Lies about Trade Agreements

by Phyllis Schlafly

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When will Republicans wake up to the way U.S. jobs are betrayed by Barack Obama and the corporate interests that hide under the moniker “free trade”? It’s an embarrassment that Republican powers-that-be have joined with the Obama Democrats to push the new Trans Pacific Partnership (TPP) agreement.

We should have recognized free trade as bad news when Obama hammered on it in his State of the Union message. He probably looks upon it as another strategy to redistribute the wealth of our country, which is a major goal of his administration.

In 2012 when Congress was passing the Korea-U.S. Trade Agreement (KORUS), Obama predicted that it would create 70,000 U.S. jobs for Americans who would then pay taxes and not need food stamps. He even predicted that “soon, there will be new cars on the streets of Seoul imported from Detroit.”

The bad effect was immediate. In the first year after KORUS took effect, the U.S. trade deficit with South Korea increased by $5.8 billion, costing 40,000 jobs, mostly in manufacturing, according to the Economic Policy Institute.

KORUS was really good in creating jobs in Korea but caused a big loss of American jobs. While the U.S. trade deficit with the world increased 21 percent, our trade deficit with Korea jumped 81 percent.

We’re still waiting to see Detroit-made cars on the streets of Seoul. With that experience, it makes no sense for our trade negotiators to expand and imitate the KORUS model.

Remember NAFTA? The year before NAFTA, the U.S. ran a $1.6 billion trade surplus with Mexico. Last year, the U.S. ran a $64 billion deficit.

NAFTA was predicted to create 20,000 new U.S. jobs by increasing our exports to Mexico. That turned out to be another pipe dream; by 2010 NAFTA had eliminated 682,900 U.S. jobs, some in every state.

Business news sources have recently been predicting that U.S. manufacturing is on the verge of a large, permanent comeback because labor costs in China are rising and U.S. energy costs are dropping. Some writers became so excited that they dubbed the change “the insourcing boom.”

Dream on. It isn’t happening. Even after labor costs increase in China, there is no way they will rise enough to send U.S. plants back to the U.S. (Many will move to Vietnam.)

Trade agreements are supposed to be about increasing job-creating exports. They are not. They are about creating imports from low-wage countries, who often cheat us coming and going.

Even our friend South Korea is into the cheating racket. In order to sell us some products even cheaper than those produced by their own low wages, South Korea arranged for some products to be manufactured over the border in North Korea, which means we are helping to finance North Korea to build its nuclear weapons to threaten us.

These trade agreements are supposed to be about promoting U.S. exports. Since we started going along with these free-trade agreements, imports have increased much faster than exports, creating jobs in other countries.

The U.S. has consistently run trade deficits with South Korea ($13 billion last year) according to the U.S. Census Bureau. The deficit soared after the agreement took effect. Since 2000, the United States has lost almost a third (5.5 million) of its manufacturing jobs, according to the Congressional Research Service.

The evidence is so overwhelming that one wonders about the honesty of those who advocate more such trade deals. Do they really want American workers to be in competition with low-wage countries that don't respect any of our hard-fought employment rights and benefits, and work in conditions where the building can collapse at any time (as happened a few months ago, killing more than a thousand employees)?

The trade agreements are a violation of U.S. sovereignty and our Constitution. The sponsors of these trade agreements realize they are unwelcome to the American people.

Since they are treaties with foreign governments, they should be handled only in a procedure that requires a two-thirds vote in the Senate. Instead, their handlers are putting them through both Houses of Congress by a simple majority vote.

Fifty thousand Americans gave their lives in the 1950s to keep South Korea free, and we've maintained an expensive border patrol ever since to protect the South Koreans against Communist North Korea, so South Korea doesn't have to pay for its own defense. We shouldn't give South Korea American jobs, too.