

“Secret Negotiations”: The Trans-Pacific Partnership Agreement (TPP): A Corporate Takeover?

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You will be hearing a lot about the upcoming [Trans-Pacific Partnership](#) (TPP) agreement. TPP’s negotiations are being held in secret with details kept secret even from our Congress. But giant corporations are in the loop.

TPP is a “trade” agreement between several Pacific-rim countries that is actually about much more than just trade. It will be sold as a trade agreement (because everyone knows that “trade” is good) but much of it appears to be (from what we know) a corporate end-run around things We the People want to do to reign in the giant corporations — like Wall Street regulation, environmental regulation and corporate taxation.

One-Sided Process

The TPP process appears to be set up to push corporate interests over other interests. The TPP is being negotiated in secret, so what we know about it comes from leaked documents. Even our Congress is being kept out of the loop. But 600 corporate representatives are in the loop while representatives of groups that protect working people, human, political and civil rights and our environment are largely not in the loop.

This one-sided participation unfortunately indicates that the interests of giant corporations are likely to override the interests of working people and those who want to protect non-corporate interests. Otherwise there would be more representation by representatives of organizations representing these concerns, and greater transparency into the process.

TPP Is A Very, Very Big Deal

The coming TPP is a very, very big deal. If it is agreed to by the Senate and signed by the President it will override American laws in many areas. We won’t be allowed to enforce laws and regulations that impede the “rights” granted to big corporations under this agreement, and it will be very hard to rescind the agreement once signed, no matter how much damage might result. Just look at how NAFTA, China’s entry into the WTO and other agreements are causing huge trade deficits and sending jobs, factories and industries out of the country while dramatically increasing income and wealth inequality.

Making the TPP work for We, the People should be up there on our “litmus test” of things we require of our elected officials — right along with pledging no cuts to Social Security and

Medicare.

TPP Not Just Trade

It looks like TPP will go way beyond what most of us would consider to be in a normal “trade” agreement. TPP — negotiated by giant corporate interests — appears set to give giant corporations a veto over a country’s ability to set many laws and regulations that are designed to reign in those corporations. Quelle surprise!

Leaked documents appear to show that negotiators are writing provisions that will set rules *that are binding on Congress and our state legislatures* tell us what laws and regulations our own country can pass or enforce in areas like:

- intellectual property rights like patents and copyrights,
- government procurement like Buy American which would be banned,
- investment and land use,
- service-sector regulation,
- food and product safety,
- corporate competition,
- labor,
- even environmental standards.
- Leaks show that TPP even limits government regulation of financial services!

Dean Baker explains that non-trade items like patents in an agreement like TPP can have a huge effect on us by dramatically increasing prices of items like pharmaceuticals, in [Political Corruption and the “Free Trade” Racket](#),

Tariffs and quotas might raise the price of various items by 20 or 30 percent. By contrast, patent and copyright protection is likely to raise the price of protected items 2,000 percent or even 20,000 percent above the free market price. Drugs that would sell for a few dollars per prescription in a free market would sell for hundreds or even thousands of dollars when the government gives a drug company a patent monopoly.

Again: There are over 600 corporate representatives participating in the TPP process, but few if any representatives of human rights, environmental, civil rights or worker rights organizations. And the resulting agreement will be binding on governments! The corporate powers apparently granted in the TPP can override domestic laws on environmental health and safety, and labor and citizens’ rights. If this agreement becomes law multinationals can claim that those domestic laws and regulations hamper free trade and can sue for millions of dollars in “damages.”

Bad History Of Trade Agreements Harming Economy, Democracy

Our one-sided, corporate-negotiated trade agreements have dramatically enriched Wall Street and a few CEOs. But the devastation that is apparent in many regions of our country along with the hollowing out of our middle class tells the real story of what these agreements can do to an economy. For example, we all know what has happened since China was allowed to enter the WTO. In the 2000s we lost 50,000+ factories and at least 6 million jobs *just to China*. Because of the massive cost of building a manufacturing infrastructure it will be very difficult to restore even key industries. But the 1% who pushed

this made out extremely well.

Even the just-signed Korea Free Trade agreement is already hurting our economy. It has increased the trade deficit, increased imports and decreased exports! A [recently-released fact sheet from Public Citizen](#) looks at the damage our economy is already experiencing from the Korea, Panama and Columbia agreements. The section on Korea tells the story: exports to Korea down 10%, trade deficit up 37%:

“One year into the Korea FTA, U.S. goods exports to Korea have declined by 10 percent (a \$4.2billion decrease) in comparison to the year before FTA implementation. U.S. meat producers lost a combined \$206 million in beef, pork and poultry exports in the first year of the Korea FTA relative to the year before FTA implementation, while the U.S. auto and auto parts industries suffered a 16 percent increase in the U.S. auto trade deficit with Korea. Overall, the U.S. trade deficit with Korea has swelled 37 percent under the FTA.”

