³ and be compensated for loss of “expected future profits” from

changes in domestic laws. We'd lose "Buy American" preferences [1933], an important tool for creating jobs and developing new green technology. Foreign firms will get equal access to government contracts.⁶⁴

This is what we know so far:

The Asian model⁶⁵ is under attack. It relies on state-related firms, which are claimed to have an unfair advantage over foreign firms.⁶⁶ Japan and Korea used this development model. The text on State-Owned Enterprises has only recently been made available.⁶⁷ However, rules in other US trade agreements require that **such businesses have no advantages, and** must act solely to maximize profits. The United States and Japan oppose including other objectives, such as economic development and access to affordable drugs.

Malaysia, Vietnam and Singapore would be seriously affected. Their firms have many non-commercial functions, like providing social services to those who can't afford them. The TPP could hinder these.⁶⁸ The US subsidizes industries too, but differently, for example, farm subsidies and quota protection for our sugar industry. Froman promises, "we're not going to do anything ...that will ...undermine the sugar program."⁶⁹ Many banks and industrial firms are also subsidized, through tax benefits, like those to the fossil fuel industry and the multi-billion dollar bailouts after the financial crisis.

TPP spurs further financial deregulation, despite our recent crisis.⁷⁰ Wikileaks published only a portion of the financial services annex, but even that is alarming. The agreement defines financial services very broadly. These include insurance, payment systems like credit cards, asset management, and data services. As if to exhibit the pitfalls of these agreements for financial reform, Canadian Finance Minister Joe Oliver recently described the Volcker Rule as violating NAFTA. The rule prohibits banks from speculating with their own money rather than that of clients.⁷¹

The text prohibits policies that would reduce financial instability, like capital controls or financial transaction taxes. In this, it follows other U.S. trade agreements.⁷² Yet the International Monetary Fund [IMF] has reversed its opposition to capital controls, and over one hundred prominent economists, including such free traders as Jagdish Bhagwati of Columbia University and a former IMF official now with the conservative Peterson Institute, recommended excluding the prohibition of capital controls. "The U.S. government's rigid opposition to capital controls does not reflect the global norm."⁷³ The Obama Administration refused to budge.⁷⁴

The text appears to bar reregulation: it says, "a Party *shall endeavor not to limit or restrict the present degree of market opportunities...* already enjoyed by financial service suppliers of another Party."⁷⁵ One observer says, "... TPP ha[s] less to do with trade than with forcing *all participants* to abide by individual signatories' worst practices."⁷⁶

The administration is proposing internet provisions much like the Stop Online Piracy Act,⁷⁷ SOPA. It would require websites to police user activity, and treat individual violators as though they were major

profit-seeking users. Congress gave up voting on the bill because of opposition from companies like Google, Reddit, Wikipedia, and Craigslist. Critics fear it would stifle creative use. The latest draft is worse: the rules would cover anyone providing internet services, so coffee shops might be liable for copyright infringement by their customers.⁷⁸ According to the ACLU, a crackdown on copyright infringement threatens non-infringing content, too, violating the First Amendment, and might endanger user privacy.⁷⁹

The agreement expands and enforces other intellectual property rights,⁸⁰ important to industries like pharmaceuticals, Hollywood, and Silicon Valley. Expanding the rights of patent, trademark, and copyright holders would increase prices and profits. The ACLU worries that "changes to intellectual property laws... could ...permit the patenting of plants, animals, and medical procedures...."⁸¹

A *Bangkok Post* op-ed reports, "...TPP... is still stalled, still contentious, still far behind every deadline set by President Barack Obama. That's the good news.....The chapter on intellectual property confirms the real authors of this key section are US big business.The US drug and entertainment industries have got 12 of the most important Pacific-area countries debating not whether to tighten patents on medicine — but by how much.not discussing whether to monitor all internet users for pirated music and movies, but how intense the surveillance and penalties should be.... debating making all piracy a criminal offence, so that downloading one song or streaming one movie could send the user to prison..... Because of Hollywood and the music industry ...copyright may be extended to 100 years."⁸²

[Drug companies have been active participants](#) in the negotiations.⁸³ They have inserted clauses that will raise drug prices for both the US and poor countries. For example, several provisions support their practice of patenting a drug in tablet form, then patenting it as a gel capsule to delay facing the competition of generics.⁸⁴ Patents and copyright extensions are types of trade protection, inconsistent with the goal of affordable health care. TPP would allow companies to sue governments for patent infringements and challenge laws that permit public programs like Medicare to negotiate lower prices.⁸⁵

The worst news for poor countries concerns medical patents. Drug access of people in poor countries with AIDS or malaria would be drastically reduced.⁸⁶ An international law allowing a country to legally copy and sell any patented drug vital to national health no longer even appears. After Thailand used the law for three anti-AIDS and heart drugs in 2006, the US listed it as one of the "world's worst pirating" nations. It is still listed.⁸⁷

WTO rules permit 20-year patents, during which generics cannot be sold. TPP permits drug companies to extend their patents another 5 years for regulatory delays and re-patent medicines⁸⁸ that are already known. The new rules will delay importing "generic drugs, even after patents have run out,"⁸⁹ by limiting information on their composition.^{90,91}

Our healthcare costs exceed those of other developed countries. High costs aren't reflected in higher life expectancy: ours is below the average for developed countries. U.S. law gives drug companies

monopoly protection for drugs derived from biotechnology for 12 years. Our negotiators are demanding that these lengthy monopolies be locked in. "[If successful], the Obama Administration will have gone back on its promise to make cancer drugs affordable, ...by reduc[ing] the monopoly period on biotech drugs ...to 7 years."⁹² Generally, the new rules tip policy away from public health, toward commercial interest.

Probably the most controversial provisions of the TPP would establish an "investor-state dispute settlement" [ISDS] allowing tens of thousands of [global corporations](#) to challenge laws, regulations and even Supreme Court decisions of any member nation if they threaten the corporation's expected *future* profits. This attempts to isolate profits from social change and guarantee an unchanging regulatory system.⁹³ It is likely that US companies will be able to challenge our country's rules using their foreign subsidiaries.⁹⁴ These rules are only for corporations,⁹⁵ not consumer groups or unions or communities. This imbalance is described by a commentator in *the Guardian*: "...the most hideous aspect of the three trade agreements currently under negotiation [TTP, TIIP and TISA] is precisely that they describe a world devoid of any other political actors; it's just companies out there."⁹⁶ An

Panels of three corporate lawyers hear these cases with none of the safeguards of courts. The draft TPP text adds that in deciding challenges to the corporation's right to a hearing, "the tribunal shall assume to be true the claimant's [corporation's] factual allegations in support of any claim...."⁹⁷ Hearings are secret, the communities affected are without legal standing, and there is no right of appeal. Panels can order unlimited taxpayer compensation to foreign firms for loss of profits and costs of the suit.⁹⁸ The language specifies that damages be paid in "freely usable currency,"⁹⁹ so that a poor country could not pay in its own currency and would have to acquire foreign exchange to pay the charges. For many poor countries, this would be a considerable hardship. Since NAFTA, trade agreements have subordinated courts to international tribunals, operating with rules either of the WTO, a division of the World Bank, or by the UN Commission on International Trade Law.¹⁰⁰ At US insistence, TPP enlarges the definition of "investment" to explicitly include¹⁰¹ intellectual property rights.

These tribunals rule on labor and environmental issues, intellectual property rights, financial regulation, tax increases, land-use, renewable energy¹⁰² and attempts to re-nationalize public services and natural resources—not just trade.¹⁰³ They are intended to circumvent domestic laws, and make it harder for countries to adopt regulations such as labeling laws or ones banning genetically-modified foods. And they disadvantage domestic firms, which must use the courts. The new rights would cover investments already existing before TPP goes effect.¹⁰⁴

Once a last resort, arbitration [has become more a first resort](#),¹⁰⁵ as companies have learned how to use these provisions, "even ...buying firms in jurisdictions ...simply to gain access to them." These actions could become a highly profitable corporate strategy: "corporations' claims against states are now seen as

assets that can be invested in or used as leverage to secure multimillion-dollar loans."¹⁰⁶ With secrecy and no need to consider precedents, panels may make dangerous judgments. "It's a game in which the governments only get to play defense."¹⁰⁷ Canada has been sued by an energy company over a moratorium on fracking.¹⁰⁸ The Australian government, after much debate, mandated that [cigarette packages should be marked](#) only "with shocking health warnings." The labels work. The decision, validated by their supreme court, was challenged by Philip Morris, which is also challenging Uruguay's tobacco rules. The company has sued for compensation for the loss of its "intellectual property." Economist Joseph Stiglitz compares this action to the Opium War that forced China to buy British drugs. Australia now opposes this investor right. During its financial crisis [Argentina imposed a freeze on energy](#) and water bills. For this and similar actions, Argentina was fined over a billion dollars under investor treaties with the US and Europe.¹⁰⁹ Such is the concern that legal scholars, including Laurence Tribe, Obama's mentor at Harvard Law School, sent a letter to congressional leaders expressing concern about the threat of these tribunals to the rule of law, and urging that ISDS be excluded from TPP and future agreements.¹¹⁰

According to UN data through 2013, foreign corporations won rulings or settlements in 57 percent of cases.¹¹¹ One "win" was against a Mexican town's banning the expansion of a toxic waste dump.¹¹² So far, the total number of decided cases through 2014 is 356. Thirty-seven per cent were decided in favor of the government, 25 per cent favored the investor, and 28 per cent of cases were settled.¹¹³ Settlements are considered by lawyers a win for the corporation.¹¹⁴ Apparently still in process is the suit by a French multinational against Egypt's higher minimum wage.¹¹⁵ Governments are being sued on a variety of actions they have taken to protect health and the environment.¹¹⁶

So far, there have been relatively few cases brought against the United States. Our corporations have initiated the most suits; poorer countries are sued the most. We have escaped so far because most countries with which we have investor pacts are not major foreign investors. [Our liability](#) will be greatly expanded by the agreement with the European Union, which includes 11 of the world's 20 largest foreign investors.¹¹⁷

These trade agreements can also precipitate political intervention. A few days before the Peruvian government shot indigenous people protesting our new agreement, a State Department cable to our embassy warned, "Should Congress and President Garcia give in to the pressure, there would be implications for the recently implemented Peru-US Free Trade Agreement."¹¹⁸

One source of protest was the devastation [caused by mining](#), which has been given new protections by the agreement. [Children living near an American mine have high lead levels](#) and symptoms consistent with lead poisoning, including anemia, convulsions, and mental retardation. [Ira Rennert](#), a U.S. billionaire whose mining group owned the mine for more than a decade, refuses responsibility for the lead problems.¹¹⁹ His company operates a metal smelter responsible for much of the pollution in one of the

world's ten most polluted towns. The company, as a condition of its purchase of the mine, signed a contract with Peru to fix the pollution. The company missed the deadline for compliance. The Peruvian government extended the deadline. They missed the second deadline, and the government again extended it. The third time, the government closed down the smelter. Rennert's company used the trade agreement to file [an \\$800 million claim](#) for forcing it to do what it contracted to do.¹²⁰ It argues that the costly clean-up pushed it into bankruptcy. It also wants Peru to pay for damages that may arise from a pending US lawsuit on behalf of hundreds of children harmed by his mine.

Even threats of suits can intimidate legislators. A Canadian government official describes the effect of NAFTA: "I've seen the letters from the New York and DC law firms coming up to the Canadian government on virtually every new ...regulation.... They involved dry-cleaning chemicals, pharmaceuticals, pesticides, patent law. Virtually all of the new initiatives were targeted and most of them never saw the light of day." Legislators now have even less incentive to pay attention to popular opinion.¹²¹ Many people would be surprised to find this array of issues in a trade agreement.

Who are these arbitrators? They are highly paid corporate lawyers who have a financial interest in these corporate suits. They "go back and forth between representing corporations one day and sitting in judgment the next..... If you're a lawyer looking to maintain or attract high-paying corporate clients, how likely are you to rule against those corporations when it's your turn in the judge's seat?"¹²² There is no cap either on their fees or their awards, and they charge by the hour.¹²³ They are a rather small, homogeneous group—mostly pro-business men from the industrial world. Just 15 of these have decided 55% of all investment treaty cases through 2012.¹²⁴ In many cases, arbitrators may consider the public interest when interpreting treaties but choose not to.

