

FACT SHEET

AUGUST 2003

## FREE TRADE AREA OF THE AMERICAS: EXPANDING A MODEL OF DEVASTATION

*The Free Trade Area of the Americas (FTAA) is a trade agreement currently under negotiation that expands the failed model of free trade developed in the North American Free Trade Agreement (NAFTA) to every country in North America, South America and the Caribbean except Cuba. NAFTA was the first of a new breed of international agreements that went beyond dismantling tariffs and other traditional trade barriers to enacting new and sweeping protections for multinational corporations and investors.*

*NAFTA's promoters promised U.S. farmers and ranchers that the agreement would provide access to new export markets and raise farm incomes. Instead, farm income has declined, consumer prices have risen and some giant agribusinesses have reaped huge profits since NAFTA's passage. The FTAA promises more of the same.*

### NAFTA, FTAA, and U.S. Agriculture

The United States, Canada and Mexico entered into NAFTA in January 1994. NAFTA's export-oriented model keeps commodity prices low with the aim of increasing the U.S. share of export markets. The result, however, has been a loss of U.S. market share for major grains and a flooding of domestic markets with cheap, imported commodities. Farmers' incomes have been slashed. In the first five years of NAFTA, the prices U.S. farmers received declined 42% for wheat, 33% for corn and 34% for soybeans.

The FTAA will spread this model, which allows multinational corporations to search the Western Hemisphere for a cheap livestock feed supply and a labor force they can exploit, to 31 more countries. This will also allow increased control of commodity markets and our food system. The main commodities grown in the Northern Great Plains and Rocky Mountain West, like wheat, corn, soybeans and beef, are also grown in many Central and South American countries, but they are grown there at a lower cost of production.

The U.S. Trade Representative (USTR) estimates that average family of four would see an income gain of \$814 per year under the FTAA, but how would the income of agricultural families increase while competing with lower cost producers for the same concentrated market?

### Corporate Profits and the FTAA

The FTAA would also expand NAFTA's "Chapter 11" provision which grants multinational corporations special rights to sue governments when public interest protections hinder corporate profits. This language erodes the ability of national, state and local governments to protect the public interest. Already cases have been brought against local laws through NAFTA. Buy American laws, local zoning statutes, antitrust laws and many other important protections are at risk.



## Corporate Influence and the FTAA

Like many other trade negotiations, public input into the FTAA negotiating process is severely restricted, while participation of giant corporations is encouraged. In shaping U.S. trade policy, the USTR set up 33 advisory committees with about 1000 members. Most of those members represent corporate interests. Phillip Morris staff heads the committee on consumer products. Enron, which pushed for worldwide deregulation before it collapsed, led the services committee. Well-known corporate agriculture giants such as the American Meat Institute, Monsanto Company and ConAgra Foods Inc. are members of the Agricultural Policy Advisory Committee for Trade.

Although there are a few public interest seats on some committees, these participants are legally prohibited from telling anyone outside their committee about information they receive, making wider public participation impossible.

In addition, once FTAA negotiations are completed, the president will use the fast track rules to push the agreement through Congress with limited time available for debate, no opportunity for amendments, and no real accountability by our elected representatives in Congress.

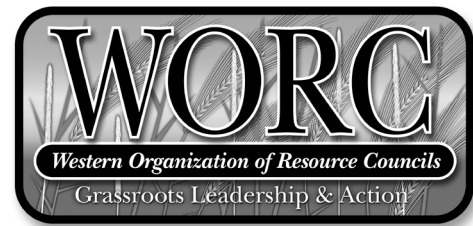
## What You Can Do

In November 2003, FTAA negotiators will meet in Miami, Florida to continue their negotiations. The USTR's stated goal is to complete negotiations by January 2005 and gain Congressional approval by December 2005.

It is vital that we stop the mistakes of NAFTA from multiplying to the entire Western Hemisphere. By working together, we can ensure trade that is fair for farmers, ranchers, consumers and the environment.

- Call your Congressmen and tell them not to expand the mistakes of NAFTA –They must work to stop the FTAA.
- Write a letter to the editor in opposition to FTAA
- Participate in local actions educating the public about the devastation FTAA would create, and sharing your community's concerns over this trade agreement.
- Go to WORC's Trade web site ([www.worc.org/issues/fairtrade.html](http://www.worc.org/issues/fairtrade.html)) and vote YES to healthy communities and a fair economy and NO to FTAA

For more information on how you can play a role in stopping FTAA and ensure fair trade policy, log on to the WORC web site at [www.worc.org](http://www.worc.org).



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