



# **The US-Peru Free Trade Agreement:**

**Protecting Corporate Investors' "Right"  
To Exploit The Environment & Animals**



# **The US-Peru Free Trade Agreement: Protecting Corporate Investors' "Right" To Exploit The Environment & Animals**

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Continuing its agenda to create a free trade zone throughout the Americas, the Bush administration has negotiated a free trade agreement with Peru. Signed on April 12, 2006, and revised on June 25, 2007, the Free Trade Agreement (FTA) must now be ratified by Congress in order to become law. This agreement poses serious detriments to the welfare of animals in Peru. If approved, it will most likely have long-lasting consequences that will cause irreversible damage to the environment. Already an overexploited region, Peru's delicate environment and diverse wildlife are facing an even greater risk to their existence by this new bilateral trade agreement, which threatens to increase fishing, mining, lumber, oil drilling, factory farming and wildlife hunting.

## **CITES**

Like most prior FTAs, the initial form of the Peru Trade Promotion Agreement called for scant regard to environmental protection or labor standards. This year Congress amended the Peru Trade Promotion Agreement to address a number of issues that environmental protection groups saw as a threat to Peru's natural ecology. One of the key improvements was an obligation for Peru and the United States to implement changes in order to enforce the CITES (Convention on International Trade in Endangered Species) Act, especially in regard to illegal logging of protected Mahogany trees. Peru had signed onto CITES years ago but did little to actually enforce these laws.<sup>1</sup> Historically, illegal Mahogany was still sold to the United States and other countries. The USTR (Office of the United States Trade Representative) estimates that Peru has already lost 13% of their native forest, and the rate of destruction is between 200,000 and 300,000 hectares a year.<sup>2</sup> Most studies assert that despite a ban on Mahogany logging altogether by the Peruvian government in 2001, at least 30-40% of Peru's timber exports still derive from illegal logging, but many aver that the proportion is much higher (up to 80%).<sup>3</sup> Given Peru's serious problems enforcing CITES and its own environmental regulations in the past, the small homage to enforcement in the revised FTA provides little comfort. The opening of even greater trade in lumber would prove catastrophic for the Peruvian rain forest.

## **Risk of Impunity**

Time will show whether Peru and the U.S. do enforce CITES or whether this is an empty promise, but we are risking irreplaceable native forests on the faith in these two governments, both of which have long histories of treating forests as commodities without inherent value. The USTR says, "Peruvians consider many of these resources to be important for agriculture, forestry and new medicines."<sup>4</sup> Previous studies have shown that logging not only reduces habitat for animals, but also leads to increased hunting of animals as well as the extermination of entire populations of large mammals.<sup>5</sup> In one study, researchers found that over 86,000 wild animals were killed by lumber personnel including over 54,000 long-haired spider monkeys and red howler monkeys. The study stated, "Local extinction is inevitable for some species if this rate of extraction is maintained"<sup>6</sup> and that overhunting is causing an inverse in mammalian biomass and leads to landscape changes in habitats and fauna. 52% of the hunted animals are mammals, while 47% are birds. Since the CITES amendments have been made on the Peru FTA, congressional representatives have been more supportive and environmental groups have backed down, but the risk is unacceptable. CITES should already be enforced, and we should not accept other environmental threats as reasonable bargaining.

## **Increased Foreign Investment**

Aside from the CITES changes, the amendments do close to nothing in terms of protecting Peru's natural environment from foreign investment. The US Trade Representative's Interim Environmental Review admits that "economic development has led to a variety of pressing environmental issues that include: deforestation, water and air pollution, soil erosion, desertification, loss of biodiversity, damage to ecologically sensitive areas."<sup>7</sup> They also go on to say, "Mahogany forests, marine resources and marine water quality are particularly threatened."<sup>8</sup> The USTR openly admits, "The FTA may further increase investment, trade and production in the region, which may be associated with further pressure on the environment."<sup>9</sup> The U.S. believes the mining sector will benefit the most by implementation of the FTA. An article titled

“Peru seen as FTA Gateway” by the Nation says “The Peruvian private sector hopes that the FTAs would encourage foreign investors to participate in a number of mineral and forestry concessions in the country.”<sup>10</sup>