Do those who sell cigarettes or work for bankrupt smelter companies or shut-down nuclear plants get compensated for their losses? Obviously not. Nor do citizens have corresponding rights to sue for changes in corporate decisions even as governments lose power to regulate them. As grassroots movements have forced governments to de-privatize water in Bolivia, block gold mines in El Salvador, and oppose nuclear power in Germany, corporations have used investment treaties to enlarge the range of public action subject to liability.¹²⁵ "A country can't predict which apparently innocuous change to its laws or regulations will trigger a multi-million -- or even multi-billion -- dollar ...[investor] claim against it."¹²⁶

As suits have blossomed, investor privileges have met increasing opposition. Libertarian groups like the Cato Institute¹²⁷ and the Tea Party¹²⁸ have joined labor, environmental, consumer, and health groups to support dropping the provision.¹²⁹ Senator Warren argues that ISDS "would tilt the playing field in the United States further in favor of big multinational corporations. Worse, it would undermine U.S. sovereignty."¹³⁰ Cato analysts have joined her objections: "In substance, if not style, Senator Warren's

perspective on ISDS is one that libertarians and other free market advocates should share.... ISDS turns national treatment on its head, giving privileges to foreign companies that are not available to domestic companies."¹³¹ There is wide opposition: a recent letter¹³² signed by hundreds of tech companies worries that "Companies can use this process [ISDS] to undermine U.S. rules like fair use, net neutrality, and others designed to protect the free, open Internet and users' rights to free expression online."

In March, the German government, formerly a supporter, announced its opposition to including them in the treaty being negotiated between the US and Europe. A Swedish firm, which operates nuclear plants in Germany, is suing to be compensated for the German phase-out of nuclear power.¹³³ The Obama Administration continues to insist on the inclusion of these investor suits.¹³⁴

A judge on these tribunals says of his work: "... it never ceases to amaze me that sovereign states have agreed to investment arbitration at all ...Three private individuals are entrusted with the power to review, without any restriction or appeal procedure, all actions of the government, all decisions of the courts, and all laws and regulations emanating from parliament."¹³⁵

A *Forbes* magazine writer defends the system: "if a government violates the terms of a trade agreement, the aggrieved foreign investor can turn to a dispute settlement body.... What's wrong with that?"¹³⁶ A British Conservative MP likewise: "Investor protection ...was designed to support businesses investing in countries where the rule of law is unpredictable, to say the least."¹³⁷ Recall that Western companies charged into China, "... a living, breathing Communist government (you know, the sort that has a history of nationalizing privately-owned businesses) without this sort of safeguard."¹³⁸ Our negotiators reassure us that these rules "Do not impinge on the ability of ...[government] to maintain ...any measure that they deem necessary."¹³⁹ Of course—so long as they are willing to risk ruinous fines or trade sanctions. As Senator Warren explains, "[ISDS mechanisms] never had the authority to override regulations. What they had was the authority to impose a monetary penalty directly against the government and its taxpayers. That's the point at which governments have backed up and said, 'we can't afford this, we'll just change the law.'"¹⁴⁰

That the Administration is itself concerned about potential suits is indicated by their response to demands for protections against currency manipulation. "The Obama administration fears that prohibitions on currency intervention could boomerang on Washington, allowing trading partners to challenge policies of the independent Federal Reserve Board and possibly even basic fiscal policies, like stimulus spending in times of recession."¹⁴¹

Since 1959, investor-state provisions in trade agreements¹⁴² have reassured foreign investors afraid of having their assets nationalized.¹⁴³ Inasmuch as expropriations have not been an imminent threat for many years, investors can buy insurance, and other countries participating in the agreement have property protections as robust as our own [the European agreement includes them], the major goal of ISDS seems

not to be protection. Rather, it is inhibit regulations meant to improve health, the environment, or even financial stability.¹⁴⁴ These can be challenged as "uncompensated expropriations."¹⁴⁵

Actual trade impacts tend to differ from official predictions.¹⁴⁶ Our Trade Representative claims that provisions will protect the environment and labor.¹⁴⁷ In fact, current proposals retreat from previous demands for strong environmental protections to get other countries' assent.¹⁴⁸ The Environment Chapter, unlike others, lacks enforcement mechanisms. Dispute settlement is "cooperative instead of binding...."¹⁴⁹ The core chapters ...impose pro-corporate rules.... toxic to biodiversity, ...health, water, forests, fish....And those rules are certainly enforceable..."¹⁵⁰ Environmental protections are important, too, because shipping has matched the rise of trade over the last few decades, growing fourfold, and is accelerating. Ships are the major source of ocean pollution, not only emitting fumes, but dumping oil, fuel and waste.¹⁵¹ The labor chapter is said to include labor rights protection, "but fails to mention International Labor Organization core labor standards or even whether the labor provisions will be enforceable," says the AFL-CIO.¹⁵²

These agreements include regulatory issues, like SOPA, that would be difficult passing through the usual political process.¹⁵³ The TTP is the latest attempt by corporations to set a permanent barrier against constraints on their action. As modifying this agreement is impossible unless all signatories agree, emerging problems are likely to be irreversible: unlike the WTO agreement, which Congress must renew every five years, TPP has no such date.¹⁵⁴

Mainstream support of "free trade" is close to a religious position. Whatever its problems, its steady expansion in the postwar period has been supported by elite opinion. As economist Dean Baker describes it, "In polite circles in the United States' support for free trade is a bit like proper bathing habits. It is taken for granted. Only the hopelessly crude and unwashed would not support free trade."¹⁵⁵ The adoption of a free trade ideology was a major historical shift, beginning with the Reciprocal Trade Agreement during the New Deal, but accelerating after WWII. During our own industrialization, the US was protectionist. Alexander Hamilton originated the argument for protecting new industries because he wished to encourage US industrial development against lower-cost British competition. We now inhibit poor countries from doing the same.

We have seen that "free trade," in its current usage, doesn't mean merely reducing barriers to the international movement of goods. Current pacts are about free investment. They are about deregulating international commerce so that global corporations can maximize profits with minimal interference wherever they see profit opportunities. The chief economist of the Fraser Institute, a Canadian right-wing think tank, said of NAFTA, "a trade agreement simply limits the extent to which the U.S. or other signatory governments may respond to pressure from their citizens."¹⁵⁶ Nevertheless, editorial writers have endorsed TPP despite their ignorance of much of its contents. A *Times* editorial endorsing it complained only that

TPP might limit members' regulating tobacco products.¹⁵⁷ *Times* writer Tom Friedman once admitted: "I wrote a column supporting the CAFTA [Central America Free Trade Agreement].... I didn't even know what was in it. I just knew two words: free trade."¹⁵⁸

Like all previous trade agreements, TPP is touted as job-creating. Obama said that TPP "will boost our economies, ... [increasing exports and creating more jobs](#) for our people."¹⁵⁹ A writer in the journal *Foreign Affairs* on "Why the US Needs the TPP" agrees: "These deals have been generally favorable to the United States; the agreement with South Korea is expected to increase trade between the two countries by billions of dollars and create tens of thousands of jobs for each."¹⁶⁰ The slide shows our already large trade deficit with the TPP economies¹⁶¹—an estimated \$260 billion in 2013, which has grown steadily since 2009, destroying jobs.

What have been the effects of past agreements? [This graph sums it up](#). Not good: jobs added abroad, cut here. These companies with global operations employ 20% of our workers. Given the jobs and growth claims for TPP, it is worth examining the effects of past agreements, also justified as job-creating¹⁶²—especially given our chronic unemployment. Investor rights eliminate some risks that inhibit firms from moving production to low-wage countries.¹⁶³ These add to existing incentives based on tax policy. Stiglitz says, "if they...keep the money abroad, they don't have to pay taxes. But with the free trade agreements, they get to bring the goods that they produce abroad into the US."¹⁶⁴ Like NAFTA, the TPP will encourage U.S. companies to export jobs.¹⁶⁵

Trade [has risen as a share of US output](#) so its effects are important. Note the rapid rise in the trade share beginning in the 1970's. Trade expanded rapidly until the financial crisis. If it was so successful in "boosting our economy," why was the Bush 2 expansion, before the crisis, the slowest of the postwar period, with [the slowest job creation rate](#), despite the tax cuts, two wars, and a speculative real estate binge? Employment grew 0.9 percent a year between 2000 and 2007, compared to 2.6 percent a year between 1991 and 2000.¹⁶⁶ The very least we can say is that there is no evidence of net job creation from these agreements.

In fact, it is likely that this slow growth relates to [our trade deficit](#), which reached a maximum in 2006, both in size [\$753] and share of output [nearly 6%]. The rising deficit dates from the late 1990's, and partly results from a rising dollar value in world markets. If the dollar buys more, imports and foreign investment are cheaper, and exports more expensive. Economic Policy Institute estimate job loss from Chinese imports alone at [3.2 million between 2001 and 2013](#). MIT economists have a similar explanation of slow job growth.¹⁶⁷

The trade deficit matters, because though exports create jobs and income, imports destroy them. If deficits are growing, jobs will be lost, despite expanding trade, *unless other spending offsets the economic drag*. Our output is measured by summing up spending: consumer spending plus investment [including

inventory change] plus government spending [not transfer payments like Social Security], plus exports, and then subtracting imports. The trade deficit reduces spending on domestic goods and thereby jobs unless it is offset by public or private deficits.¹⁶⁸ A critic explains how trade deficits undermine jobs and add to downward pressure on wages.

"We currently import \$500 billion¹⁶⁹ a year more than we export. This is \$500 billion that is creating demand in Canada, ...[China] and elsewhere, [not] the United States. Is there some story as to how domestic consumption or investment is somehow larger because of this trade deficit? If so, it would be worth a Nobel.... The \$500 billion trade deficit, coupled with a standard multiplier of 1.5,¹⁷⁰ translates into \$750 billion of lost annual output (roughly 4.5 percent of GDP). This ...come[s] to about 6 million jobs. ...close to enough to get us back to full employment. That would give workers enough bargaining power to secure real wages. So yes, trade is a big deal."¹⁷¹

TAKE NAFTA. Put into effect as 1994 began, its [results twenty years later are opposite](#) to those projected.¹⁷² Pres. Clinton, signing the agreement, predicted: "... NAFTA means... good-paying American jobs. I believe that NAFTA will create a million jobs in the first five years of its impact... many more jobs than will be lost.... by fostering an export boom to Mexico."¹⁷³ Instead, it eliminated net a million jobs.¹⁷⁴ [Nearly 850 thousand manufacturing workers were certified for help under our trade adjustment program. This number greatly understates affected workers,¹⁷⁵ excluding among others, service workers.¹⁷⁶] Before NAFTA, the 1993 trade surplus with Mexico was \$2.5 billion and trade deficit with Canada was \$30 billion. By 2014, there was a trade deficit with both countries, totaling \$182 billion.¹⁷⁷

One might suppose that because the US lost jobs that Mexicans gained them. Jobs were lost there as well, driving impoverished Mexicans over the border. American firms outsourced jobs there, especially to produce goods for exports. Jobs were also created in stores, banks, and tourism. However, Mexico didn't make up for all the jobs lost to import competition, especially from subsidized grain.¹⁷⁸ The promised reduction in flow of migrants instead became a flood, as Mexico's grain imports ruined small farmers. Mexican workers also suffered from wages below those pre-NAFTA.¹⁷⁹ The Carnegie Endowment¹⁸⁰ concluded, in an understatement: "Mexico locked into place a set of economic policies that collectively produced disappointing results." It is no surprise that Mexico in the two decades following NAFTA had the slowest per capita GDP growth of any major country in Latin America.¹⁸¹

Those pushing CAFTA [2005]¹⁸² promised that it would fight drug-related violence in Central America, boost growth, and reduce migration to the US.¹⁸³ Now we are seeing the dangerous journey of children to escape violence at home.¹⁸⁴ How has CAFTA led to displacement and migration? Same as in Mexico: subsidized grains sold by U.S. agribusiness have pushed family farmers in Honduras, El Salvador, and Guatemala out of competition and livelihood.¹⁸⁵ Agricultural imports, including rice, by those three CAFTA countries have risen 78 percent since the deal went into effect.¹⁸⁶ Consider the folly of ruining farmers abroad by subsidizing such a water-dependent export as rice from states like drought-ridden California.

