

...NAFTA critic Wallach

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led both to a huge wave of desperate migration to the U.S., but also to a glut of manufacturing workers in the border. In Mexico, not only are industrial wages down, but tens of thousands of small- and medium-sized mom-and-pop retailers — and the manufacturers that used to supply them food, clothing, shoes ... — were just wiped out when the U.S. mega-companies like Walmart came in. Canada has been the biggest loser as far as investor-state rollbacks of policies, because in the face of these attacks, Canada's government more likely than not rolls back the law. So toxics that were taken off the market were put back on the market because that was the settlement of an investor-state case. Canada was going to adopt plain packaging rules for cigarettes, to help keep people who hadn't started smoking from starting. RJ Reynolds threatened an investor-state case, and Canada walked away from it.

NAFTA-style trade agreements are often blamed for offshoring, but U.S. companies were already moving production to Mexico before NAFTA, and to China before the United States granted it "permanent normal trade relations" and allowed it to join the World Trade Organization. Is there a way in which these agreements make it easier for American companies to outsource?

First of all, you can look at the data, and there's a huge jump in offshoring after these agreements go into place. If you're up to your ankles in offshoring, when these agreements go into effect, within a year, you're in over your head.

That's also true of China joining the WTO (World Trade Organization). The reason that happens is two things. One is guaranteed long-term duty-free access. In the case of China, before, every year it had to go through a review process, and when they were doing horrible things about human rights or labor rights, there was always a question about whether they would get low-tariff "most-favored-nation" status for the next year. So companies would think twice about relocating. Once there was a certainty that China would be in the WTO and would have duty-free access no matter what they did on human rights and labor rights, then a lot of companies felt it was safe to go in. In addition, the investor rules in the free trade agreements guarantee certain things that remove the risks and costs of relocating. The free-market Cato Institute has come out against investor-state dispute settlement, and part of the reason why is it's a market distortion. In their libertarian perspective, it skews what they call the risk premium, how much risk they have to take, distorts it in favor of offshoring. About offshoring or not offshoring, they're ideological: They don't care what the result is; they just want the market to be free. And they see this as a distortion because the investor rules provide preferential treatment. There's things you can do to regulate a U.S. company that you can't do to regulate a foreign company under these trade agreements. Singapore was just putting up capital controls to avoid a financial bubble that would lead to another financial crisis — because they had a flood of money coming to invest

in their real estate sector. But because they have a free trade agreement with the U.S., they can't. They are left to have a bubble-led crisis because they lost the ability to regulate. These rights include the right to compensation for changes in regulatory structure. Germany announced they're phasing out nuclear power by 2029, because of Fukushima. So they've given notice in the whole industry to figure out a transition plan. And all the domestic companies are trying to figure out what to do. But two plants are owned by a Swedish company Vatenfall, which launched an investor-state case saying, "We don't care if it applies to German firms. We're foreign investors. We have special privileges. You can change the policies, but you have to compensate us for billions of dollars, because we expected to make profits on those plants in the future."

Over the years, Public Citizen Global Trade Watch has kept a running tally of fair trade supporters in Congress. How's the "Fair Trade caucus" doing?

There is pretty much bipartisan consensus in the House of Representatives against ever doing the old-style "fast track" trade mechanism [an agreement to hold a speedy up-or-down vote on trade agreements, with limited debate and no opportunity to amend.] That has been a huge chill on negotiations of agreements like TPP [Trans Pacific Partnership]. Some of the fast track opponents are structuralists: They don't think that fast track delegation is constitutional. In the Constitution, Congress

Top national trade expert to keynote at Fair Trade Campaign's 10-year dinner

Oregon Fair Trade Campaign will celebrate 10 years of fighting for a pro-worker trade policy with an Oct. 18 fundraising dinner. The group is a coalition of union members, environmentalists, and faith and community activists that works to oppose NAFTA-style trade agreements such as the Trans-Pacific Partnership — a proposed Pacific Rim deal that's being negotiated without input from Congress or the public.