With a new FTA, we can expect many more resource-extractive investment projects in Peru similar to the recent Camisea Project, a natural gas pipeline, which has been described as “one of the most destructive projects around.” *Mother Jones* explains further:

“The Camisea project has already caused irreversible damage to the environment. Massive erosion, sedimentation, and biodiversity loss have already occurred. Long-term impacts also include open access to a region previously protected by natural barriers and the project threatens one of Latin America’s most important marine reserves.”<sup>11</sup>

Companies benefiting from this venture include Hunt Oil Company (fundraiser for President Bush), KBR (formerly Kellogg Brown and Root and former subsidiary of Halliburton) who invested \$1 billion in the project.<sup>12</sup> In addition to destroying Peru’s environment, promoting neoliberal economic development in Latin America, and funding war profiteers, projects like these also increase our dependence on nonrenewable resources at the expense of the natural environment and further global warming and air pollution. This will all be done at the expense of the people and animals living in the region which include an indigenous population of a few thousand. Near the coast, another processing plant is planned for the buffer zone around the Paracas National Reserve, home to such rare species as Humboldt penguins and green sea turtles.”<sup>13</sup> The USTR says environmental concerns from the project include, “effects on biodiversity from the construction and operation of the pipeline, as well as pollution of the Urubamba River.”<sup>14</sup>

### **U.S. Poultry Exports To Increase**

The poultry industry is one of three industries expected to benefit the most, from the implementation of the FTAs. Currently, Peru applies high tariffs to any foreign imports of poultry. Peru has agreed to allow up to 12,000 tons of ‘dark meat’ chicken imports tariff-free, increasing the annual import by 960 tons until it will reach nearly 24,000 tons within 10 years.<sup>15</sup> Poultry is the main protein source for people of Peru, and though there are some large producers, the majority of chicken is raised by small-scale farmers, especially in coastal areas.<sup>16</sup> A study of Andean poultry-raising found that the majority of these chickens are free-range and live among the residents of the communities.<sup>17</sup> Though these people are poor, they do not raise chickens merely for economic reasons; they also seem to have an aversion to the hormones and chemicals used in factory-farmed chickens and in egg production. Meanwhile, the U.S. Grains Council, a strong supporter of the Peru FTA, has been meeting with the Peruvian Poultry Association (APA) to promote egg consumption “with a goal to increase it by 40 percent over the next 10 years.”<sup>18</sup> Peru has agreed to provide a market for 800,000 metric tons of grain to supply their large poultry producers. It is in the best interests of the U.S. grain industry to expand factory farming in Peru in order to sell more of their grain to Peru as livestock feed. The impact created from flooding these markets with cheap chicken from the U.S. as well as pressure from the grain and APA coalition to increase demand could have a number of negative results. Consumption of cheap factory-farmed chicken from the U.S. will increase, replacing the consumption of locally raised free-range chickens. The other result is that through the help of the U.S. Grains Council to increase consumption of chickens and eggs, more factory farms will be created in Peru to supply the demand and increase corporate profits.

Many Peruvians depend on agriculture as their main livelihood. Human rights groups believe the FTA will result in job losses in the domestic agricultural sector of these regions as the U.S. exports gain market access.<sup>19</sup> Florida Fair Trade says that “Peruvian farm organizations and religious leaders express certainty that the agricultural rules...will push hundreds of thousands of small farmers into bankruptcy.”<sup>20</sup> There is a trend in countries where FTAs are passed in which the displaced rural poor move to the cities. Rather than raising their own animals, these displaced farmers will provide a market for cheap U.S. imports of factory-farmed meat and eggs that are sold in the cities. In addition, the transport of meat products across borders requires greater resources, such as fuel, than it does to produce food locally and is therefore less sustainable.

