

Obama hasn't lived up to campaign promises on trade

There was a moment during the 2008 presidential campaign when an American union worker could believe Barack Obama would chart a new course on trade policy. Those hopes have faded.

Obama's June 26 announcement that he will seek passage of the Korea U.S. Free Trade Agreement (KORUS) took trade policy activists by surprise. It seemed to reverse positions he took during his 2008 primary campaign, when he battled with Hilary Clinton for labor's support. Obama then said he had concerns about the Korea agreement. He also told labor audiences he would seek to renegotiate the North American Free Trade Agreement (NAFTA) — to add enforceable labor and environmental standards.

Since his inauguration 20 months ago, Obama has made no attempt to renegotiate NAFTA, though 157 members of Congress are calling for that — as co-sponsors of a trade-policy-setting bill known as the TRADE Act. [Oregon Reps. Peter DeFazio and David Wu and Sen. Jeff Merkley are the only Oregon and Washington co-sponsors.]

"[President Obama] hasn't lived up to his campaign promises on the trade front, from our point of view," said AFL-CIO trade policy expert Thea Lee.

KORUS didn't come up when Obama addressed an Aug. 4 AFL-CIO Executive Council meeting in Washington, D.C., but the president did touch on trade issues.

"We are going to rebuild this economy stronger than before," Obama told union leaders, "and at the heart of it are going to be three powerful words: Made in America. That's why we're finally enforcing our trade laws, in some cases for the very first time. That's why we're fighting for tax breaks for companies that invest here in the United States as opposed to companies that are investing overseas or that keep their profits offshore."

The first-time enforcement Obama was alluding to was the government's July 30 "request for consultation" with the government of Guatemala over that nation's failure to investigate or prosecute violence against union organizers, or to enforce laws that guarantee the right of workers to unionize and bargain collectively. The AFL-CIO and six Guatemalan unions filed an official complaint in April 2008 under the labor chapter of CAFTA (as the Dominican Republic-Central America-United States Free Trade Agreement is known.) The complaint was that Guatemala fails to investigate or take enforcement action when notified of labor law violations. The U.S. Department of Labor investigated the charges, and issued a report in January 2009, the month Obama took office. The report found systemic weaknesses in Guatemalan labor law enforcement, and raised concerns about labor-related violence.

Eighteen months later, the Obama Administration took action — requesting the consultation. Under the labor chapter of CAFTA, if the two govern-



At the Port of Portland's Terminal 6, Korean-made Hyundai automobiles line up in a vast parking lot. Last year, U.S. imports of Korean-made cars totaled \$6.5 billion, while exports of U.S.-made automobiles to Korea totaled \$165 million.

ments don't resolve the issue 60 days after that request, the United States could then request a meeting of a Free Trade Commission. If that commission determines Guatemala didn't enforce its labor laws, the U.S. could then ask that Guatemala pay up a penalty of up to \$15 million a year. The penalty would be paid to the Guatemalan labor ministry that failed to enforce the law in the first place.

In an August 2010 statement of policy, the AFL-CIO Executive Council applauded the consultations with

Guatemala, and praised Obama's announced goal of doubling exports in the next five years.

But the Executive Council also expressed concerns about the Korea agreement and about Bush-negotiated NAFTA-style agreements with Colombia and Panama, which Obama has also said he will seek to pass.

"For a generation, U.S. trade policy and the outsourcing that has accompanied it have hollowed out our manufacturing economy," the AFL-CIO Executive Council declared. "U.S. trade

policies have contributed to the loss of millions of manufacturing jobs and undermined the bargaining power of workers in the U.S. economy, contributing to wage stagnation."

And past trade agreements, "despite promises to the contrary," the AFL-CIO said, have "accelerated the outward shift of jobs, exacerbated wage inequality and worsened our trade deficit."

(Editors Note: Mark Gruenberg of PAI contributed to this article.)

Free trade deal with Korea will cost U.S. jobs

On June 26, President Barack Obama announced he will ask Congress to approve the United States-Korea Free Trade Agreement (KORUS) — the biggest NAFTA-style trade treaty since NAFTA.

NAFTA (the North American Free Trade Agreement) joined the United States and Canada to lower-wage Mexico in one tariff-free trading area. It also strengthened corporate patent, copyright and trademark monopolies, and gave foreign investors new rights, including a special process for challenging domestic laws. KORUS, worked out during the Bush administration between Korean and U.S. trade negotiators, would do very much the same things.

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4275 NE Halsey St., P.O. Box 13150,
Portland, Ore. 97213
Telephone: (503) 288-3311

Editor: Michael Gutwig
Staff: Don McIntosh, Cheri Rice

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