

December 15, 2007

Senator Barack Obama December 15, 2007

Obama For America  
300 West Adams Street  
Chicago, IL 60603

Dear Senator Obama,

As activists from labor, religious, environmental, immigrant rights, Latin American solidarity and peace movements, we are concerned about our U.S. Congressional and Senate leaders' support of unfair trade agreements.

You, along with other presidential hopefuls, failed to show up when the United States-Peru Trade Promotion Agreement (H.R. 3688,S. 2113) came up for a vote. In fact, a surprising number of Democrats voted in favor of what is essentially a neoliberal trade agreement with far-reaching negative implications for the environment and the lives of working people both in Peru and in the U.S. You (as well as Senator Clinton) have stated publicly that you support passage of the agreement. You, in essence, echoed House Speaker Nancy Pelosi when she stated, "I don't want this party to be viewed as an anti-trade party." This seems at odds with what you have stated previously. You have frequently criticized NAFTA and CAFTA for costing jobs and reducing the quality of life for American workers. Yet when given the chance to prevent the expansion of NAFTA to another country you did not act.

Democratic leaders have said that the added provisions in the agreement require Peru to adopt protections for workers and the environment and set a new standard for trade deals. The Bush administration agreed to these changes in order to win Democratic support. But there are no mechanisms set forth in the agreement that guarantee that these provisions will be adhered to by either the Peruvian government or the U.S. In fact, they weaken the existing and already un-enforced labor statutes in both countries.

In October, the International Trade Union Confederation (ITUC) stated in a report that "many aspects of the current Peruvian labor legislation contravene ILO standards" and called urgently for an overhaul of labor law in Peru. Can we really trust that such a government will respect the rights of its workers in the future without serious pressure to do so?

Rather than empower working people and average citizens, the agreement provides the mechanisms for greater power to multinational corporations. One such mechanism, referred to as investor-to-state rights, allows corporations to seek reparations for anything that gets in the way of their profits, including workers seeking better wages and working conditions or environmentalists seeking to save natural habitats or governments seeking pollution abatement. This mechanism is a real threat to democracy as we have already seen in the case of NAFTA.

Also of concern is the fact that the U.S.-Peru Trade Agreement threatens to undermine the livelihood of subsistence farmers in Peru, in much the same way NAFTA impoverished small farmers in Mexico. Over a million peasants were forced off their land in Mexico because NAFTA favored the importation of cheap agricultural goods from U.S.-based multinational agribusiness which receive major government subsidies in the United States. The U.S.-Peru Trade Agreement continues this failed policy of eliminating government support for small farmers in developing economies while leaving subsidies to major agricultural corporations in place. The result will be much the same as in Mexico for Peru's peasant families — deeper poverty and increased migration.

The privatization agenda behind past trade agreements is also in evidence in the U.S.-Peru Trade Agreement. This is one of the causes of greatest concern for the general public in Peru and one of the reasons for the massive protests in that country against the agreement. The agreement will encourage privatization of Peru's vital systems for providing health care, water, and education. Average Peruvians will not be able to afford generic medicines because of new patents and data-protection regulations imposed by the agreement, which sacrifice the health of working class and poor Peruvians in the interests of greater profits for pharmaceutical corporations.

The very structure of this and other trade agreements, e.g. The United States-Colombia Trade Promotion Agreement currently being lobbied by the CEOs of multinationals, is styled after NAFTA and FTAA. They each oblige competition over who can provide the cheapest labor, therefore requiring the exploitation of cheap labor in foreign markets and the exporting of U.S. jobs. No amount of provisional "reform" can restructure an uneven foundation that slants in favor of government-subsidized multinational corporations.

Congress has failed American workers with Senate passage of the US-Peru Free Trade Agreement. We call on you, Senator Obama, to explain your support of the Peru Free Trade Agreement in light of the weak labor and environmental provisions.

We further ask you to take a leadership role in standing against future trade agreements that do nothing more than exploit the labor and resources of all countries involved. The flawed NAFTA model is devastating workers in all participating countries, and the American people are demanding that we reject that model. We urge you to find the courage to do so.

Sincerely,

for the Chicago Trade With Justice Working Group:

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