### **Agreement Lowers Sanitary Measures**

In recent years, Peru has banned importing poultry from the U.S. because of our Sanitary and Phytosanitary (SPS) measures, which they thought were not up to par due to some incidences of avian influenza and Newcastle Disease.<sup>21</sup> In 2004, avian flu was detected in a flock of 7,000 chickens in Texas, as well as in New Jersey, Maryland and Delaware. In addition, there was a case of transmission to a human in New York a year before.<sup>22</sup> The United States currently has embargoes on countries, mostly Asian, where avian flu is present in domestic poultry. It is hypocritical for the United States to levy embargoes against some countries while calling Peru’s ban unscientific,<sup>23</sup> especially when the U.S. has

documented cases of bird flu. Under the FTAs, this market will be reopened and Peru will accept USDA standards. This should be seen as a lowering of global sanitary measures. Over 70% of protein consumed in Peru comes from bird-raising.<sup>24</sup> The transmission of bird flu to Peru could be disastrous and effect public health, agriculture and sustainable rural development. Peru was the epicenter of a hemisphere-wide cholera outbreak in 1991 and, with far worse infrastructure for water filtration than the United States, faces the potential for a public health crisis from factory farm water contamination.

### **Agreement Supersedes Proposed FDA Regulations on Product Labeling**

Aside from the problems associated with increased exportation of potentially contaminated U.S. meats, concerns have arisen over importation of products containing carmine. Also called “Crimson Lake,” “Cochineal,” and “Natural Red 4,” among other names, carmine is a pigment of a bright red color obtained from the carminic acid produced by scale insects, such as the cochineal. With uses ranging from food additives to rouge, carmine is included in a variety of goods. However, the public health advocacy group the Center for Science in the Public Interest is concerned about the potential health problems that this pigment has caused.<sup>25</sup> In addition to dietary concerns for vegetarians and those that abide by kosher and halal laws, the colorings have caused allergic reactions that range from hives to life-threatening anaphylactic shock. Consequently, this health organization has long pressured the Food and Drug Administration to change its requirements for food labels so that they can more clearly state ingredients that could conflict with people's diets or trigger allergies.<sup>26</sup>

If the FDA decides to require companies to declare carmine use in their products, its ruling would ultimately conflict with regulations stated in the Peru FTA. As with any free trade agreement, a country can challenge another state's policy if it believes it to be an unfair trade barrier. When the European Union passed legislation against the steel-leg hold trap in 1995 and banned the importation of fur from nations that used them, the U.S. threatened a WTO challenge, forcing the EU to repeal its legislation. Thus despite proposed FDA regulations that would prohibit the importation of Peruvian carmine products lacking sufficient labeling, the U.S. would violate international trade law by refusing to import. Under the Peru FTA, Peru will be able to export products containing the potentially dangerous carmine lacking labeling, without fearing reprisal from U.S. authorities.

### **Animal Fighting Not Prohibited**

The cruel bloodsports of bullfighting and cockfighting, which have been banned in 48 U.S. states<sup>27</sup>, are popular and considered cultural tradition in Peru. Under the trade in live animals section of Peru's tariff schedule is listed purebred and breeding animals “for fighting.”<sup>28</sup> The Peru FTA will remove any tariffs for poultry and beef. The live animals that the U.S. exports to Peru can be used for fighting since it is legal and this includes cockfighting and bullfighting. As to humane laws protecting animals from cruelty, “Peruvian legislation specifically exempts bullfighting, cockfighting, and activities that have been deemed cultural from these provisions.”<sup>29</sup> The Humane Society of the United States claims that cockfighting has been linked to the spread of Newcastle Disease in poultry.<sup>30</sup> Unfortunately, there are no measures in the Peru FTA to ban animal fighting or prevent our exported livestock from being used in this manner once it reaches foreign territory. In addition, if animal welfarists were to propose a law against importing animals to Peru for fighting, the FTAs would allow industry corporations to challenge the prohibition as a trade barrier.

### **U.S. Beef & Pork Exports To Increase**

The other largest increase in U.S. exports, by percent, will be pork products. Removal of high tariffs will expand U.S. market penetration and create a competitive advantage for U.S. pork products. There will be a “significant, positive effect on total U.S. exports of beef and pork to Peru.”<sup>31</sup> Currently, their beef and poultry industries are made of “small and indigenous producers that produce for household and local consumption.”<sup>32</sup> The National Pork Producers Council (NPPC) strongly supports the agreement saying that when the FTAs are fully implemented, they will be extremely beneficial to U.S. pork producers, increasing exports and U.S. hog prices by 83% per head. Producer profits are estimated to increase by 7%. This is of concern because the influx of cheap imports of pork “will seriously affect a huge number of Peruvian national producers.”<sup>33</sup> Pork is the least consumed meat in Peru<sup>34</sup> mostly because it is considered less healthy<sup>35</sup> though the USITC expects that the low price of U.S. pork will compete with the local poultry and fish, causing an increase in consumption.<sup>36</sup>

