

...Obama stumps for super-sized NAFTA, met by protesters

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locked out of five years of super-secret negotiations over a 12-nation Trans-Pacific Partnership (TPP).

In recent weeks, Obama has been on the defense in Portland and around the country, trying to neutralize opposition to the super-sized NAFTA. On this issue, he is showing a willingness to fight that he has never previously seen on any issue in six years. Even on ObamaCare, the president just laid out guidelines and asked Congress to send him a bill. But for the TPP, Obama is twisting arms, making phone calls, and showing up on Oregon's doorstep with a hard sell.

Nike was a fitting locale for the TPP sales pitch: Founder Phil Knight wrote his Stanford masters thesis on outsourcing, and his company pioneered the strategy of off-shoring manufacturing to Asia. It even outsourced its outsourcing, hiring third parties to manage overseas production. And in recent years, Nike shifted to Vietnam when wages got too high in China.

Bear that in mind when evaluating the company's startling announcement that *if* the TPP is approved, Nike will bring some manufacturing jobs back to the United States. As a company press release explained on the morning of the Obama visit: "Footwear tariff relief would allow Nike to accelerate development of new advanced manufacturing methods and a domestic supply chain to support U.S. based manufacturing."

That doesn't make any sense. If we lower tariffs to make it cheaper for Nike to import shoes from overseas, that will "allow"

them to make shoes in the United States? Like the jobs promises made for NAFTA, it's a non-binding pledge.

Following a welcome hug from CEO Mark Parker (2014 salary: \$14.7 million), Obama told some whoppers of his own in order to sell the super-secret Trans-Pacific Partnership, which even members of Congress can't get copies of. Here are six false statements the president made at Nike World Headquarters:

Obama: "You got some critics saying ... it's a secret deal, people don't know what's in it. This is not true."

Actually, it *is* true. Several hundred American corporate lawyers have full access to the draft negotiating texts—the texts that U.S. trade negotiators are pushing other countries to agree to in the U.S.-led talks. But the texts are top secret for everyone else: They're classified documents that are supposed to be kept secret up to four years after the negotiations conclude. Even members of Congress may only view the documents in a special room in the Capitol, and may not take photos or tell anyone what they see. Everything known about the TPP so far has come from a series of leaks publicized on WikiLeaks.

Obama: "Critics warn that parts of this deal would undermine American regulation, food safety, worker safety, even financial regulation. They're making this stuff up."

Actually they're not. The TPP Investment chapter that was leaked to WikiLeaks shows a plan to let foreign investors sue governments and obtain tax-



Photo by Russell Sanders, Oregon AFL-CIO

A throng of protesters greeted President Obama May 7 outside the Sentinel Hotel in downtown Portland, where he spoke at a Democratic Party fundraiser.

payer compensation for laws that reduce potential profits. As the New York Times reported March 25, "companies and investors would be empowered to challenge regulations, rules, government actions and court rulings—federal, state or local—before tribunals organized under the World Bank or the United Nations," if those rules "undermine their investment 'expectations' and hurt their business."

Obama: "98 percent of exporters are small businesses."

Though his own trade office states that "small and medium-sized businesses" (up to 250 employees) make up 98 percent of the exporters, these account for less than a third of the exports. Overwhelmingly, foreign trade is for big businesses, like Nike.

Obama: "So listen, I know a

lot of folks are skeptical about trade. Past trade deals didn't always live up to the hype."

Actually, they never lived up to the hype. Nearly a dozen NAFTA-style trade deals have been hyped as job creators. But trade deficits with Mexico, Korea, and nearly every other trade partner actually *increased* after their trade agreements took effect. Typically, exports to those trading partners increased, but imports increased even more. When imports outweigh exports, a country loses jobs, and goes deeper in debt.

Obama: "When I took office, I decided we could rethink the way we do trade in a way that actually works for working Americans. ... If I didn't think this was the right thing to do for working families, I would not be fighting for it. If any agreement undercuts working families, I won't sign it."

"Trust me" is the message. But actual working Americans would do well to remember the expression, "fool me once, shame on you; fool me twice, shame on me." During Obama's 2008 presidential campaign, during which he told labor audiences he'd renegotiate NAFTA, his top campaign aide told the Canadian foreign ministry not to worry because he was only saying that to get elected. Once in the White House, Obama succeeded in pushing Congress to ratify agreements with Korea, Colombia, and Panama that had been negotiated by George W. Bush. And he continued the TPP talks that were begun under the

previous administration.

Obama: "NAFTA was passed 20 years ago. That was a different agreement. This agreement actually fixes some of what was wrong with NAFTA by making labor and environmental provisions actually enforceable."

NAFTA had side agreements with meaningless labor and environmental measures. With TPP, the meaningless measures are *inside* the agreement. How meaningless? The TPP environment chapter leaked in early 2014 would set up an elaborate process for consultation and arbitration, but without any penalty if the government doesn't implement the agreed-upon action plan. The labor provisions haven't been leaked, but in all likelihood they're equally weak.

U.S. trade deficit jumps to \$51.4 billion, six-year high

The U.S. trade deficit in March rose to \$51.4 billion, the largest trade gap since October 2008 and more than 43 percent higher than in February, the Commerce Department reported May 4.

Exports were up 0.9 percent to \$187.8 billion, while imports increased 7.7 percent to \$239.2 billion.

For March, the deficit with China surged 38.7 percent to \$31.2 billion. The U.S. trade deficit with China is the largest for any country and is on track to set another record this year.