President Obama claimed that the *U.S.-Korea Free Trade Agreement* (KORUS) would generate “70,000 American jobs from increased exports alone.”¹⁸⁷ Three years later [our trade deficit with South Korea](#) was up: exports were down and imports up by more than 100%, inevitably destroying jobs--approximating 93,000 jobs, using “the trade-jobs [ratio](#) that the Obama administration used to project *gains* from the deal,” contradicting the confident promises.¹⁸⁸ Perhaps one reason is that under the agreement, 65 percent of a Korean car import “could be made from Chinese parts and still qualify for duty-free treatment.”¹⁸⁹

Even free trade is not a priority. Tariffs are hardly on the table, and extending patent protection contradicts free trade.¹⁹⁰ Would you expect a “free trade” agreement to raise the price of drugs? Arguments against tariffs apply as well to patent and copyrights. But they differ enormously in impact. Tariffs and quotas raise the price of protected items by 20 or 30 percent; patent and copyright protection might raise their price far more. “Drugs selling for a few dollars in a competitive market sell for hundreds or even thousands of dollars” with a drug patent.¹⁹¹ In marketing, agreements that sell jobs but ensure more corporate power would be called “bait and switch.”

What about wages? The global era is one of an [increasing gap between wages and productivity](#), starting roughly with the rapid expansion of imports in the mid-1970's. This implies increasing income inequality, as profits rise at the expense of wages. Many economists agree on this relationship of inequality and trade.¹⁹² Further, as an industry increases offshoring, inequality within the work force increases: the wage gap between high-income workers and those with median earnings rises; the gap between them and lower-wage workers shrinks.¹⁹³ The typical worker is likely to lose from trade agreements. Exceptions are the poorest workers, whose pay is set by the minimum wage, and high-wage workers who don't face international competition, like lawyers. Top incomes also rise as the rights of copyright and patent holders expand.¹⁹⁴

Globalization, along with other causes, [has affected wealth](#) as well as income. Compared to 1984, the median family has lost about 20 percent of its wealth, and the loss partly preceded the financial crisis. “...we have gone thirty years, during which ...[productivity] has more than doubled,” but the typical family has lost wealth—not counting the loss of defined benefit pension plans.¹⁹⁵

You might ask, *how do the proponents of trade agreements answer these critiques?* Most don't think they need to, as “everyone who counts” has the same opinion.¹⁹⁶ They project jobs to be created, not those destroyed; they estimate only exports, not imports. Consider the International Trade Administration in the Department of Commerce. Its page titled “Employment and Trade” contains 13 articles on jobs¹⁹⁷ created by exports, but not one on imports.¹⁹⁸

Recently a few trade proponents have begun to counter arguments made by critics. The conservative Heritage Foundation is one. They argue that rather than destroying jobs, imports create them. These jobs

are in services such as transportation, finance, and wholesale, required to get a product to consumers.

“The belief that more imports equals less employment at home is false. ...the idea that trade deficits lead to higher unemployment is also false. Concern over ... impact on jobs, is based on a misconception of the way trade affects economic activity.”¹⁹⁹

Imports support some jobs, of course, like the ones they list. The question is, how does this job creation compare to the destruction of jobs that compete with imports? One study found almost no job growth in industries competing with imports since 1990.²⁰⁰ In fact, like the jobs they cite, many of the new jobs are in industries that do not compete with imports: food services and drinking places, retail trade, and health care.²⁰¹ Heritage authors calculate that Chinese apparel imports in 2010 created more than 350 thousand jobs. To sum up a complicated calculation, I think there is a problem with it.²⁰² Unfortunately, the information they need is the price retail outlets pay for imported apparel if they don't import directly but buy from other domestic suppliers. The information *available* is the value of imports as they enter the US. The consequence is to exaggerate the value produced by US workers and thereby job creation. For example, at the high end, profits for all companies from Chinese-assembled ipads were 47%; and for iphones, 73%.²⁰³ Higher-valued imports mean higher profits but less value added by US workers to retail sales. The BLS reports that [employment in apparel manufacturing](#) [slide3] and related industries dropped by 750 thousand between 1990 and 2011.²⁰⁴ It is hard to see how these losses were offset by import-related jobs.

Further, one would expect times of fast-rising imports to be associated with faster job creation. However, we don't find this—imports reached their maximum fraction of total output during Bush II, which had the slowest job creation of the postwar period, noted before. In any case, should we find this association, causation is likely the reverse of the conservative argument: rising income leads to rising imports, along with other consumer spending.

Then there is their argument that the trade *deficit* doesn't destroy jobs. Gary Hufbauer,²⁰⁵ at the conservative Peterson Institute, who worked on trade issues for the Carter Administration, explains:

...trade deficits rise at precisely those times of maximum employment in the United States, because consumers are able to buy more imported goods. ...²⁰⁶ Most important, blaming trade deficits overlooks the ...reality that fiscal and monetary policy is what ensures that the potential gains in output from efficient trade are translated into actual gains in output. ...full employment or not depends upon movements in aggregate demand.... An economy may be affected by a trade deficit, but that deficit can be offset through full employment policies at home.

True, but his employer is one of the biggest fear-mongers about deficits, preventing their use by government to reduce unemployment. The Peterson Institute funded the influential, and erroneous, Reinhardt-Rogoff study purporting to show the calamity of debt.²⁰⁷

The job creation said to result from trade is hard to find. A Harvard Business School study in 2012 asked thousands of graduates, many now top business executives [where their firms had located jobs](#) [p.9] in

the previous year. Alumni reported 56 cases of moving 1000 or more jobs abroad; five cases retained here; none back to the US; and only four instances of creating that many jobs here.²⁰⁸

WHAT ABOUT WAGES? Proponents of these trade pacts admit to specific instances of import competition from Mexico that have led to wage cuts, and cases of companies using threats of moving there in wage negotiations, but, they say, these "do not constitute evidence that Mexican imports have generally suppressed the growth of average US wages over the past two decades..... the principal causes of subpar [wage] performance are low productivity growth, rising technological intensity of work, and the financial crisis.... " We saw that the main problem is that productivity growth was not shared, not that it was too low. As for rising skill demands, even highly-educated workers have a wage problem.²⁰⁹ The chronic problem the working population confronts is a weak labor market—the lack of jobs, and the trade deficit makes this problem more difficult.

They add, "[Wage growth was better during 1994–2004](#), ...immediately following NAFTA."²¹⁰ True, but this reflects the decline in unemployment, based on the dot-com bubble, permitting somewhat greater worker bargaining power, not NAFTA.

There is by now wide agreement that globalization has been a major source of our inequality problems, even by the mainstream, like the IMF, and conservative think tanks. At least since the 1990's, many studies have differed merely on the size of the effect of trade on inequality. For example, the IMF authors "find that the rise in income inequality from 1981-2003 in 20 developed countries, including the United States, is primarily attributable to trade and financial globalization trends. They conclude that globalization's contribution to inequality has outweighed the role of technological advancement...."²¹¹

Dani Rodrik, at the Institute for Advanced Study, warns that globalization restricts the scope of national governments, threatening their ability to adopt policies that ensure the their societies' acceptance of "the global economy. Globalisation's soft underbelly is the imbalance between the national scope of governments and the global nature of markets..... Go too much in one direction and you have protectionism and autarky. Go too much in the other and you have an unstable world economy with little social and political support from those it is supposed to help."²¹²

There is much evidence that trade agreements have been bad news for American workers, and little evidence, apart from cheap goods, that agreements have benefited them. Any gains by our partners depend on their having economic power and a sound development strategy. The TPP is unlikely to produce more favorable results, and may produce far worse.

¹This paper relies on the work of many others, especially by researchers and writers at [Public Citizen](#), the [Economic Policy Institute](#), the [Center for Economic and Policy Research](#), and [Naked Capitalism](#). I am grateful to them, especially, as well as to many others whose work is made freely available to all. The best single source of updates is Public Citizen: <http://citizen.typepad.com/eyesontrade/> & <http://www.citizen.org/Page.aspx?pid=4300> Here is Public Citizen's 9/25/15 update: <http://www.citizen.org/documents/reporters-memo-tpp-atlanta-2015.pdf>

² <http://citizen.typepad.com/eyesontrade/2008/09/the-first-of-wh.html> province of Ontario NDP proposed setting up a

government universal, single payer, no-fault auto insurance plan. It was already functioning in British Columbia, Saskatchewan, and Manitoba, *prior* to the passage of the free-trade agreement. After its passage, provincial auto insurance companies claimed that it was prohibited by the Canada-U.S. Free Trade Agreement, (Article 2010 Monopolies) as it would create a government monopoly. This would "adversely affect" US insurance companies operating in Ontario and would be "tantamount to expropriation," requiring compensation "at fair market value" under the Agreement. The province would have to pay the companies billions in compensation if it met its election promise. It was dropped.

³"The central point that emerges from our research is that economic elites and organized groups representing business interests have substantial independent impacts on U.S. government policy, while mass-based interest groups and average citizens have little or no independent influence." p. 21

<https://www.princeton.edu/~mgilens/Gilens%20homepage%20materials/Gilens%20and%20Page/Gilens%20and%20Page%202014-Testing%20Theories%203-7-14.pdf>

⁴NAFTA meets the criteria prescribed by the WTO Agreement for a free trade area. ...NAFTA eliminates substantially all tariffs and other restrictive regulations on trade between Canada, Mexico and the United States...

<http://centers.law.nyu.edu/jeanmonnet/archive/papers/99/990204.html>

⁵International Trade Organization⁵ [the ITO]—was to replace GATT. [Havana Charter of the ITO](#): "The Members recognize that, while the avoidance of unemployment or underemployment must depend primarily on internal measures taken by individual countries, such measures should be supplemented by concerted action under the sponsorship of the Economic and Social Council of the United Nations... the Charter contained many loopholes and escape clauses countries could use to ensure that commitments to liberalize did not undermine their obligations to maintain full employment. At Havana, discussions also focused on balancing the expansion of trade with country needs such as the control of foreign investors, the maintenance of labour standards, infant-industry protection, and economic development."

http://globalautonomy.uwaterloo.ca/global1/glossary_entry.jsp?id=OR.0041

⁶ http://www.thirdworldtraveler.com/Korten/GuaranCorpRights_WCRW.html "A key provision in the some 2,000 pages of the GATT agreement creating the WTO is buried in paragraph 4 of Article XVI: "Each member shall ensure the conformity of its laws, regulations and administrative procedures with its obligations as provided in the annexed Agreements." The "annexed Agreements" include all the substantive multilateral agreements relating to trade in goods and services and intellectual property rights. Once these agreements are ratified by the world's legislative bodies, any member country can challenge, through the WTO, any law of another member country that it believes deprives it of benefits it expected to receive from the new trade rules. This includes virtually any law that requires imported goods to meet local or national health, safety, labor, or environmental standards that exceed WTO accepted international standards.

⁷ Included GATT Anti-Dumping Agreement and a section on development. 1962 Trade Expansion act, the legal support of international trade negotiations [1964-1967] http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact4_e.htm

⁸ Ball, JEC, pp. 272-3 "For the widespread development of the multinational corporation is one of our major accomplishments in the years since the war.... For the first time in history man has at his command an instrument that enables him to employ resource flexibility to meet the needs of peoples all over the world. Today a corporate management in Detroit or New York or London or Dusseldorf may decide that it can best serve the market of country Z by combining the resources of country X with labor and plan facilities in country Y - and it may alter that decision 6 months from now if changes occur in costs or price or transport. It is the ability to look out over the world and freely survey all possible sources of production... that is enabling man to employ the world's finite stock of resources with a new degree of efficiency for the benefit of all mankind."