In 2004 and 2005, Peru banned much of U.S. beef due to the incidence of mad cow disease. The FTAs will reopen the market by acceptance of USDA SPS measures, and it is expected to set a precedent for future FTAs.<sup>37</sup> The National Cattlemen's Beef Association (NCBA) strongly supports the FTAs and says that they will allow us to provide beef there at a lower price, giving U.S. grain-fed feedlot cattle an advantage over the local producers which are primarily grass-

fed.<sup>38</sup> Animal advocates may consider grain-fed cattle production crueler than grass-fed since the former spends less time living outdoors before slaughter.

### **Lack of Environmental Enforcement and Investor Protection Destroy Wildlife & Habitat**

According to the Natural Resources Defense Council, "Illegal loggers steal into the Amazon, extract trees from the forest web, hunt monkeys and birds, and leave behind clearings soon filled by settlers, road builders and farmers."<sup>39</sup> In Madre De Dios, the Mississippi-based Newman Lumber Company entered into a joint contract with an Amazonian milling company and took part in "illegal logging in prohibited areas, accumulated small-scale logging concessions as a means to evade large-scale logging prohibitions, constructed unauthorized logging roads, and violated a prohibition on operations by foreign-owned companies within 50km of border."<sup>40</sup> Investigations and legal battles have shown government corruption and a lack of environmental law enforcement as well as the government's initial unquestioning acceptance of the foreign investment. When the state finally halted the logging activity, the US embassy and Trent Lott lobbied on behalf of Newman Lumber. Under the new FTA, foreign investors will be able to challenge environmental laws in "secret international arbitration"<sup>41</sup> as well as apply the new FTA rules to previous investor agreements. It may create an opportunity for Newman Lumber and the U.S. embassy to challenge Peru's ban on their mahogany logging in Madre De Dios.

### **Migratory Marine & Bird Species Survival at Risk By U.S. Investment**

Peru is host to a number of important nesting and foraging sites for migrating populations of sea turtle. All of these five species of turtles are listed on the U.S. Endangered Species Act as well as the most protective listing of CITES.<sup>42</sup> This includes green turtles, leatherbacks and loggerhead turtles which have all been subject to capture by fishing trawls. These animals could face more impact if development increases along coastlines and contributes to more water pollution like in the case of the Camisea Project natural gas pipeline. The USTR environmental report states that the U.S. could also "experience secondary effects connected with the alteration of spawning areas that feed marine populations that spend significant life stages in the Gulf of Mexico or other U.S. Waters" thereby threatening U.S. species with lack of food sources.<sup>43</sup>

The USTR admits in their environmental interim report of the Peru FTA, "many bird species face both direct and indirect threats to survival, many of which are human-caused"<sup>44</sup> and Peruvian regions are "recognized widely as one of the highest global priorities...since it holds exceptionally high biodiversity and is suffering from acute habitat loss. Declines in populations of many species have been a cause for growing concern."<sup>45</sup> The report lists that twenty-nine are considered "Birds of Conservation Concern" according to U.S. Fish & Wildlife and the IUCN Red List consider five birds to be of global conservation concern (including the Buff-breasted Sandpiper, Elegant Tern, Olive-sided Flycatcher, Golden-winged Warbler and Cerulean Warbler).<sup>46</sup> Large exports of coffee to the U.S. are already a factor in the deforestation threatening these animals. Now they are facing increased investment activity and resource extraction which could also destroy their habitats. The USTR says that "investment in sectors such as agriculture, whose activities may affect migratory bird habitat, may be either positive or negative."<sup>47</sup> It is irresponsible and inappropriate to willingly risk the existence of entire species on a trade agreement.

