



Iowa Fair Trade Statement 2008

We live in a global economy and will continue to do so for the foreseeable future. But our nation faces critical choices about the rules of the global economy that make a difference to workers, family farmers, immigrants, the environment and human rights – both here in the United States and around the world. These choices will determine whether international trade and investment help only a few, or whether the benefits of trade are more equitably distributed, and whether accelerating globalization can coexist with vibrant democratic institutions, or whether it will continue to undermine them.

Current corporate-dominated trade policies have failed Iowa and the nation. Thousands of manufacturing jobs have left the state and moved offshore in the last 13 years since implementation of the 1995 World Trade Organization (WTO) and 1994 North American Free Trade Agreement (NAFTA). The damage extends beyond those who directly lost their jobs. As family-supporting manufacturing jobs have been replaced by lower wage service sector jobs and simultaneously high wage service sector jobs are increasingly being offshored, the wages for the majority of American workers are stagnant or eroding. This is occurring even as corporate profits have soared and productivity has grown at a healthy pace. The tax base for supporting education and other essential public services has eroded as companies have moved or downsized. U.S. income inequality has increased to levels not experienced since the Robber Baron Age.

While good jobs have been exported, a flood of unsafe imported food and other products threatens the well-being of our families. America was a net importer of food in 2005. While the volume of agriculture trade has risen, with that trade under the control of a few multinational firms, hundreds of thousands of family farms have gone under, and farm incomes and the prices paid to our farmers for their products have declined. Concentration in agriculture, resulting in part from NAFTA, WTO and other global economic policies, has polluted the state's waterways, compromised the quality of our food supply and driven thousands of family farmers off the land.

After 13 years, we have seen that the NAFTA model doesn't mean more jobs, higher wages, or a cleaner environment – in Iowa, Mexico, or anywhere elsewhere. To improve the lives of workers and the poor, not just the wealthy and the powerful – here and around the world – we need an entirely new set of rules and institutions.

Therefore, we urge all presidential candidates seeking support in the Iowa caucuses to:

1. Commit to strengthening Congress's role in trade policy, by replacing the Fast Track negotiating process with a new system that includes readiness criteria to determine appropriate negotiating partners; binding obligations regarding what must and must not be in future trade agreements; the right of prior informed consent for states before they are bound to non-trade, investment, service sector and procurement rules in trade agreements; and the right for Congress to vote before agreements are signed.

2. Commit that all agreements negotiated under their presidency would meet the following criteria:

a. Trade agreements must incorporate requirements to adopt into domestic law and enforce the five basic internationally-recognized core labor rights as stated in the eight fundamental International Labor Organization (ILO) conventions dealing with freedom of association; the right to organize and bargain collectively; the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; the elimination of the worst forms of child labor; and the elimination of discrimination in respect of employment and occupation. Failing to meet such standards must be subject to the same dispute resolution and enforcement mechanisms and penalties that apply to the commercial provisions of the trade agreements.

b. Trade agreements must allow nations to follow environmental, health and safety standards adopted in reliance on the precautionary principle, recognizing the legitimate rights of governments to protect public health, safety and the environment. Trade agreements must incorporate requirements to adopt into domestic law and enforce

the major Multilateral Environmental Agreements, which comprise the global consensus on basic environmental protection. Failing to meet such standards must be subject to the same dispute resolution and enforcement mechanisms and penalties that apply to the commercial provisions of the trade agreements.

c. Foreign investors must not be given the right to sue governments directly under trade agreements. The investor privileges included in most trade agreements expose our domestic environmental, public health, zoning and other public interest laws to potential challenge by foreign corporations in secret tribunals. Trade agreements must not allow private investors and corporations to compel governments to pay compensation for the costs of complying with laws, regulations, or other policies to protect the public welfare.

d. Trade agreements must not limit our ability to ensure that both imported and domestic products meet our safety standards, nor should they limit the rate of border inspection of imported goods.

e. Trade agreements should not require the privatization or deregulation of essential services, including education, health care, construction, transportation, water supply and energy.

f. Procurement provisions in trade agreements must not undermine the ability of federal and state governments to use tax dollars to create and maintain good jobs, to promote economic opportunity and development, and to achieve other important social goals, including safeguarding prevailing wage, renewable energy, and recycled content.

g. Trade agreements must allow citizens in America and elsewhere to regain control of farm and food policy with the intent of creating a sustainable family farm system and a safe and healthy food supply. No trade agreement should impede the right of America, or other nations, to devise farm and food policy that establishes fair farm prices, creates a food security reserve, establishes conservation set-asides to avoid wasteful overproduction, makes loans to help farmers own their own land and adopt sustainable farming practices, and meets other social and environmental goals.

h. Trade agreements must not undermine U.S. trade laws, including the ability of governments to safeguard domestic industries against market surges and unfair foreign trade practices, such as predatory pricing, currency manipulation, and export dumping. Trade agreements should not prevent governments from regulating the flow of speculative capital.

i. Trade agreements must not impede nations' ability to make affordable pharmaceuticals available to their residents. Provisions in international agreements (including trade agreements) concerning intellectual property rights must recognize and reaffirm that profits from pharmaceutical and biotechnology products should be shared equitably with nations providing the genetic resources upon which such biotechnology products are derived. Trade agreements should also recognize that nations may regulate genetically modified organisms to address food supply and biodiversity conservation.

3. Commit to review and assess NAFTA and other bilateral trade agreements, particularly their impact on our jobs, wages, working conditions, environment, consumer safety and democratic protections. Such a review must include recommendations on how to address problems in existing agreements, up to and including renegotiation.

4. Commit to oppose the current direction of the WTO "Doha Round" and to call for a new direction in global trade talks to prioritize protections for workers, the poor, health and the environment, and to ensure that global trade rules do not undermine the ability of governments to regulate in the public interest.

5. Commit to strengthen and effectively enforce U.S. trade laws to protect U.S. jobs and our manufacturing base.

6. Commit to implementing emergency policies to bring our trade deficit into balance, including by addressing currency manipulation, eliminating tax breaks for offshoring production, and exploring other options, such as an import surcharge.

