Korean Agreement Is a Jobs Killer

by Phyllis Schlafly October 12, 2011

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Barack Obama, with the help of some Republicans who take their orders from the U.S. Chamber of Commerce, is trying to pass a bill that will kill U.S. jobs, send more jobs overseas, and make more Americans dependent on government handouts. That's the Frances Fox Piven strategy Obama learned at a Socialist Party conference in New York while he was attending Columbia University.

This dangerous bill is the 1,413-page Korean-U.S. Free Trade Agreement (KORUS FTA), scheduled to come up soon in Congress. It's hard to see how anyone who cares about America's economic future could allow this job killer to become law, and any Member of Congress who votes for it doesn't deserve to be reelected next year.

We are told KORUS will create more exports, but the principal exports will be American jobs. The Economic Policy Institute estimates that KORUS will cost us 159,000 jobs.

The U.S. International Trade Commission also admits that KORUS will cause significant job losses. Those job losses will extend from low-end industries to electronic equipment manufacturing, where the victims will be Americans who were making an average wage of $30 an hour in 2008.

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Some Members of Congress are trying to camouflage what they are doing by joining KORUS at the hip with a government job-training program. That's an admission that KORUS will cost us jobs.

Obama claims that KORUS will create 70,000 low-paying insourced jobs (of Americans working for foreign employers). But even if true, which is doubtful, that's less than half the well-paying jobs the U.S. will lose.

KORUS advocates claim it will allow the U.S. to export 75,000 cars a year to South Korea. Compare that puny figure with the fact that Americans are buying over a million South Korean cars this year.

Among the many ways that South Korea puts up barriers against U.S. products is to subject any Korean brave enough to buy an American car to a discriminatory tax audit.

KORUS allows Korean products imported into the U.S. to have 65 percent non-South-Korean content. Nobody will know how much of that 65 percent will be made by slave labor in North Korea or China.

KORUS will give Korean corporations the right to challenge any U.S. law they think might limit their market access or profitability, including our prevailing wage laws. These trade agreements generally give foreigners the right to define free trade, which they do in ways that always disadvantage the U.S.

KORUS will make it impossible for us to prevent foreigners from taking over entire U.S. industries, which they can buy with the U.S. dollars they accumulate from our balance of trade deficit. KORUS will effectively nullify U.S.laws and regulations that restrict economic monopolies.

KORUS will enmesh us in a legal labyrinth called "investor-state arbitration." That means subjecting our laws to review by foreign bureaucrats anytime we are accused of interfering with free trade.

The power "to regulate commerce with foreign nations" is one of the most important powers given to Congress by the U.S. Constitution. It is foolish and unconstitutional to turn any part of that power over to any tribunal of foreigners.

U.S. regulation of food imports is already under attack in the World Trade Organization, and KORUS will give Korea the right to limit our ability to regulate the quality of food imports. We will lose our ability to protect ourselves from contaminated and toxic foods.

Free trade has always been a one-way street, which is why the U.S. has built up an enormous trade deficit. The principal factor in creating this unfair trading system is that foreigners simply replace their tariffs with a VAT (Value Added Tax), and KORUS does nothing to remedy or reduce this gross unfairness.

KORUS allows South Korea to continue its 10 percent VAT. That means South Korea can subsidize its exports to the U.S. by 10 percent (called a VAT rebate), and impose a 10 percent tax on U.S. exports to South Korea, which obviously makes U.S. goods more expensive.

Any Member of Congress who votes for this grossly anti-American agreement either doesn't understand what is going on, or is serving the interests of the multinational corporations who want to move their plants to Asia where wages are less than $1 an hour.

Some people are calling KORUS the new NAFTA. Since NAFTA didn't fulfill its promises and cost millions of American jobs, we can expect likewise from KORUS.

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 against Communist North Korea, so South Korea doesn't have to provide its own defense. We shouldn't give South Korea American jobs, too.