### **Mining & Investment Can Challenge Environmental Protections**

The number-one increase in U.S. exports expected to result from the Peru FTA is machinery such as that made by Caterpillar used for mining projects. There are hydrocarbon reserves on the Northern coast as well as in the jungle which investors are planning to explore.<sup>48</sup> Peru is the second largest producer of silver, sixth in gold and copper, and a significant source of zinc and lead. The majority of Peru's exports to the U.S. are in minerals. As to the effects this trade agreement will have, an article titled "Peru seen as FTA Gateway" by *The Nation* says, "The Peruvian private sector hopes that the FTAs would encourage foreign investors to participate in a number of mineral and forestry concessions in the country."<sup>49</sup> The Lima Chamber of Commerce is also hoping for foreign investment in the famous mountains of Cusco where there are reserves of natural gas and iron ore. The U.S. International Trade Commission states that the largest increase of U.S. imports, by value, will be in Peruvian gold, copper and aluminum.<sup>50</sup>

The U.S. International Trade Commission stated in a report that the investment provisions of the FTA will most likely effect the mining industry, which makes, with oil, about half of U.S. investment in Peru.<sup>51</sup> These provisions will also pertain to all investment agreements prior to the FTA. Oxfam America says the agreement would give foreign investors the right to challenge environmental laws, which could hinder local communities' efforts to regulate the mining industry. In 2004, Newmont Mining, a Denver-based company and long-time polluter who ran the Yanacocha gold mine, attempted to open another mine on the Cerro Quilish. The community protested aggressively, and Newmont eventually backed

down. According to journalist Kelly Hearn, if the FTA had been in effect at that time, "Newmont could have sued the Peruvian government for untold amounts of cash for having had to abandon its plans...in a poor country like Peru, such fines -- or even the threat of them -- could scare the government away from passing strong public-health or environmental laws that could jeopardize corporate profits."<sup>52</sup> Newmont specifically has both a dirty and shady history in which environmental activists claimed the mining, which used large amounts of cyanide, contaminated local water sources as well as using a corrupt Peruvian official to affect a court decision on investment.<sup>53</sup>

In March 2006, a coalition of environmental groups including Friends of the Earth, Sierra Club and Earthjustice sent a letter to Congress explaining how the Peru FTA is worse than CAFTA environmentally:

"CAFTA gave investors the right to file suit against alleged breaches of natural resources contracts," the letter reads. "The U.S.-Peru FTA expands these rights by broadly defining natural resources contracts to include every aspect of the extractive, productive, and marketing processes. These new rights would enable multinational corporations to attack legitimate attempts by communities to protect their health and environment even if their activities are only tangentially related to natural resource extraction."<sup>54</sup>

Mining waste and their runoff into watersheds are destroying habitats in Peru and new projects are being planned in the North for open pit mining of copper and molybdenum. Endangered mountain tapirs are moving out of protected areas due to industrial noise, where they are then killed by miners, hunters and their dogs, and stolen by live-animal traffickers. The World Conservation Union says that the ecological future of the entire region is at risk as these mining concessions are granted in watersheds throughout the country.<sup>55</sup> Tropical fish populations are also threatened from mining pollution. "Industrial gold mining ... has turned the Rio Huaypetue into a large pit of mud, sand, and chemicals. Runoff from the mine flows down a much-diminished version of the Rio Huaypetue and eventually into the Amazon River."<sup>56</sup> Peru has signed the Basel Convention, which was an international agreement to prevent inter-country waste generated by silver mining. They focus on byproducts of production which cause ecological damage, acute toxicity in humans and infectious disease. Unfortunately, Peru continues to ignore the agreement. Like CITES, the Peru FTA does not require that it is enforced.<sup>57</sup>

### **Trade Deficit and International Debt Leads To Foreign Exploitation of the Environment**

The US International Trade Commission expects Peru's trade deficit to increase as they begin to import more goods. They estimate that Peru must export more to balance trade but that they can allow more foreign investment to "balance international payments."<sup>58</sup> International debt is nothing new for Peru. In fact, the World Bank's International Finance Corporation (IFC) funded millions of dollars worth of development and investment in the infamous Yanacocha mine run by the American Newmont Mining Corporation. A Colombian environmental firm found that the company was destroying the surrounding environment by contaminating water sources with runoff, killing off amphibians and fish as well as causing industrial air pollution and a toxic mercury spill.<sup>59</sup> Newmont said they could not have opened Yanacocha, Latin America's largest and most profitable gold mine, without the help of the World Bank. In contrast, a local citizen says

"The water that comes down from the mountains is now brown, full of sediments. The trout are dying.