<https://www.dropbox.com/s/llpak05wbdqb6u2/1967%20NAFTA%20discussion.pdf>

⁹ Stoller, <http://mattstoller.tumblr.com/post/77315135524/nafta-origins-part-two-the-architects-of-free-trade>

¹⁰ Matt Stoller, [NAFTA Origins, Part One: The Original NAFTA Included Great Britain](#)

¹¹ <http://mattstoller.tumblr.com/post/77315135524/nafta-origins-part-two-the-architects-of-free-trade>

¹² http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact4_e.htm "Whose Trade Organization? A Comprehensive Guide to the WTO http://www.citizen.org/trade/article_redirect.cfm?ID=10441 "With the exception of the North American Free Trade Agreement, the WTO contains the most powerful enforcement procedures of any international agreement now in force. The remarkably broad reach of WTO rules and their implications for a wide array of domestic policies, many with only a passing connection to trade, makes the WTO's system a particular threat because it ensures strong enforcement of inappropriately expansive and biased rules. Unlike the GATT, which required consensus to bind any country to an obligation, the WTO is unique among international agreements in that its panel rulings are automatically binding and only the unanimous consent of all WTO nations can halt their implementation, which are backed up by trade sanctions which remain in place until a WTO-illegal domestic policy is changed."

¹³ Transatlantic Trade and Investment Partnership

¹⁴"much of the pressure to intensify globalization does not necessarily come from market successes, but often comes from disappointment in market outcomes. Dissatisfied that markets were not providing sufficient profits, powerful states adopted a strategy of pressuring their weaker counterparts to join in so called free trade deals," Perelman, <http://www.nakedcapitalism.com/2014/10/globalization-free-trade-and-food-as-a-strategic-weapon.html>

¹⁵ Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, U.S., Viet Nam and Japan. The proposed agreement would cover nearly 40% of world economic output, according to the *Wall Street Journal*.

¹⁶ China, which at first expressed interest in joining TPP, is now pursuing other routes to expanding its economic influence. "When the U.S speaks for labor, environment, and small inventors, it attracts reform-minded Chinese who can do much of the internal sales job themselves. When it lards initiatives like TPP with geopolitical significance, it only pushes China to focus on the same." <https://foreignpolicy.com/2015/05/15/china-liked-trans-pacific-partnership-until-u-s-officials-opened-their-mouths-trade-agreement-rhetoric-fail/> Obama also treats TPP as a matter of US hegemony: "If we don't write the rules for trade around the world, guess what, China will. And they'll write those rules in a way that gives Chinese workers and Chinese businesses the upper hand." <http://antiwar.com/blog/2015/05/17/obama-on-the-tpp-beckoning-us-to-the-graveyard/>

¹⁷ <http://www.flushthetpp.org/the-trans-pacific-partnership-a-threat-to-democracy-and-food-sovereignty/>

¹⁸ <http://dollarsandsense.org/archives/2014/0314bybee.html> "Shane Larson, legislative director for the Communications Workers of America, recalls a conversation with the U.S. Trade Representative's (USTR) office. 'We said, if Vietnam is not living up to the terms, why not let the AFL-CIO bring up charges?... USTR said you don't understand how the system works.'"

<http://www.thefiscaltimes.com/Columns/2015/05/29/How-Make-Trans-Pacific-Partnership-Work-Workers>

¹⁹ <http://www.nakedcapitalism.com/2013/10/will-chinas-gambit-to-undermine-the-trans-pacific-partnership-succeed.html>

²⁰ David Dayen asks, "How did we reach this point—where "trade deals" are Trojan horses for fulfilling corporate wish lists, and where all presidents, Democrat or Republican, ultimately pay fealty to them? One place to look is in the political transfer of power, away from Congress and into a relatively obscure executive branch office, the Office of the United States Trade Representative (USTR)." [David Dayen http://prospect.org/article/fast-track-corporate-wish-list-summer-preview](http://prospect.org/article/fast-track-corporate-wish-list-summer-preview)

²¹ <http://www.businessfwd.org/speakers/michael-froman>

²² "...there are dozens of e-mails in which lobbyists from the pharmaceutical, medical device, video game, biotechnology and recording industries arranged meetings with senior USTR officials. ... The e-mails contain numerous references to "cleared advisors," individuals to whom USTR has granted access to confidential documents. Numerous companies and industry groups have had their personnel named as cleared advisors, and many of the meetings described in the e-mails were limited to cleared advisors so that confidential matters could be discussed. In contrast, few public interest groups have been named as cleared advisors. Indeed, a USTR spokeswoman couldn't name any examples of non-industry public interest advocates who have been cleared to advise USTR on IP issues." <http://www.washingtonpost.com/blogs/the-switch/wp/2013/11/29/e-mails-show-cozy-relationship-between-obama-trade-negotiators-and-industry-groups/> See also <https://wikileaks.org/tpp/pressrelease.html> , <http://www.flushthetpp.org/tpp-corporate-insiders/> and "Industry voices dominate the trade advisory system," <http://www.washingtonpost.com/wp-srv/special/business/trade-advisory-committees/> See <http://www.ip-watch.org/2015/06/05/confidential-ustr-emails-show-close-industry-involvement-in-tpp-negotiations/> for links to copies of emails. As Yves Smith says, "If you're not at the table, you're on the menu!"

²³ "U.S. products already enjoy tariff-free access to consumers in most TPP countries. The United States already has Free Trade Agreements (FTAs) with six of the 11 TPP negotiating countries, meaning tariffs on U.S. products already have been zeroed out. And in Japan, which comprises 88 percent of the combined [gross domestic product](#) of the TPP countries that do not already have a U.S. FTA, the [average applied tariff](#) is just 1.2 percent." <http://citizen.typepad.com/eyesontrade/2015/04/talking-point-in-defense-of-tpp-is-95-irrelevant.html>

²⁴ <http://baselinescenario.com/2015/05/21/the-trans-pacific-partnership-tpp-this-is-not-about-ricardo/>

²⁵ http://www.syracuse.com/opinion/index.ssf/2014/01/secretive_trade_agreement_would_undermine_democracy_ursula_rozum.html STOPPED: Fast Track in 1998; DERAILED:WTO Expansion, Seattle 1999; DERAILED: FTAA (Free Trade Area of the Americas); DERAILED: MAI (Multilateral Agreement on Investment); DERAILED: AFTA, Malaysia, SACU, Thailand, FTAs Source: Citizens Trade Campaign, <http://www.exposethetpp.org/Powerpoint.html>

²⁶ <https://wikileaks.org/tpp-enviro/pressrelease.html>; <https://wikileaks.org/tpp-ip2/>; <https://wikileaks.org/tpp-investment/>

²⁷ <https://www.fas.org/sgp/crs/row/R42694.pdf>

²⁸ Negotiations on a similar agreement with Europe are even more secret: Member of parliaments will have access only to the EU's negotiating positions; "for the moment, the U.S. refuses to show even a tantalizing glimpse of its hand. And European politicians will come away with just half the picture. What's more, the reading conditions are unlikely to be conducive for deep, thoughtful analysis. ...Members of Parliament who have viewed the text in Brussels have had to do so in a secure location, for extremely limited time periods (max: 2 hours) and in the constant presence of a member of the Commission's staff. If the MEP is caught making copies or sharing the details with the public, he or she could face espionage charges."

<http://wolfstreet.com/2015/04/30/don-quijones-ttpp-tpp-trade-pacts-secret-negotiations-to-hand-national-sovereignty-to-multinationals/>

²⁹ http://www.washingtonpost.com/opinions/trans-pacific-partnership-treaty-will-help-neither-workers-nor-consumers/2015/03/31/145e98ba-d727-11e4-ba28-f2a685dc7f89_story.html

³⁰ http://www.democracynow.org/2013/11/14/tpp_exposed_wikileaks_publishes_secret_trade

³¹ <http://www.nytimes.com/2014/02/05/opinion/edsall-free-trade-disagreement.html>

³² <http://www.politico.com/magazine/story/2015/05/tpp-elizabeth-warren-labor-118068.html>

³³ Even this is debatable. Susan Aaronson, a professor who is expert on international trade agreements, says secrecy has largely been counterproductive. It doesn't even guarantee better results. "If they were to use game theoretic models to talk about it, there's no evidence that you lose negotiating clout if you're transparent.' (A quick scan of economic research databases doesn't appear to turn up any conclusive evidence either way.)" <http://www.washingtonpost.com/blogs/wonkblog/wp/2015/05/15/the-catch-22-of-trade-deals-done-in-secret/>

³⁴"Like the U.S. Chamber of Commerce, Japan, Tom Daschle and the rest of the lobbyists, the Emergency Committee on American Trade, the American Apparel and Footwear Association, Coca-Cola and Caterpillar will no doubt be touting the benefits of a trade deal whose terms are still so secret that members of Congress cannot even have a copy of to study in their offices." <http://sunlightfoundation.com/blog/2015/05/14/influence-peddlers-seem-to-know-more-about-the-trans-pacific-partnership-than-congress/>

³⁵"Emails: corporate lobbyist thanks US Trade Rep for pasting his wish-list right into TPP" <http://boingboing.net/2015/06/09/emails-corporate-lobbyist-tha.html> Using data from the Federal Election Commission, [this chart](#) shows all donations that corporate members of the [US Business Coalition for TPP](#) made to US Senate campaigns between January and March 2015, when fast-tracking the TPP was being debated in the Senate: Out of the total \$1,148,971 given, an average of \$17,676.48 was donated to each of the 65 "yea" votes....."

<http://www.theguardian.com/business/2015/may/27/corporations-paid-us-senators-fast-track-tpp> Thanks to Nakedcapitalism.com

³⁶The *Washington Post* reports, "...the U.S. negotiating position also had an unmistakeable bias toward expanding the rights of copyright and patent holders. Those positions are great for Hollywood and the pharmaceutical industry, but it's not obvious that they are in the interests of the broader U.S. economy..... Two major factors contribute to the USTR's strong pro-rightsholder slant. An obvious one is the revolving door between USTR and private industry.A more subtle factor is the structure and culture of USTR itself. In its role as a promoter of global trade, USTR has always worked closely with U.S. exporters. That ...isn't a problem when USTR is merely seeking to remove barriers to selling U.S. goods overseas, but it becomes problematic on issues like copyright and patent law where exporters' interests may run directly counter to those of American consumers." <http://www.washingtonpost.com/blogs/the-switch/wp/2013/11/26/heres-why-obama-trade-negotiators-push-the-interests-of-hollywood-and-drug-companies/>

³⁷<https://www.techdirt.com/articles/20150317/05052630338/ustr-pushes-congress-to-approve-trade-deals-threatens-reps-with-criminal-prosecution-if-they-tell-public-whats-them.shtml>

³⁸<http://www.washingtonpost.com/blogs/wonkblog/wp/2015/05/15/the-catch-22-of-trade-deals-done-in-secret/>

³⁹In a debate held in the pivotal rust-belt swing state of Ohio and hosted by MSNBC, Obama [announced](#) that NAFTA "did not have the labor standards and environmental standards that were required in order to not just be good for Wall Street but also be good for Main Street." For good measure, Obama added that, "I will make sure that we renegotiate..."

<http://www.thedailybeast.com/articles/2014/01/27/obama-wants-to-fight-income-inequality-with-more-free-trade.html>

⁴⁰"Using data from the Federal Election Commission, [this chart](#) shows all donations that corporate members of the [US Business Coalition for TPP](#) made to US Senate campaigns between January and March 2015, when fast-tracking the TPP was being debated in the Senate: Out of the total \$1,148,971 given, an average of \$17,676.48 was donated to each of the 65 "yea" votes..... The amounts given rise dramatically when looking at how much each senator running for re-election received."

<http://www.theguardian.com/business/2015/may/27/corporations-paid-us-senators-fast-track-tpp>

⁴¹The Fast Track bill the Senate passed includes an anti-slavery provision, which must be removed in the House version to permit Malaysia, important for its strategic value to the US Navy, to join TPP. "Observers are left with a deeper question: *Why, in the year 2015, is the White House teaming up with Republican leaders essentially to defend the practice of slavery?*" ... "A quarter of the world's shipping goes through the Straits of Malacca. Look at a list of member states of TPP and tell me this isn't an anti-Chinese military alliance or there are alternative shipping lanes.The only reason why business and intellectual property rights is apart of the deal is because Obama needs to bribe as many domestic power centers as possible to pass it."