The dinner's keynote speaker is one of the most prominent critics of America's corporate-led trade policy, Lori Wallach. Wallach, director of Public Citizen's Global Trade Watch, has been campaigning since 1991 against trade agreements that harm workers and the environment. She's a frequent commentator on CNN, NPR, Fox, and other media outlets, and has a talent for translating complex trade jargon into plain English.

U.S. Senator Jeff Merkley (D-Oregon) will also attend the dinner, and Oregon AFL-CIO president Tom Chamberlain will present him the group's "fair trade champion" award.

The dinner will take place Saturday, October 18, at the SEIU Local 503 Hall, 6401 SE Foster Rd. Doors open at 5:30 p.m., and the dinner and program run from 6 to 8 p.m. Tickets are \$60 per person, or \$600 for a table of 10, and can be purchased online at oregonfairtrade.org or by phone at 503-736-9777.

has exclusive authority over trade. And some are free traders but have gotten savvy that the trade agreements aren't about that any more. There are people who are for zero tariffs but have no interest in undermining food safety, internet freedom, etc. It all boils down to a majority in the House right now against fast track. However, Oregon U.S. Senator Ron Wyden, now the chair of Finance Committee, is the guy who's going to decide what happens next. And he could be the man who retires the undemocratic fast track mechanism. Fast track has been key to getting us into failed trade agreements like NAFTA and WTO, by giving away Congress' and the public's oversight role. Wyden can be the guy who tweaks and tries to continue it. Or he can be the guy who retires it. If you read the book I wrote on the history of trade authority in the United States since the founding of our country, it lays out how almost every 40 years, Congress has created a new system of trade authority. We're very overdue to replace fast track. Fast track was established by Richard Nixon in 1973 in an era when trade agreements were mainly about tariffs, about border taxes. It's a dangerous mismatch when you have Congress' core business — legislating — being delegated on a huge array of non-trade issues. It's all going to come down to Wyden, who in the past has supported fast track, has supported all these NAFTA style agreements.

He even voted for NAFTA.

He voted for all of them. He's one of the rare Democrats who voted for the U.S.-Colombia Free Trade Agreement. He voted for CAFTA — the Central American Free Trade Agreement. At the same time, he's a smart guy. He's had an open process and he's heard from a lot of Democratic senators and some Republicans that they want something different: no more fast track. He's heard from Internet freedom groups, environmental groups, all the unions, family farm groups, Methodists, consumer groups, MoveOn, AARP, groups that have never been involved in trade fights. Because it's not about trade any

more. It's about medicine costs for seniors and so many other things. So all of these groups and many members of Congress have spoken to Chair Wyden and said, "Sir, you are the man who is either going to replace fast track and give us a totally different way of getting better agreements, or you're going to be the guy who's responsible for trying to revive Nixon's undemocratic fast track." And it's either going to happen in the lame duck Congress that starts Nov. 12, or it's going to be coming out of the chute in January 2015.

Do you think there's a plan to approve fast track in the lame duck session after the November 2014 election?

I think the White House is dying to have the old-fashioned legislative luge run. Because the way they've dicked around Congress, they are not going to be able to get TPP the way it's constructed — with a big "F.U." to Congress on things Congress has explicitly said had to be in there. It's got stuff in there that major blocs of Congress has said, "If that's in there, then I'm against it." If that's in the TPP, they know it's only going to get done if they have fast track.

We see from experience what it looks like when trade agreements are written by corporations. What would a Lori Wallach "fair trade" policy look like?

Corporate special privileges, constraints on government regulation, and expansion of monopoly patents and copyrights, would all be excised from trade agreements. Trade agreements would actually focus on trade. And countries that want market access rules and cuts on tariffs would have to meet internationally-agreed standards with respect to labor, health and the environment. You would build international commerce on the basis of prioritizing the international policies that exist through the ILO (International Labor Organization), multilateral environmental agreements, World Health Organization treaties, and the rights of human beings. We need that floor set as the basis for getting commercial privileges.



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