"We have also lost our traditional medicinal plants - they used to grow on the lands that are now being mined - and the animals have been scared away."<sup>60</sup>

### **Bio-Piracy Laws**

The forest being cut down in Peru provides invaluable resources for the Peruvian people, including traditional medicines to help heal wounds and cure diseases. 50% of Peruvians do not have health care; 25% lack access to health care entirely.<sup>61</sup> They rely on folk remedies and generic medicines, but medicine still accounts for 44% of all household spending. In times of crisis such as the cholera epidemic in 1991, the costs can grow even beyond that.<sup>62</sup> Not only will the FTA raise prices for generic medicines over 44% within 7 years of implementation according to the Health Ministry of Peru, but it will provide pharmaceutical companies with retrogressive intellectual property laws, which will allow them to claim any generic or traditional medicine using an ingredient patented in the U.S. as in violation of their rights. The Health Ministry of Peru believes that this will create a shift in the market share of pharmaceutical products as brand-label drugs will grow from 17% to 69% of all available products, while generic drugs will fall from 88% to 31% of available medicines.<sup>63</sup> Concomitantly, prices will rise across the board, particularly for brand-label drugs, which will rise in cost to 72% after 7 years, and 132% after 12 years.<sup>64</sup> Indigenous populations who have no chance of affording medicine will have to rely more heavily upon traditional and folk medicines, but those medicines, often retrieved from the forest, are becoming extinct along with many

other species being eradicated with the inordinate scale of logging that is taking place today. Even if the people are able to obtain the diminishing resources they need to fight ailments, they risk being fined or sued for bio-piracy if their community is unfortunate enough to have been using an ingredient for centuries that has recently been patented by a multinational pharmaceutical company. In the Peru FTA, there is no mention of the Doha Talks, or the promises of the G7 to assure access to medicine for all. Instead, there are only draconian measures protecting pharmaceutical companies at the expense of lives.

### **Trade Rules & Token Environmental Provisions**

The Peruvian free trade document states that the agreement affirms obligations under the World Trade Organization established under the Marrakesh agreement in 1994. The WTO is well-known among environmental and labor organizations as not being transparent during decision-making processes and putting economic profit above any environmental or human rights standards. It has given one government the power to sue another government if their laws caused economic losses or prevent trade. This includes laws originally created to protect workers, nature or animal welfare. The agreement contains token environmental guidelines that are realistically unenforceable. For example, it states that a country should not promote trade in a way that weakens environmental protections; but afterwards states in a disclaimer, "Nothing in this Chapter shall be construed to empower a Party's authorities to undertake environmental law enforcement activities in the territory of another party."<sup>65</sup> If Peru was to stop trade under the Marrakesh agreement, the U.S. would be allowed to sue for lost profit.<sup>66</sup> The reverse is also true. In addition, countries are only duty bound to obey preexisting environmental laws. The main problem is that there are too few of them to begin with. You cannot break a law that has not been created. There are technical regulations allowing opportunity for redress if regulations governing one party do not meet the standards of another, but it also states that any environmental laws proposed by another country must be voluntary, flexible and incentive-based.<sup>67</sup>

### **Exacerbation of Climate Change**

The stipulations of the FTA adumbrate further promises of global climate change. Climate change is caused by greenhouse gases emitted by inordinate human consumption, particularly by burning fossil fuels and by expanding the structural necessity of factory farms worldwide. According to the U.S. governmental agency the Energy Information Administration, pollution through the combustion of fossil fuels account for 82% of anthropogenic greenhouse gases, which have proven commensurate with the increase in global temperature and the extreme weather patterns in recent years.<sup>68</sup> The Peru FTA lays the groundwork for massive corporate investment into the country's infrastructure, which will lead to the creation of roads, airstrips and canals through the forests of Peru. The cost of these roads will not only be suffered in deforestation, which will remove a vital means of converting greenhouse gases into valuable oxygen, but it will also lead to greater transportation of products from farm to market via trucks, airplanes and ships, which will emit large quantities of greenhouse gases.

