



## **Intro to Current Free Trade Agreements**

Free trade is the dominant economic theory of trade that promotes the elimination of tariffs, quotas, and other “barriers” to trade as a way to promote economic health for countries and its citizens. In contrast, fair trade is a model of trade that seeks to proactively ensure a set of values are upheld and that emphasizes in particular the needs of small-scale producers in the Global South who have traditionally been marginalized by the dominant free trade model.<sup>1</sup> Free trade is often institutionalized by free trade agreements involving two or more countries that agree to remove protective barriers when trading with each other. The most notorious free trade agreement is the North American Free Trade Agreement (NAFTA), the negative impacts of which are well documented.<sup>2</sup>

The United States is currently involved in negotiating two potential free trade agreements, the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP), also known as the Trans-Atlantic Free Trade Agreement (TAFTA).

### **What is the Trans-Pacific Partnership (TPP)?**

The TPP is a proposed free trade agreement currently being negotiated by the U.S. and 11 other countries along the Pacific Rim, which together constitute 40% of the global economy and a third of global trade.

### **Who has been involved in TPP negotiations?**

The TPP has been negotiated behind closed doors, and the public has no access to the draft texts. Any public information we have about it has been leaked. Congress has only recently been given limited access to the text. There are, however, 600 corporate lobbyists that have been approved as “trade advisors.”

### **What effect will TPP have on farmers?**

Past free trade agreements have increased US exports of commodity crops to other countries, such as corn to Mexico<sup>3</sup>, and increased imports of fruits and vegetables to the US<sup>4</sup>. In both cases, small-scale farmers on both sides of the border are most at risk of being at a disadvantage, and in the worst-case scenario, being driven off their farms.

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<sup>1</sup> <http://fairworldproject.org/voices-of-fair-trade/fair-trade-vs-conventional-free-trade-an-introduction/>

<sup>2</sup> <http://www.citizenstrade.org/ctc/trade-policies/existing-trade-agreements/north-american-free-trade-agreement-nafta/>

<sup>3</sup> [https://www.organicconsumers.org/old\\_articles/chiapas/nafta040504.php](https://www.organicconsumers.org/old_articles/chiapas/nafta040504.php)

<sup>4</sup> <http://www.foodandwaterwatch.org/reports/the-poisoned-fruit-of-american-trade-policy/>

Rural communities in Mexico are still feeling the devastating effects of NAFTA,<sup>5</sup> and farmers in Japan are expressing concerns with Japan joining TPP negotiations<sup>6</sup>.

### **What is the Trans-Atlantic Trade and Investment Partnership (TTIP) or Trans-Atlantic Free Trade Agreement (TAFTA)?**

TTIP or TAFTA is a proposed bilateral free trade and investment agreement between the United States and the European Union. Because trade between the U.S. and E.U. has already been liberalized over the years and already accounts for one third of global trade and nearly half of the world's GDP, many of the contentious debates of TTIP revolve around the non-tariff barriers (sometimes called "trade irritants" by big corporations). Non-tariff barriers include many laws and public safety measures designed to protect a country's citizens but which make trade between countries more complicated. Negotiations on TTIP or TAFTA began in July 2013.

### **What effect will both of these free trade agreements have on the environment?**

Leaked text of the TPP investment chapter reveals a plan to grant transnational corporations the power to challenge any environmental or consumer safety protections that negatively affect their profits. These "investor rights" will threaten policies designed to combat climate change and environmental degradation. For example, in November 2012, a U.S. oil company filed a notice to sue Canada for \$250 million for halting fracking under the St. Lawrence River. The corporation has the right to sue the Canadian government since its environmental protection policy interferes with their expected profits. Under both TPP and TTIP/TAFTA such company complaints are expected to proliferate.<sup>7</sup>

### **What effect will both of these free trade agreements have on food safety?**

Under both TPP and TTIP/TAFTA, any food safety rules on pesticides, labeling, or additives that are higher than set international standards would be subject to challenge as "illegal trade barriers". The U.S and other countries would be required to eliminate these their own safety rules and allow the import of unsafe, unlabeled food or face trade penalties.

### **What is "Fast Track"?**

Under the U.S. constitution, Congress holds the power to set trade policy. Introduced by President Nixon in 1974, "Fast Track" gives the executive branch the authority to negotiate a trade agreement behind closed doors, change domestic laws needed to conform with it, and sign the international agreement before Congress votes on it. With limited debate, Congress must approve or disapprove the entire treaty without amendment or filibuster.

To learn more, visit our website:  
[www.fairworldproject.org](http://www.fairworldproject.org)

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<sup>5</sup> <http://www.iatp.org/blog/201307/fruits-of-nafta>

<sup>6</sup> <http://www.japantimes.co.jp/news/2013/04/14/business/tpp-deal-irks-farmers-automakers/#.VUkg8aVSxuY>

<sup>7</sup> [http://action.sierraclub.org/site/DocServer/FoEE\\_TTIP-ISDS-fracking-060314.pdf?docID=15241](http://action.sierraclub.org/site/DocServer/FoEE_TTIP-ISDS-fracking-060314.pdf?docID=15241)