Andrew Watts comment, <http://www.nakedcapitalism.com/2015/05/americas-first-black-president-throwing-slaves-under-the-bus-on-tpp.html> Rep. Paul Ryan is being counted on to remove the anti-slavery provision from the bill, and add it to a customs enforcement bill in a weakened form. <http://reverbp.com/politics/white-house-relying-on-paul-ryan-to-remove-anti-slavery-text-from-tpp-fast-track-pass-it-in-house/>

⁴²<http://blogs.wsj.com/briefly/2015/04/28/fast-track-trade-legislation-at-a-glance/>

⁴³<http://www.independent.co.uk/voices/comment/what-is-ttip-and-six-reasons-why-the-answer-should-scare-you-9779688.html>

⁴⁴<http://www.mintpressnews.com/leaked-trade-text-shows-u-s-e-u-aggressively-rolling-back-regulation/193167/> and

<http://ellenbrown.com/2015/06/11/fast-tracking-tisa-stealth-block-to-monetary-reform/>

⁴⁵See, for example, Senator Jeff Sessions' [R-AL] letter to Obama, critiquing some of its provisions, including the impact of previous agreements on trade deficits and the "living agreement" provision for modifying it once passed: "I believe it must be made public before any vote is scheduled on TPA, due to the extraordinary implications."

<http://www.sessions.senate.gov/public/index.cfm/news-releases?ID=3F2BC867-61A0-41E2-BF75-9D6EC8A7C7E7>

Democratic Senator Elizabeth Warren wrote a withering analysis and others have expressed their opposition to Fast Track.

http://www.washingtonpost.com/opinions/kill-the-dispute-settlement-language-in-the-trans-pacific-partnership/2015/02/25/ec7705a2-bd1e-11e4-b274-e5209a3bc9a9_story.html

⁴⁶"Living agreement: to enable the updating of the agreement as appropriate to address trade issues that emerge in the future as well as new issues that arise with the expansion of the agreement to include new countries." <https://ustr.gov/tpp/outlines-of-TPP>

⁴⁷<http://www.washingtonpost.com/blogs/plum-line/wp/2015/04/24/obama-escalates-push-back-against-elizabeth-warren-and-other-trade-deal-critics/>

⁴⁸<http://big.assets.huffingtonpost.com/WarrenReport.pdf> Exec. Sum. P. 2.

- ⁴⁹ "...if you see a lot of lies, or at least misdirection, being used to sell a policy you should be very, very concerned about said policy. And the selling of TPP just keeps getting worse." <http://krugman.blogs.nytimes.com/2015/05/19/the-mis-selling-of-tpp/>
- ⁵⁰ http://www.salon.com/2015/05/19/another_trans_pacific_partnership_lie_exposed_how_medicare_is_getting_stiffed_in_obamas_massive_trade_deal/
- ⁵¹ <http://abcnews.go.com/Politics/wireStory/wto-rejects-country-origin-labels-meat-31121779>
- ⁵² <http://citizen.typepad.com/eyesontrade/2015/05/wto-orders-us-to-gut-us-consumer-country-of-origin-meat-labeling-policy-further-complicating-obama-f.html>
- ⁵³ <https://www.techdirt.com/articles/20150729/23003431797/contrary-to-what-youve-heard-tpp-will-undermine-us-law-including-supreme-court-decisions.shtml>
- ⁵⁴ <http://www.nakedcapitalism.com/2015/08/australian-trade-minister-tpp-trade-deal-unlikely.html> and <http://www.therakyatpost.com/business/2015/08/12/australia-says-tpp-deal-unlikely/>
- ⁵⁵ <http://www.bloombergview.com/articles/2015-04-26/japan-needs-to-cut-rice-farmers-down-to-size> Some incentives are apparently being tried.: <http://www.nakedcapitalism.com/2015/05/obama-bribes-abe-support-tpp-unleashing-japanese-military.html>
- ⁵⁶ Deregulation under TPP would grant foreign investors further influence over national policies that protect farmers, farmland and rural communities. http://foodfirst.org/wp-content/uploads/2013/12/BK19_2-2013_Summer_Backgrounder-TPP.pdf
- ⁵⁷ Some Japanese citizens have filed a suit against the TPP as unconstitutional. "More than 1,000 people filed a lawsuit against the government on Friday, seeking to halt Japan's involvement in ... a Pacific Rim free trade agreement, which they called "unconstitutional." ... plaintiffs, including lawmakers, claimed ... that the proposed Trans-Pacific Partnership would undermine their basic human rights under the Constitution." www.japantimes.co.jp/news/2015/05/15/national/crime-legal/ex-minister-turns-courts-bid-keep-japan-tpp-talks/
- ⁵⁸ <http://canadians.org/media/canadian-mps-tpp>
- ⁵⁹ <http://viacampesina.org/en/index.php/actions-and-events-mainmenu-26/10-years-of-wto-is-enough-mainmenu-35/1828-both-sides-of-the-pacific-via-campesina-members-oppose-tpp>
- ⁶⁰ <http://www.macrobusiness.com.au/2015/06/tpp-a-debacle-that-strengthens-protection/> and titled "Who Controls the World."
- ⁶¹ <http://citizen.typepad.com/eyesontrade/2015/07/yet-another-final-tpp-ministerial-and-again-no-deal-not-surprising-given-growing-controversy-over-tp.html>
- ⁶² See "TPP Vote Calendar", <http://www.citizen.org/documents/TPP-vote-calendar.pdf> The chief economist of *The Economist* magazine, which is pro the TPP, believes it is dead. <http://www.nakedcapitalism.com/2015/08/the-economist-the-tpp-is-dead.html>
- ⁶³ <http://www.citizen.org/tppinvestment>
- ⁶⁴ <http://www.citizen.org/documents/TPP-Leesburg-Memo.pdf>
- ⁶⁵ [Here is a paper from the Fraser Institute](#) in Canada calling state education a State Monopoly. The Fraser Institute is anti-regulation and gets funding from groups like [ExxonMobil and the Koch brothers](#).
- ⁶⁶ <http://foodfirst.org/publication/the-trans-pacific-partnership-a-threat-to-democracy-and-food-sovereignty/>
- ⁶⁷ Wikileaks released it. <https://wikileaks.org/tpp-soe-minister/>
- ⁶⁸ <http://www.twinside.org.sg/title2/gtrends/2013/gtrends427.htm>
- ⁶⁹ <http://www.heritage.org/research/reports/2014/06/us-trade-policy-gouges-american-sugar-consumers>
- ⁷⁰ "The TPP would expose new Wall Street regulations to challenge and roll back; prohibit bans on risky financial products, services; undermine "too big to fail" regulations; block taxes on Wall Street speculation (e.g. "Robin Hood tax"); ban capital controls." <http://www.exposethetpp.org/Powerpoint.html>
- http://www.democracynow.org/2014/6/20/a_plan_only_banksters_will_love Another agreement threatens public services: "Public Services International... has reported that TISA threatens to allow multinational corporations to permanently privatize vital public services such as healthcare and transportation in countries across the world." <http://www.truth-out.org/news/item/24486-wikileaks-tisa-global-trade-deal-kept-more-secret-than-the-trans-pacific-partnership>
- ⁷¹ <http://www.cbc.ca/news/business/volcker-rule-in-bank-reforms-violates-nafta-joe-oliver-argues-1.3072466> "President Barack Obama and Sen. Elizabeth Warren (D-Mass.) have been [locked](#) in a [public feud](#) over whether free trade agreements can be used to undermine the 2010 Wall Street reform law. On Wednesday, the Canadian government sided with Warren." http://www.huffingtonpost.com/2015/05/14/canada-volcker-rule_n_7285098.html
- ⁷² "Could a President could use a trade deal to override financial rules? Well, it's been a part of trade agreements since the late 1980s, [including the WTO](#). In fact, WTO rules prevent fireworks like Glass-Steagall: when the U.S. negotiated it in 1997, they added an intent to repeal it, which of course happened two years later, in time for the WTO's implementation. (Size caps on financial institutions are actually also banned by WTO rules.)" <http://www.nakedcapitalism.com/2015/05/inet-conference-warren-adds-two-pieces-financial-reform-framework.html>
- ⁷³ "We are concerned that if recent U.S. treaties are used as the model for the TPPA, the agreement will unduly limit the authority of participating parties to prevent and mitigate financial crises. Nearly all U.S. free trade agreements (FTAs) and bilateral investment treaties (BITs) strictly limit the ability of trading partners to deploy capital controls – with no safeguards for times of crisis..... Authoritative research published by the National Bureau of Economic Research, the International Monetary Fund, and other institutions has found that limits on short-term capital flows can stem the development of dangerous asset bubbles and

currency appreciations, and grant nations more autonomy in monetary policy-making, and protect nations from the dangers of abrupt capital flight." The U.S. government's rigid opposition to capital controls does not reflect the global norm."

⁷⁴ http://www.ase.tufts.edu/gdae/policy_research/tppaletter.html

⁷⁵ <http://www.citizen.org/documents/Leaked-TPP-Investment-Analysis.pdf>

⁷⁶ <http://www.nakedcapitalism.com/2014/06/wikileaks-exposes-super-secret-regulation-gutting-financial-services-pact.html>

⁷⁷ <http://www.nakedcapitalism.com/2014/05/america-europe-canadas-willing-chump.html> "The TTIP would, among other things, greatly increase American energy exports to the European Union. ...the effect is basically this: Let America bear all the hazard with unconventional extraction and let EU countries get the benefit. And since fracking enjoys roughly the same political constituency as Keystone, there are plenty of takers in Washington."

⁷⁸ <http://www.citizen.org/Wikileaks-publishes-TPP-IP-Chapter> "Internet Service Providers required to "police" user-activity (i.e. police YOU) and cut people off from access; Mandatory fines for individuals' non-commercial copies - treated the same as large scale for-profit copyright violators; Innovation stifled; Even temporary "buffer" copies or breaking digital locks to use linux could subject users to fines." <http://www.exposethetpp.org/Powerpoint.html>

⁷⁹ <http://www.forbes.com/sites/emmawoolacott/2014/10/17/latest-tpb-leak-shows-even-harsher-copyright-rules/> "The US is also calling for criminal sanctions for copyright infringement, even where the infringement isn't being carried out for commercial reasons. ... a similar provision in a free trade agreement between Columbia and the US led to copyright laws that saw a Columbian graduate student arrested for posting another student's academic paper online without permission."

⁸⁰ <https://www.eff.org/deeplinks/2012/09/aclu-joins-TPP-debate>

⁸¹ "The United States (often with Australia, sometimes Japan) has taken extreme hard-line positions. For example, only the United States and Japan oppose the objectives in the treaty ...that mention economic and social development, maintaining a balance between the interests of rights holders and users, protecting the public domain, quality examination procedures, and access to affordable medicines. ...how strongly other countries are pushing back against U.S. demands, especially on issues related to access to medicines, Internet Service Provider liability, damages, and copyright in digital media."

⁸² <http://www.washingtonpost.com/blogs/monkey-cage/wp/2013/11/15/five-key-questions-and-answers-about-the-leaked-tpb-text/>

"Compared to existing multilateral agreements, the TPP IPR chapter proposes the granting of more patents, the creation of intellectual property rights on data, the extension of the terms of protection for patents and copyrights, expansions of right holder privileges, and increases in the penalties for infringement. The TPP text shrinks the space for exceptions in all types of intellectual property rights. Negotiated in secret, the proposed text is bad for access to knowledge, bad for access to medicine, and profoundly bad for innovation." <http://www.keionline.org/node/1825> se also

⁸³ <http://www.concurringopinions.com/archives/2013/11/the-tpb-and-copyright.html>

⁸⁴ <https://www.aclu.org/blog/free-speech-technology-and-liberty-national-security/biggest-threat-free-speech-and>

⁸⁵ <http://www.bangkokpost.com/opinion/opinion/438898/treaty-holds-no-attraction> Current US copyright for films/pubs is 95 years.