Just one of many examples in the fact sheet:

- Imports of cars and auto parts from Korea have soared 15 percent (more than \$2.5 billion) under the FTA, driving a 16 percent increase in the U.S. trade deficit with Korea in autos and auto parts relative to the year before FTA implementation.

Also from the fact sheet — loss of 12,000 jobs:

“The combined U.S. trade deficit with Korea, Colombia and Panama under the FTAs has jumped 11percent above pre-FTA levels for the same months as exports to Korea have declined and imports from Korea and Panama have risen substantially. Using the same ratio employed by the Obama administration, this \$2.3 billion combined trade deficit expansion implies the net loss of more than 12,000 U.S. jobs in just the first several months of the new FTAs.”

And that’s just the recent Korea agreement, and in just a few months since it went into effect.

Trade Can Be Good Or Bad, Depending...

No question about it, a good trade deal can boost exports, boost the economy, boost employment ... And of course this promise is how these trade deals are sold to us.

But the bad trade deals we have gotten ourselves into have instead boosted the trade deficit, boosted unemployment, boosted income and wealth inequality, boosted the loss of factories and industries, boosted the hollowing-out of our middle class and boosted the domination of our politics by the large corporate interests.

All trade deals have winners and losers. NAFTA and letting China into the WTO were obviously big winners for Wall Street, the 1%ers, and their giant multinational corporations. But these and similar trade deals helped break the back of the unions, the middle class and our economy — especially manufacturing and its supply chains. [The result of these changes has been that all of the gains from our economy as productivity increases](#) have increasingly

gone to fewer and fewer people who are higher and higher up the food chain.

We need an open, democratic process that ensures that We, the People are the winners from our trade deals.

Needed Fixes

The TPP negotiations should not just be negotiated to serve the interests of giant multinational corporations. The process should be opened up to the public and democracy, so people and groups with a huge stake in the outcome — like labor unions, environmental organizations, human rights groups and consumer organizations — can participate. With only corporate participation, only corporate interests will be served. Funny how that works, isn't it?

The process of democracy should not be subverted by a “fast track” rule that keeps our Congress from fully considering the implications and effects of such an agreement. “Fast track” just extends the lack of citizen involvement in negotiations into a lack of citizen involvement in the finalization!

Last June [130 members of the Congress](#) wrote a letter to the US Trade Representative asking for transparency in the TPP negotiations and consultation with members of Congress. In addition, [more than 400 organizations](#) have asked Congress to replace the “Fast Track” system that limits Congress’ (democracy’s) ability to get involved in the process, and to call for a new direction for TPP as well as other trade agreements.

We also need *strong* tests and irrevocable language about withdrawing from the agreement if it is harming our economy, environment, smaller businesses, tax base and/or our working people.

TPP and all future trade deals must include clear and enforceable rules covering currency manipulation and other ways that countries game the system.

Elizabeth Warren Drives It Home

Watch Senator Elizabeth Warren (D-MA) asking about trends in trading patterns with Korea since the new “free trade” treaty went into effect, and about how TPP looks like an end run around Wall Street regulation.

Get Involved

The next round of TPP talks will be held May 15-24 in Lima, Peru. It is time to start making sure that your voice is heard in D.C. Trade deals can lift people on both sides of trade borders. But only if a true open and democratic process is used to reach agreement. Otherwise these agreements will continue to be gamed to enrich the few at the expense of the many.

One of the best comprehensive sources of information on TPP is at [Public Citizen](#) and their [Global Trade Watch](#). They have a landing page just waiting for you: [TPP: Corporate Power Tool of the 1%](#). Go take a look.

The Electronic Freedom Foundation has [a TPP page](#), explaining their concerns about the sections involving Intellectual Property (IP) as well as the general lack of transparency and

openness.

Public Knowledge has a [TPP landing page](#) expressing similar concerns.

The AFL-CIO has a [TPP detail page](#) and offers [Trans-Pacific FTA Outline](#) concluding:

“Although not all the news coming from APEC was good, it is too early to tell if the TPP will live up to its promise to create great opportunities for America’s working families. Now is the time to speak up. If you have concerns about some of these announcements, too, now is the time to speak up—the TPP is still being negotiated.”

This post originally appeared at [Campaign for America’s Future \(CAF\)](#) at their [Blog for OurFuture](#) & also crossposted at the [Huffington Post](#). the author is a Fellow with CAF.

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