Consequential to pressure from low prices related to increased U.S. cattle production, the farms planted in Peru will also lead to further greenhouse gas emissions. According to the UN Food and Agriculture Organization, each cattle farm "generates [sic] 65% of human-related nitrous oxide, which has 296 times the Global Warming Potential (GWP) of CO<sub>2</sub>."<sup>69</sup> The shift in diet from vegetable-based to animal-based is a foregone conclusion for the Peruvian people if the FTA is passed, since farmers in the domestic sector will lose their livelihoods due to massive importation of food, including poultry and beef, into the nation; and they will be forced into the cities wherein they will form a market for cheap, factory-farmed products. By creating a job vacuum, the FTA model leads to increasing illegal activity and emigration; one has only to look at Mexico, where NAFTA has created a mere 650,000 maquiladora jobs compared to the 1.3 million farm jobs lost since its implementation.<sup>70</sup> FTAs are geared to factory farmers and multinational companies, twisting the majority of the public into a vicious cycle of further poverty, degradation and urbanization as climate change spirals out of control.

### **Invasive Species**

When trade increases, so does the unintentional and intentional movement of animals and plants to new habitats. These species consume food and space that native species have spent thousands of years relying on for survival. As native species nesting sites and food sources are depleted, they begin to die out. Meanwhile, the invasive species may flourish because they do not have natural predators in the area. Commonly known animals that have destroyed natural environments and ecology due to human introduction include starlings in the U.S. and mice and rabbits to Australia. Violent programs of extermination commonly follow to try and restore ecological balance, but at the expense of the liberty and life of individual animals.

The IUCN has listed a number of invasive species in the United States which originated in South America, including the cane toad, fire ant and ornamental fish. The USTR report also admits that the U.S. has been a source of invasive species

for Latin America and that the export of grain "is a pathway for invasive species, largely through the inclusion of weed seeds. Weeds may be introduced through spillage (e.g., in the vicinity of ports or railroad yards) even where the grain is destined for food or feed rather than sowing."<sup>71</sup> One of the main bodies pushing for the Peru FTA is the U.S. Grains Council, which plans to greatly benefit from the trade agreement when Peru imports more tariff-free grain for animal feed. The FTA is not going to require any changes to a country's management or introduction of invasive species or require regulation, such as prohibiting or regulating trade "for the purpose of protecting against the introduction of agricultural pests or diseases."<sup>72</sup> In a very clear disclaimer, the USTR admits the FTAs would neither address nor take responsibility for harmful invasive species in the U.S., Peru or Panama:

"Nor will it require (or, for that matter, prevent) adding any regulations to protect against the introduction of pests or diseases that may threaten wild native forest or grazing lands, protected natural areas or legislatively designated wilderness...Our preliminary assessment suggests that there is a risk that invasive species may move between the Andean region and the United States. Experience with species that have already moved between the two regions demonstrates that such a risk is genuine and potentially significant."<sup>73</sup>

Supporting free trade agreements like the Peru and Panama Trade Promotion Agreements means the continuation of an unsustainable, exploitive and environmentally destructive global economy from which first world companies profit at the expense of all other inhabitants of the Earth. This is what legislators, monocrop agriculturalists and business executives are willing to risk by supporting the FTAs:

- **Deforestation and water pollution due to increased foreign investment for resource extraction such as new mining projects by American companies.**
- **The loss and pollution of habitats for many species, including migratory marine animals and birds that live in Panama, Peru and the U.S. as well as the displacement of indigenous human populations from their ancestral homelands in the name of "development."**
- **Expected introduction of invasive species to the United States and Peru that will threaten local ecology.**
- **Altering spawning areas which marine species in U.S. rely on to survive.**
- **U.S. and Peruvian governments bargaining to enforce CITES prohibitions on the logging on Mahogany, which has been ignored for years in return for an agreement that will also damage the environment.**
- **Weakening Sanitary Standards in Peru and Panama, which some feel will increase the risk of outbreaks such as bird flu.**
- **An increase in the U.S. exports of beef and pork, boosting the profits of these already cruel and unsustainable industries.**
- **American agribusiness, such as the U.S. Grains Council, influencing Peruvians and Panamanians to take up environmentally destructive factory-farming practices in their own country.**

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