⁸⁶ "From 2009 until mid-2013 (the time during which the language of the agreement was still reasonably fluid), drug companies and associations mentioned the trade agreement in 251 separate lobbying reports – two and a half times more than the next most active industry (at least measured by lobbying reports)." <https://sunlightfoundation.com/blog/2014/03/13/tpb-lobby/>

⁸⁷ "From this text it appears that the U.S. administration is negotiating for intellectual property provisions that it knows it could not achieve through an open democratic process. For example, it includes provisions similar to those of the failed Stop Online Piracy Act (SOPA), and Protect Intellectual Property Act (PIPA), and the Anti-Counterfeiting Trade Agreement (ACTA) that the European Parliament ultimately rejected." <http://www.washingtonpost.com/blogs/monkey-cage/wp/2013/11/15/five-key-questions-and-answers-about-the-leaked-tpb-text/>

⁸⁸ <http://static.squarespace.com/static/518a3cfec4b0a77d03a62c98/t/534fc9ebe4b05a88e5fbab70/1397737963288/2013%20iFHP%20FINAL%204%2014%2014.pdf> In 2012, 11 of 12 new approved cancer drugs cost more than \$100,000 per year, nearly double their price a decade earlier. <https://www.opendemocracy.net/conor-j-lynch/transpacific-partnership%E2%80%99s-big-pharma-giveaway>

⁸⁹ http://www.democracynow.org/2013/11/14/tpb_exposed_wikileaks_publishes_secret_trade

⁹⁰ <http://www.bangkokpost.com/opinion/opinion/438898/treaty-holds-no-attraction>

new use or introducing time-release.

⁹¹ <http://mrzine.monthlyreview.org/2014/devaraj270414.html>

⁹² "Indeed, rising healthcare costs are [the number one contributor to the U.S. government's projected long-term budget deficits](#)....Leaked draft TPP texts – an intellectual property chapter, investment chapter and healthcare annex – contain expansive rules that would constrain the ability of the U.S. government to reduce medicine prices. Getting these terms into the TPP was a key objective of large U.S. pharmaceutical corporations that stand to reap monopoly profits from expansive patent terms and restrictions on government cost containment efforts. This incentive may explain why [pharmaceutical corporations have lobbied Congress for the TPP more than any other industry](#)." <http://citizen.typepad.com/eyesontrade/2014/08/tpb-the-trade-deal-that-could-inflate-your-healthcare-bill.html> <http://www.theverge.com/2013/11/13/5099774/the-good-the-bad-and-the-ugly-in-the-leaked-tpb-treaty> Data exclusivity would prevent regulators from using established data to register generic medicines, delaying generic alternatives to patented drugs.

⁹¹ Nader on Ebola: "What of the immensely profitable drug companies—coddled with huge tax credits and billions of dollars in taxpayer-funded drug development given away free to selected pharmaceutical corporations like Pfizer and Bristol-Myers-Squibb? They have long avoided doing work on vaccines because, unlike life-style drugs such as Viagra or those for chronic ailments like high-blood pressure, vaccines are not taken daily or often. Vaccines do not have the same return on investment ... as those medications taken daily for a variety of conditions and treatments. During the ... Vietnam War, the second leading cause, after wartime injuries, for hospitalization of American soldiers was malaria. The Pentagon got so fed up with the U.S. drug companies refusing to do any research for anti-malarial drugs, that it set up its own very successful research division at Walter Reed Army Hospital. It was there that ... developed most of that era's breakthroughs for anti-malarial medicines at a fraction of what the price-gouging drug companies would have charged patients.... <http://us6.campaign-archive2.com/?u=c5cfd22327c3214afb5955d02&id=a69649c774&e=b3ea8638b9> <http://www.policymed.com/2010/11/the-importance-of-companies-for-pharmaceutical-discovery-origins-of-a-decade-of-new-products.html> and <http://citizen.typepad.com/eyesontrade/2014/08/tpp-expansive-rights-for-big-pharma-expensive-medicines-for-us-consumers.html>

⁹² <https://wikileaks.org/tpp-ip2/attack-on-affordable-cancer-treatments.html>

⁹³ <http://www.nakedcapitalism.com/2014/07/germany-bucking-toxic-nation-state-eroding-transatlantic-trade-investment-partnership.html> "And no one else enjoys these rights. Consider highly paid workers in nuclear plants. Will they get payments commensurate with the premium they've lost over the balance of their working lives from the phaseout of nuclear power? ... Commerce involves risk, which means exposure to loss, yet foreign investors want, and seem able to get, "heads I win, tails you lose" deals via these trade agreements."

⁹⁴ <http://www.citizen.org/documents/tpp-investment-fixes.pdf> see also <http://www.nakedcapitalism.com/2013/11/the-global-corporatocracy-is-almost-fully-operational.html>

⁹⁵ "In the United States, the federal government has sovereign immunity and may not be sued unless it has waived its immunity or consented to suit."

⁹⁶ <http://www.theguardian.com/commentisfree/2015/jul/12/ttip-your-data-privacy-is-a-barrier-to-economic-growth> TTIP is the Transatlantic Trade and Investment Partnership and TISA, the Trade in Services Agreement. Quoted in the Naked Capitalism site, <http://www.nakedcapitalism.com/2015/07/200pm-water-cooler-71315.html>.

⁹⁷ <http://www.counterpunch.org/2015/04/10/trans-pacific-partnership-says-if-a-corporation-claims-its-true-it-must-be-true/>

⁹⁸ <http://citizen.org/documents/tpp-investment-leak-2015.pdf>

http://unctad.org/fr/pages/newsdetails.aspx?OriginalVersionID=879&Sitemap_x0020_Taxonomy=CSO

<http://www.citizen.org/documents/Leaked%20Documents%20Reveal%20Obama%20Administration%20Push%20for%20Intern%20et%20Freedom%20Limits.pdf>

⁹⁹ <http://neweconomicperspectives.org/2015/04/how-can-our-senators-and-representatives-vote-for-giving-away-our-monetary-sovereignty.html> The IMF specifies "freely usable currency" as "(i) is in fact, widely used to make payments for international transactions, and (ii) is widely traded in the principal exchange markets" <https://www.imf.org/external/np/sta/bop/pdf/resteg2.pdf>

¹⁰⁰ <http://www.citizen.org/documents/ISDS-and-TAFTA.pdf>

¹⁰¹ <http://www.citizen.org/eli-lilly-investor-state-factsheet>

¹⁰² http://www.huffingtonpost.com/lori-wallach/nafta-at-20-one-million-u_b_4550207.html

¹⁰³ http://www.salon.com/2013/09/20/elites_strange_plot_to_take_over_the_world/

¹⁰⁴ <http://www.citizen.org/documents/Leaked-TTP-Investment-Analysis.pdf>

¹⁰⁵ Mann & Von Mottke, "Protecting Investor Rights and the Public Good: Assessing NAFTA's Chapter 11,"

http://www.iisd.org/trade/ilsdworkshop/pdf/background_en.pdf and <http://www.bloomberg.com/news/2013-05-09/rennert-800-million-toxic-lead-fight-roils-global-trade.html>

¹⁰⁶ "With the rapid growth in these treaties – today there are more than 3,000 in force – a specialist industry has developed in advising companies how best to exploit treaties that give investors access to the dispute resolution system, and how to structure their businesses to benefit from the different protections on offer." <http://www.theguardian.com/business/2015/jun/10/obscure-legal-system-lets-corporations-sue-states-ttip-icsid>

¹⁰⁷ <http://wolfstreet.com/2014/11/02/whos-tripping-up-the-designs-of-the-global-corporatocracy/> and

<http://www.economist.com/news/finance-and-economics/21623756-governments-are-souring-treaties-protect-foreign-investors-arbitration>

¹⁰⁸ "Canada also reversed a nationwide ban on MMT, a gasoline additive banned in many U.S. states as a probable carcinogen, after the U.S. Ethyl Corporation filed a NAFTA Investor-State case." <http://tpplegal.files.wordpress.com/2012/05/isds-domestic-legal-process-background-brief.pdf> The country has endured other damaging cases: "In 2007, the Nova Scotia and federal governments rejected a proposal to create a huge quarry in an environmentally sensitive area important to local communities. The company won before a NAFTA tribunal and is seeking damages of over \$300 million.... The company successfully argued that an environmental review panel relied on "community core values," which company lawyers argued was unacceptable."

<http://www.counterpunch.org/2015/06/01/poisoning-the-democratic-well/>

¹⁰⁹ <http://www.theguardian.com/commentisfree/2013/nov/04/us-trade-deal-full-frontal-assault-on-democracy/> Joseph Stiglitz warns, "In the future, if we discover that some other product causes health problems (think of asbestos), rather than facing lawsuits for the costs imposed on us, the manufacturer could sue governments for restraining them from killing more people. The

same thing could happen if our governments impose more stringent regulations to protect us from the impact of greenhouse-gas emissions." <http://www.project-syndicate.org/commentary/us-secret-corporate-takeover-by-joseph-e--stiglitz-2015-05>

¹¹⁰ <http://readersupportednews.org/opinion2/277-75/30076-focus-5-leading-legal-scholars-on-tpp-we-write-out-of-grave-concern> Alan Morrison, a constitutional law professor and associate dean at George Washington University Law School who has ...argued 20 Supreme Court cases" [wrote to Congress](http://citizen.typepad.com/eyesontrade/2015/06/why-the-founding-fathers-would-oppose-fast-track.html) that ISDS "improperly removes a core judicial function from the federal courts and therefore violates Article III of the Constitution.The Administration owes it to Congress and the American people to explain how the Constitution allows the United States to agree to submit the validity of its federal, state, and local laws to three private arbitrators, with no possibility of review by any U.S. court." <http://citizen.typepad.com/eyesontrade/2015/06/why-the-founding-fathers-would-oppose-fast-track.html>

¹¹¹ http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d3_en.pdf

¹¹² Wallach and Beachy, <http://www.forbes.com/sites/realspin/2014/11/10/defending-foreign-corporations-privileges-is-hard-especially-when-looking-at-the-facts/2/>

¹¹³ http://unctad.org/en/PublicationsLibrary/webdiaepcb2015d1_en.pdf

¹¹⁴ <http://www.washingtonpost.com/blogs/monkey-cage/wp/2015/03/26/people-are-freaking-out-about-the-trans-pacific-partnerships-investor-dispute-settlement-system-why-should-you-care/>

¹¹⁵ under a French-Egyptian investment treaty. "The case is still in progress, but is an example of the downside of the investor-state dispute settlement rule of the Trans-Pacific Partnership (TPP)." <http://charleshector.blogspot.com/2014/09/for-raising-minimum-wages-egypt-sued-by.html> <http://aftinet.org.au/cms/veolia-vs-egypt-workers-2014>

¹¹⁶ <http://library.fes.de/pdf-files/iez/global/10875.pdf> p.6

¹¹⁷ Wallach and Beachy, <http://www.forbes.com/sites/realspin/2014/11/10/defending-foreign-corporations-privileges-is-hard-especially-when-looking-at-the-facts/2/>

¹¹⁸ <http://www.counterpunch.org/2014/06/13/perus-bagua-massacre-haunts-the-tpp/> De Echave & Wallach "[2009], Peruvian police opened fire on indigenous people protesting the implementation of U.S.-Peru Free Trade Agreement (FTA) terms providing new access to exploit their Amazonian lands for oil, gas and logging. ...[they were blocking] a jungle highway.... The protestors were demanding revocation of decrees enacted to conform Peruvian law to FTA requirements....The FTA's foreign investor privileges also allowed a U.S. firm to pressure Peru's government to reopen a smelter that had severely lead-poisoned hundreds of children ...— a story revealed in a Bloomberg exposé...On the day of the *Baguazo* [the 2009 massacre], another State Department cable did not condemn the government's role in the violence, but blamed the violence on Peru's indigenous movement.... 'At the root of this crisis are social movement leaders seeking to make political hay by manipulating underlying grievances — mostly entrenched poverty and encroachment on traditional lifestyles by the modern world'...A recent report of the United Nations' Special Rapporteur ...stresses that on the issue of extractive activities, "Many indigenous peoples in the country have suffered devastating social and environmental impacts, and without receiving many benefits....The experience of the U.S.-Peru FTA makes clear even improved labor and environmental chapters cannot overcome the NAFTA-style investor protections at the core of the Peru FTA and now TPP." See <http://www.theguardian.com/environment/andes-to-the-amazon/2014/jun/29/peru-licence-to-kill-environmental-protectors>

¹¹⁹ <http://www.bloomberg.com/news/2013-05-09/rennert-800-million-toxic-lead-fight-roils-global-trade.html>

¹²⁰ <http://www.truth-out.org/news/item/23358-trans-pacific-partnership-unraveling> "The Peruvian government has allowed the La Oroya smelter to restart zinc smelting operations and in November 2012 Doe Run took the first steps to restart lead smelting, which has already resulted in reports of fresh emissions. Meanwhile, Renco has also successfully used the mere filing of its investor -state case to delay and possibly derail a Missouri state court case demanding compensation for Oroyan children poisoned by the smelter." <http://transatlantic.sais-jhu.edu/transatlantic-topics/Articles/TTIP%20Forum/ISDS%20in%20TTIP%20Wallach.pdf>

