

# Why the proposed Panama FTA should never come up for a vote:

- **It's more of the failed model of the past**

The NAFTA/CAFTA style trade agreements have clearly **failed the American economy**. Wages have gone down and millions of jobs have been lost. In the 2006 and 2008 elections, fair-traders replaced NAFTA supporters all across the country. The American people want a new way forward on trade. Maine has lost over 24,000 jobs since NAFTA. Why would we expand this failed policy to Panama?

- **Panama is a tax-haven**

A Government Accountability Office study identified Panama as one of eight countries listed on all major **tax-haven watchdog** lists. Panama's "comparative advantage" rests on the ease with which U.S. companies can create subsidiaries there to evade paying taxes in America. With 350,000 registered corporations, Panama is second only to Hong Kong as a home for multinational firms' subsidiaries – many created for the sole purpose of avoiding taxes in the U.S. The Senate Homeland Security Committee estimates that tax evasion in offshore tax havens costs the U.S. taxpayer **\$100 billion a year**. This revenue is desperately needed to fund domestic infrastructure projects and get our own fiscal house in order.

- **Small farmers lose out under this deal**

Although Mexicans were promised a higher standard of living under NAFTA, the opposite has happened. Wages have decreased for Mexicans, and the agricultural provisions forced millions of **small farmers off their land** when subsidized corn flooded their market. Because of this, many were forced to migrate north to the U.S. Passing these same agricultural rules with Panama will do the same to their small farmers.

- **Food safety is undermined**

The amended text does not address limits on imported **food safety and inspection**. This FTA still contains language requiring the United States to accept imported food that does not meet our safety standards.

- **It creates an uneven playing field for U.S. companies who play by the rules**

For the U.S. companies who pay taxes and are transparent under our laws, this would create an uneven playing field for companies who want to hide their financial information and avoid paying taxes. This will make it harder for U.S. companies who are doing the right thing to compete. It is the wrong thing to do when our economy is struggling because of companies hiding from regulation.