DENVER JUSTICE & PEACE COMMITTEE

3131 Osceola Street • Denver, CO 80212 • 303-623-1463 • Fax 303-623-3492 djpc@denjustpeace.org • www.denjustpeace.org



Reasons DJPC Opposes the Colombia FTA

The Colombia-US Free Trade Agreement would have an unequal impact within Colombia.

The FTA would bring Colombian agriculture into competition with U.S. agricultural commodities that are heavily subsidized. According to research conducted by respected Colombian economists, Colombia's 1.8 million small farmers would see their net agricultural income fall by over 16 percent on average. Those same economists estimate that nearly 400,000 of those small farmers would lose between 48 and 70 percent of their income, which is already below minimum wage. Meanwhile, the pact gives incentives for the expansion of industry, including the mining, lumber, and palm oil industries that displace farmers by seizing their land.

Decreased employment and income increases the incentives of poor farmers to migrate to other cities or countries (especially the U.S.) or to engage in the cultivation of coca, which would result in more cocaine on U.S. streets. By compromising food crops, the FTA would undermine programs in Colombia funded by the U.S. taxpayer dollars aimed at encouraging small farmers to switch from coca to food crops.

- The Colombia FTA aggravates issues that are a result of the conflict in the country without offering remedies.
 - O Colombia remains one of the most dangerous places in the world for trade unionists, with 51 unionists killed last year alone. The impunity rate for these killings remains around 94 percent. Most Colombian workers work in poor conditions and lack collective bargaining rights, but union membership has fallen from 260,000 to 60,000 over the past 10 years as a result of violent intimidation.
 - O An estimated 5.2 million people have been displaced in Colombia due to decades of violence, with an estimated 280,000 people newly displaced last year. According to Colombia's Ministry of Agriculture and Rural Affairs, the pact would cause an approximately 35 percent decline in agricultural employment in conflict-ridden regions of Colombia, increasing displacement from those areas.
 - All actors in Colombia's conflict use violence to clear people from the land. All too often, Colombia's large landowners and business as well as multinational corporations employ paramilitary groups to threaten and kill members of farming communities and Afro-Colombian and indigenous communities in order to take over their land.
 - The Santos Administration has not made advances in bringing to justice those responsible for more than 3,000 innocent civilians murdered, allegedly by members of Colombia's own armed forces in order to increase their body counts in the war. Meanwhile, the violence has continued and the last six months have seen an increase in attacks and threats against community members and human rights defenders.
 - The Action Plan associated with the FTA, which commits the Colombian government to protecting labor and human rights, fails to address steps to dismantle the paramilitaries and successor armed groups that are the source of much of the violence. The plan also rewards promises rather than concrete results, meaning it does not guarantee an end to violence, and it is not legally binding.

The Colombia-U.S. FTA is counter to U.S. interests

- The Economic Policy Institute has estimated that this agreement will result in the loss of 55,000 jobs in the U.S.
- o The Colombia FTA was written during the Bush administration before the financial crisis, so it contains many provisions that restrict the ability of the government to regulate the financial sector.

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Reasons DJPC Opposes the Panama FTA

- Panama's status as a tax haven and money laundering capital.
 - Panama has long been a target of both the Organization for Economic Cooperation and Development (OECD) and the G7's "Financial Action Task Force" for its resistance to international norms in combating tax evasion and money laundering, and its new Tax Information Exchange Agreement with the United States contains gaping loopholes.
 - The country is home to 400,000 corporations, including many U.S. Firms that incorporate there to avoid their obligations at home.
 - The new Tax Information Exchange Agreement (TIEA) signed by Panama as an attempt to win approval of the FTA by the U.S. Congress does not go far enough in resolving the tax haven issues. The TIEA states that the Panamanian government can refuse a tax information request "where the disclosure of the information requested would be contrary to the public policy" of Panama.
 - Under the trade deal, corporations registered in Panama would be newly empowered to directly challenge future U.S. anti-tax haven policies to demand cash compensation in foreign tribunals.
 - According to the State Department, Panama is a main site of drug money laundering by Mexican and Colombian cartels.
- The benefits of the Free Trade Agreement to the U.S. economy are not clear.
 - Panama took broad exceptions to the deal so that it does not have to provide U.S. construction and other firms equal access to work on its massive Panama Canal improvement project.
 - The investment chapters in the Panama FTA allow foreign corporations to challenge food safety regulations, responsible land use decisions, environmental protection initiatives and other public interest policies as "barriers to trade" through closed trade tribunals that circumvent the U.S. judicial system. The Panama FTA's procurement provisions further undermine U.S. "Buy American" and "Buy Local" purchasing preferences, and threaten procurement policies with environmental and social goals.
- The Panama-U.S. Free Trade Agreement would be harmful to the Panamanian people.
 - The pact would bring poor farmers in Panama into competition with heavily subsidized agricultural products from the United States. As was the case with NAFTA and CAFTA, this competition will force these farmers to migrate to other cities or countries (like the U.S.) or turn to drug cultivation in order to earn a living.
 - The agreement includes NAFTA-like provisions that undermine Panama's right to obtain affordable medicines for its impoverished citizens, as allowed under the World Trade Organization's Doha Declaration.
 - The agreement does not include strong enough labor and environment protections.

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