¹²¹ George Monbiot, "This transatlantic trade deal is a full-frontal assault on democracy," <http://www.theguardian.com/commentisfree/2013/nov/04/us-trade-deal-full-frontal-assault-on-democracy>

¹²² <http://www.nakedcapitalism.com/2015/05/sovereignty-for-international-investors-trans-pacific-partnership-tpp.html> A Canadian author and activist describes them as "foxes judging the right of other foxes to kill chickens." <http://www.counterpunch.org/2015/06/01/poisoning-the-democratic-well/>

¹²³ p.1, <http://www.citizen.org/documents/investor-state-chart.pdf>

¹²⁴ see also <http://www.tni.org/sites/www.tni.org/files/download/profitfrominjustice.pdf> "Who Guards the Guardians?" <http://corporateeurope.org/sites/default/files/publications/profitfrominjustice.pdf#page=5&zoom=auto,-90,512>

¹²⁵ http://democracyctr.org/wp/wp-content/uploads/2013/05/Under_The_Radar_English_Final.pdf

¹²⁶ <https://www.techdirt.com/blog/?tag=investor+state+dispute+settlement>

¹²⁷ "As is true of most populist causes, buried beneath the enabling mythology and hyperbole are some kernels of truth. One such truth, which this paper seeks to distill from the vacuous, anti-capitalist hyperventilation surrounding the trade agenda, is that the so-called Investor-State Dispute Settlement (ISDS) mechanism, which enables foreign investors to sue host governments in third-party arbitration tribunals for treatment that allegedly fails to meet certain standards and that results in a loss of asset values, is an unnecessary, unreasonable, and unwise provision to include in trade agreements." <http://www.cato.org/publications/free-trade-bulletin/compromise-advance-trade-agenda-purge-negotiations-investor-state>

¹²⁸ <http://www.teaparty.org/obama-negotiating-away-u-s-sovereignty-secret-37755/>

¹²⁹ <http://www.citizen.org/documents/ISDS-and-TAFTA.pdf> In Cato's case, as a practical matter: "ISDS is not even essential to the task of freeing trade. So why burden the effort by carrying needless baggage? Purging both the TPP and the TTIP of ISDS makes sense economically and politically, would assuage legitimate concerns about those negotiations, splinter the opposition to liberalization, and pave the way for freer trade." <http://www.cato.org/publications/free-trade-bulletin/compromise-advance-trade-agenda-purge-negotiations-investor-state>

¹³⁰ http://www.washingtonpost.com/opinions/kill-the-dispute-settlement-language-in-the-trans-pacific-partnership/2015/02/25/ec7705a2-bd1e-11e4-b274-e5209a3bc9a9_story.html

¹³¹ <http://www.cato.org/blog/hyperbole-aside-elizabeth-warren-right-about-risk-investor-state> "An important pillar of trade agreements is the concept of "national treatment," which says that imports and foreign companies will be afforded treatment no different from that afforded domestic products and companies. The principle is a commitment to nondiscrimination. But ISDS turns national treatment on its head, giving privileges to foreign companies that are not available to domestic companies. If a U.S. natural gas company believes that the value of its assets has suffered on account of a new subsidy for solar panel producers, judicial recourse is available in the U.S. court system only. But for foreign companies, ISDS provides an additional adjudicatory option."

¹³² <http://tumblr.fightforthe future.org/post/119439719948/hundreds-of-tech-companies-to-congress-tpp-and>

¹³³ <http://www.businessweek.com/articles/2014-03-20/in-trade-talks-its-countries-vs-dot-companies>

¹³⁴ <http://www.citizen.org/documents/ISDS-and-TAFTA.pdf>

¹³⁵ "Who guards the guardians? The conflicting interests of investment arbitrators" Juan Fernández-Armesto, arbitrator from Spain <http://corporateeurope.org/trade/2012/11/chapter-4-who-guards-guardians-conflicting-interests-investment-arbitrators>

¹³⁶ <http://www.forbes.com/sites/johnbrinkley/2014/10/16/trade-dispute-settlement-much-ado-about-nothing/>

¹³⁷ <http://www.theguardian.com/commentisfree/2013/nov/11/eu-us-trade-deal-transatlantic-trade-and-investment-partnership-democracy>

¹³⁸ <http://www.nakedcapitalism.com/2014/02/governments-activists-fighting-corporate-right-sue-governments.html>

¹³⁹ <http://www.ustr.gov/about-us/press-office/blog/2014/March/Facts-Investor-State%20Dispute-Settlement-Safeguarding-Public-Interest-Protecting-Investors>

¹⁴⁰ <http://www.washingtonpost.com/blogs/plum-line/wp/2015/05/11/elizabeth-warren-fires-back-at-obama-heres-what-theyre-really-fighting-about/> "If corporations had to go through the same procedures that anyone else has to go through to get the trade deal enforced, then the problem wouldn't exist. Now, if a labor union says, 'Vietnam promised not to work people for a couple of dollars a day, and to raise working conditions, and then failed to do it,' they have to get the U.S. government, through the trade rules, to go to Vietnam and prosecute the case. If corporations had to do the same thing, then it would be a level playing field...ISDS gives a special break to giant corporations, a break that nobody else gets."

¹⁴¹ <http://www.nytimes.com/2015/02/16/business/economy/obamas-trade-agenda-may-hinge-on-attacking-currency-manipulation.html> Brazil, China, and other countries have already complained of currency manipulation by the US through massive bond purchases by the Federal Reserve, which tends to depress the dollar's value.

<http://www.iie.com/publications/pb/pb14-2.pdf> p. 5.

¹⁴² Arbitration clauses are in the "vast majority" of the world's 3,000-plus international investment agreements, according to the UN. Only 134 such pacts existed in 1980. <http://www.bloomberg.com/news/2013-05-09/rennert-800-million-toxic-lead-fight-roils-global-trade.html>

¹⁴³ *Business Week*, Mar 24 –April 6, 2014, p. 35 <http://www.businessweek.com/articles/2014-03-20/in-trade-talks-its-countries-vs-dot-companies>

¹⁴⁴ <https://www.project-syndicate.org/commentary/us-secret-corporate-takeover-by-joseph-e--stiglitz-2015-05>

¹⁴⁵ <http://www.citizen.org/documents/tpp-investment-fixes.pdf>, p.6, and <http://www.citizen.org/documents/Leaked-TPP-Investment-Analysis.pdf>, p.5. See language: indirect expropriation "the extent to which the government action interferes with distinct, reasonable investment-backed expectations;" Annex 12-C, p. 44, 4(ii) in <http://tinyurl.com/tppinvestment>

¹⁴⁶ <http://ftalphaville.ft.com/2014/08/28/1947751/yes-trade-with-poor-countries-has-cost-us-jobs/>

¹⁴⁷ <http://www.truth-out.org/news/item/23358-trans-pacific-partnership-unraveling>

¹⁴⁸ <http://www.nytimes.com/2014/01/15/us/politics/administration-is-seen-as-retreating-on-environment-in-talks-on-pacific-trade.html> Negotiations on the trade bill with Europe have already compromised environmental standards: "EU dropped pesticide laws due to US pressure over TTIP, documents reveal US trade officials pushed EU to shelve action on endocrine-disrupting chemicals linked to cancer and male infertility to facilitate TTIP free trade deal"

<http://www.theguardian.com/environment/2015/may/22/eu-dropped-pesticide-laws-due-to-us-pressure-over-ttip-documents-reveal>

¹⁴⁹ "The US has a particular political dilemma. The text falls far below the standards it has insisted are included in all US free trade agreements since May 2007, which resulted from a deal reached between the Democrat-controlled Congress and President George W Bush. The most fundamental problem for the US is the refusal of all the other countries to agree that the chapter should be subject to the same dispute settlement mechanism as the rest of the agreement. It provides for consultation at officials and ministerial levels, leading to arbitration and agreement to a plan of action, but there are no penalties if the state does not implement the plan. Obama is going to find this a very hard sell to domestic constituencies." <https://wikileaks.org/tppa-environment-chapter.html> <https://wikileaks.org/tpp-enviro/pressrelease.html>

¹⁵⁰ <http://theconversation.com/trans-pacific-partnerships-toothless-environment-chapter-gets-the-wikileaks-treatment-22135>

- ¹⁵¹ <http://oilprice.com/Latest-Energy-News/World-News/Shipping-Traffic-Increases-Fourfold-Leading-To-Pollution-Concerns.html> The increase in maritime shipping has matched the rise in international trade in the past 20 years, and that has led to a parallel growth in the sizes of merchant fleets and has accelerated 1992-2012
- ¹⁵² <http://www.afcio.org/Issues/Trade/Trans-Pacific-Partnership-Free-Trade-Agreement-TPP/Labor-Rights>
- ¹⁵³ <http://ourfuture.org/20130430/political-corruption-and-the-free-trade-racket> Baker, fn15
- ¹⁵⁴ <http://www.counterpunch.org/2014/08/19/pandoras-box-of-corporate-power/> Adam Weissman interview.
- ¹⁵⁵ <http://ourfuture.org/20130430/political-corruption-and-the-free-trade-racket>
- ¹⁵⁶ Elaine Bernard, "What's The Matter With Nafta" <http://www.law.harvard.edu/programs/lwp/nafta.pdf>
- ¹⁵⁷ <http://www.nytimes.com/2013/11/06/opinion/a-pacific-trade-deal.html>
- ¹⁵⁸ <http://www.fair.org/blog/2014/02/18/what-does-tom-friedman-know-about-tpp/>
- ¹⁵⁹ <http://content.usatoday.com/communities/theoval/post/2011/11/obama-seeks-trans-pacific-partnership/1#> "...it means more trade, more good jobs, and higher incomes for people throughout the region, including the United States." <http://www.truth-out.org/news/item/27463-as-tpp-trade-talks-miss-third-deadline-opponents-claim-momentum> Obama statement 11/10/14
- ¹⁶⁰ Gordon, *Foreign Affairs*, 2012 <http://www.foreignaffairs.com/articles/137727/bernard-k-gordon/trading-up-in-asia> Emeritus, Pol. Sci., NH
- ¹⁶¹ <http://s4.epi.org/files/2014/White-House-Wrong-on-Fast-Track-Massive-Trade-Deals-Cost-Jobs-Depress-Wages.pdf> Scott
- ¹⁶² "President Clinton, noting that China would have to dismantle a range of trade barriers while the U.S. would need to do little, called it [admitting China to the WTO in 2000] "a hundred to nothing deal for America when it comes to the economic consequences." <http://blogs.cfr.org/renewing-america/2015/05/21/the-tpa-debate-stuck-in-a-time-warp-on-trade/>
- ¹⁶³ <http://www.nytimes.com/2014/01/30/opinion/obamas-free-trade-conundrum.html> David Bonior "As a result, our trade deficit has ballooned. In 1993, before Nafta, the United States had a \$2.5 billion trade surplus with Mexico and a \$29 billion deficit with Canada. In 2012, the combined Nafta trade deficit was \$181 billion, even as the share of that deficit made up of oil imports dropped 22 percent. The average annual growth of our trade deficit has been 45 percent higher with Mexico and Canada than with countries that are not party to a Nafta-style pact.....The Labor Department's Trade Adjustment Assistance program, which documents this trend, reads like a funeral program for the middle class. More than 845,000 workers have been certified under this one narrow and hard-to-qualify-for program as having lost their jobs because of offshoring of factories to, and growing imports from, Mexico and Canada since Nafta."
- ¹⁶⁴ http://www.democracynow.org/es/blog/2014/7/17/web_special_joseph_stiglitz_on_tpp These amounted to over \$2.1 trillion in 2014. <http://www.nytimes.com/2015/05/24/business/piles-of-overseas-profits-investors-can-see-but-not-touch.html>, quoting <http://www.accountingobserver.com/Reports/tabid/59/Default.aspx>
- ¹⁶⁵ <http://triplecrisis.com/tpa-would-deepen-income-divide/>
- ¹⁶⁶ Autor et al, "Import Competition and the Great U.S. Employment Sag of the 2000s," 8/14 "China's export surge is the outcome of deep economic reforms in the 1980s and 1990s, which were reinforced by the country's accession to the World Trade Organization in 2001 (Naughton, 2007). The country's share in U.S. manufacturing imports has shown an equally meteoric rise from 4.5 percent in 1991 to 10.9 percent in 2001 before surging to 23.1 percent in 2011. Simultaneously, after staying relatively constant during the 1990s, U.S. manufacturing employment declined by 18.7 percent between 2000 and 2007 "China's export surge is the outcome of deep economic reforms in the 1980s and 1990s, which were reinforced by the country's accession to the WTO in 2001. The country's share in U.S. manufacturing imports has shown an equally meteoric rise from 4.5 percent in 1991 to 10.9 percent in 2001 before surging to 23.1 percent in 2011. Simultaneously, after staying relatively constant during the 1990s, U.S. manufacturing employment declined by 18.7 percent between 2000 and 2007."
- <http://economics.mit.edu/files/9820> p. 1
- ¹⁶⁷ Autor et al, "Import Competition " <http://economics.mit.edu/files/9820>
- ¹⁶⁸ <http://my.firedoglake.com/deanbaker/2014/05/24/stress-test-the-indictment-of-timothy-geithner/>
- ¹⁶⁹ \$538 [2012]; \$476 [2013]; \$505 [2014]: <http://www.census.gov/foreign-trade/statistics/historical/gands.pdf>
- ¹⁷⁰ This is a negative value, resulting from income loss. When workers lose jobs, they lose income, and we lose their spending it.
- ¹⁷¹ Dean Baker, <http://www.cepr.net/index.php/blogs/beat-the-press/enough-magical-thinking-on-trade>
- ¹⁷² Take Ron Wyden, a major supporter of TPP, who, at the time, supported NAFTA. He now says, "Suffice it to say on workers' rights and environmental protections, if you go back to the 1990s in the NAFTA era, these vital priorities were basically shunted to the side.... This trade package [TPP] will say in clear terms that the United States is done allowing labor and environmental protections to be pushed aside and disregarded." <http://www.nakedcapitalism.com/2015/05/ron-wyden-calls-nafta-insufficient-now-in-1993-he-called-it-a-vote-for-less-pollution.html>
- ¹⁷³ <http://historycentral.com/documents/ClintonSigningNaFTA.html>
- ¹⁷⁴ "\$181 billion U.S. trade deficit with NAFTA partners Mexico and Canada and the related loss of 1 million net U.S. jobs under NAFTA, growing income inequality, displacement of more than one million Mexican *campesino* farmers and a doubling of desperate immigration from Mexico, and more than \$360 million paid to corporations after 'investor-state' tribunal attacks on, and rollbacks of, domestic public interest policies." <http://www.huffingtonpost.com/lori-wallach/nafta-at-20-one-million-u-b-4550207.html> 845 th+ certified for taa. <http://www.citizen.org/documents/NAFTA-at-20.pdf>
- ¹⁷⁵ http://en.wikipedia.org/wiki/Trade_Adjustment_Assistance NELP: "However, the TAA program falls short of its promise. Eligibility for benefits is limited to groups of workers who work at a facility that has successfully petitioned the federal government to prove that its job cuts were directly related to trade. Access to the program is constrained by major eligibility

restrictions, and... funding for retraining is capped.... Furthermore, TAA is marked by serious implementation challenges for states that operate the federally-funded program."

¹⁷⁶ "More than 845,000 specific U.S. workers have been certified for Trade Adjustment Assistance (TAA) as having lost their jobs due to imports from Canada and Mexico or the relocation of factories to those countries. The TAA program is quite narrow, only covering a subset of jobs lost to trade, and is difficult to qualify for. Thus, the NAFTA TAA numbers significantly undercount NAFTA job loss." <http://www.citizen.org/documents/NAFTA-at-20.pdf>

¹⁷⁷ <http://citizen.typepad.com/eyesontrade/2015/02/exports-lag-20-trade-deficits-surge-427-under-free-trade-deals.html>

¹⁷⁸ <http://economix.blogs.nytimes.com/2009/12/10/did-nafta-actually-help-mexico/>

http://carnegieendowment.org/files/nafta_trade_development.pdf

Timothy Wise says, "no country will ever have...the advantages that Mexico had entering NAFTA:... a 200 mile border with the United States,the largest consumer market in the world to consume Mexico's products. It had the longest economic expansion in the United States' history going on right after NAFTA was signed. And ...foreign investment... tripled. It got a surge in trade.... It kind of got everything it wanted and yet still showed remarkably slow levels of economic growth, incredibly poor job creation, and a real lack of strategic development over the course now of 20 years.... You read or hear about the success stories, like... winter fruits and vegetables for the U.S. markets, strawberries, tomatoes..... They generated some jobs[not] many ...400 percent, 500 percent, 600 percent increases in U.S. exports of corn, soybeans, wheat, cotton, and meats. And all of that was going on when we were running these surpluses in these and exporting it below the costs of production, something that's called dumping.....it made Mexico into a very dependent--very dependent on the United States for food, now importing 42 percent of its food from the United States. Jaisal Noor: And that made it particularly vulnerable to ... after 2007 and 2008, the spike in global food prices."

http://therealnews.com/t2/index.php?option=com_content&task=view&id=31&Itemid=74&jumival=11282

¹⁷⁹ <http://www.citizen.org/documents/NAFTAs-20-year-legacy.pdf> <http://www.cepr.net/index.php/publications/reports/nafta-20-years>

¹⁸⁰ <http://economix.blogs.nytimes.com/2009/12/10/did-nafta-actually-help-mexico/>

¹⁸¹ <http://www.cepr.net/index.php/blogs/beat-the-press/whats-this-qweq-jazz-matt-obrien>

¹⁸² Central America Free Trade Agreement--Consisted of five Central American nations and the Dominican Republic

¹⁸³ Ben Beachey quotes Rep. Tom Davis: "CAFTA and the Forced Migration Crisis," 9/26/14

<http://citizen.typepad.com/eyesontrade/cafta/>

¹⁸⁴ http://www.unhcrwashington.org/sites/default/files/1_UAC_Children_on_the_Run_Full_Report.pdf

¹⁸⁵ <http://www.oxfamamerica.org/static/oa3/files/a-raw-deal-for-rice-under-dr-cafta.pdf> warnings by Oxfam

¹⁸⁶ <http://citizen.typepad.com/eyesontrade/2014/08/central-america-crisis-belies-caftas-empty-promises.html>

¹⁸⁷ http://www.whitehouse.gov/sites/default/files/fact_sheet_overview_us_korea_free_trade_agreement.pdf

¹⁸⁸ <http://citizen.typepad.com/eyesontrade/2015/05/third-year-of-korea-fta-data-released-show-failure-of-obamas-more-exports-more-jobs-trade-pact-promi.html>

¹⁸⁹ <http://www.politico.com/magazine/story/2015/05/tpp-elizabeth-warren-labor-118068.html>

¹⁹⁰ <http://ourfuture.org/20130430/political-corruption-and-the-free-trade-racket> Dean Baker

¹⁹¹ <http://ourfuture.org/20130430/political-corruption-and-the-free-trade-racket>

¹⁹² "Studies Reveal Consensus: Trade Flows during 'Free Trade' Era Have Exacerbated U.S. Income Inequality,"

<http://www.citizen.org/documents/memo-trade-and-us-income-inequality.pdf>

¹⁹³ http://faculty.georgetown.edu/lo36/Oldenski_OffshoringAndPolarization_Dec2012.pdf greater gap between workers at the 75th percentile and workers with median earnings in that industry, and with a decrease in the gap between workers earning the median wages and those at the 25th percentile.

¹⁹⁴ <http://www.cepr.net/documents/publications/TPP-2013-09.pdf>

¹⁹⁵ "...an even more striking finding from [the study](#) is that median wealth is down by around 20 percent from 1984. This is noteworthy because this cannot be explained as largely the result of the collapse of house prices that triggered the Great Recession. This indicates that we have gone thirty years, during which time output per worker has more than doubled, but real wealth has actually fallen for the typical family. It is also important to realize that the drop in wealth reported in the study understates the true drop since a typical household in 1984 would have been able to count on a defined benefit pension. This is not true at present, so the effective drop in wealth is even larger than reported by the study. (Defined benefit pensions are not included in its measure of wealth.) <http://www.cepr.net/index.php/blogs/beat-the-press/median-wealth-is-down-by-20-percent-since-1984>

¹⁹⁶ <http://www.kamakuraco.com/Blog/tabid/231/EntryId/173/John-Maynard-Keynes-on-Sound-Bankers.aspx> As Keynes

described bankers, "A sound banker, alas, is not one who foresees danger and avoids it, but one who, when he is ruined, is ruined in a conventional way along with his fellows, so that no one can really blame him."

¹⁹⁷ http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_005373.pdf "Jobs Supported by Goods Destination" and <http://trade.gov/mas/ian/employment/index.asp>

¹⁹⁸ <http://www.epi.org/publication/trade-pacts-korus-trans-pacific-partnership/>

¹⁹⁹ <http://www.heritage.org/research/reports/2012/09/trade-freedom-how-imports-support-us-jobs>

²⁰⁰ Spence and Hlatshwayo, <http://www.cfr.org/industrial-policy/evolving-structure-american-economy-employment-challenge/p24366> See p. 13 of the report.

²⁰¹ <http://www.bls.gov/news.release/pdf/empst.pdf>

²⁰² <http://yourbusiness.azcentral.com/profit-margin-retail-clothes-26395.html> average gross profit margin for retail clothing 2013 was 36.1%.

²⁰³ "The import data on a mid-range iPad will raise the U.S. trade gap with China by \$287--even though China's role isn't worth more than \$12. ...The biggest beneficiary of the system is Apple, which analysts estimate could retain a gross profit of more than \$200 per iPad." <http://www.nationalpost.com/story.html?id=5a2d9936-8717-4e41-86a3-9954649bd3f2&k=68104>

²⁰⁴ <http://www.bls.gov/spotlight/2012/fashion/>

²⁰⁵ http://blogs.piie.com/realtime/?p=4414#_ftn2

²⁰⁶ <http://www.piie.com/publications/pb/pb14-13.pdf> Nafta at 20, Hufbauer et al.; <http://www.piie.com/publications/pb/pb14-13.pdf>

²⁰⁷ http://www.sourcewatch.org/index.php/Peter_Peterson

²⁰⁸ <http://www.hbs.edu/competitiveness/pdf/hbscompsurvey.pdf> p. 10. "In the early 2000s, we heard regularly from contacts at McKinsey that their clients had become so short-sighted that it was virtually impossible to get investments of any sort approved, even ones that on paper were no-brainers. Why? Any investment still has an expense component, meaning some costs will be reported as expenses on the income statement, as opposed to capitalized on the balance sheet. Companies were so loath to do anything that might blemish their quarterly earnings that they'd shun even remarkably attractive projects out of an antipathy for even a short-term lowering of quarterly profits." <http://www.nakedcapitalism.com/2014/09/us-corporate-executives-workers-drop-dead.html>

²⁰⁹ "...there is no sign of a technologically related demand for more-credentialed workers..... In fact, **among education categories, the greatest real wage losses between 2013 and 2014 were among those with a college or advanced degree.**"

<http://www.epi.org/publication/even-the-most-educated-workers-have-declining-wages/>

²¹⁰ <http://blogs.piie.com/realtime/?p=4414> "NAFTA Rejoinder: The US Effects Are Clearly Positive for Most Workers (Part II) Hufbauer and Cimino, 7/30/14

²¹¹ <http://www.citizen.org/documents/memo-trade-and-us-income-inequality.pdf> p. 3

²¹² "If there is one lesson from the collapse of the 19th century version of globalisation, it is that we cannot leave national governments powerless to respond to their citizens. The genius of the Bretton Woods system, which lasted for about three decades after the second world war, was that it achieved such a compromise. Some of the most egregious restrictions on trade flows were removed, while allowing governments freedom to run independent macroeconomic policies and erect their own versions of the welfare state. Developing countries were free to pursue their own growth strategies with limited external restraint. The world economy prospered like never before." Rodrik in *Financial Times*, quoted in <http://www.nakedcapitalism.com/2007/03/dangers-of-overselling-and-overdoing.html>