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## The Portland Observer



## Free Trade: A Corporate Scam

A race to the bottom for wages

production to Mexico and GE is government fails to purchase closing its last light bulb plant in enough goods at home. The longestablished Buy America Act re-America. quires only that a product bought So why not impose more tariffs to raise prices with federal tax money be 50 percent for specific foreign goods American. Additional loopholes and services? Not only take that down to about 25 percent would this save and posin practice. Further, in 2008, there sibly create jobs, we could were 65,000 waivers granted to avoid use the law to prohibit the law altogether. entry of those products whose There's more, way more. Corpomanufacturer destroys the environrations, lobbyists, importers, politicians, news media, and many economists are in on the deal. They kowtow to employers, investors, and ... there's a lot of advertisers who make a bundle off the "race to the bottom" for wages. money to be made If by chance you would like to do your bit for the economy, you can urge your members of Congress to oppose the upcoming free-trade agreements with Colombia and South Korea. They would only make unemployment worse. And, don't pay attention to economists on trade issues. Too many Well, there's a lot of money to be have sold out. They warn of trade wars, but ignore the collateral damage of the trade peace we're suffering today.

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## BY WILLIAM A. COLLINS

Free trade isn't the only thing ruining America, but it's a biggie.

The most obvious reason is that so many jobs have gone overseas. You'd think economists might feel a duty to explain to our leaders what's gone wrong. Well, that's their job, but most economists these days work for industry, largely the very same employers who benefit from cheap foreign or imported labor. They're surely not going to sound the alarm.

Other economists work for universities, where they're still caught up in ancient post-mercantilist ideology. Early in Econ 101, you learn the mantra of "comparative advantage." In other words, each country or region should do what it does best and then trade its surplus output to other countries with a minimum of restriction. Mexico should send avocados to Maine and get blueberries in return. That way ev- seek to overcome. eryone makes a profit.

Such is the foolish logic that presidents of both parties have used to sell free trade agreements to Congress, and which Congress buys all too often. Unfortunately what is at

stake--always--is greed. Manufacturers and marketers don't know avocados from blueberries. But they do crave cheap labor anywhere they can find it, from Poland to Palau. What's more, they pay big

money to lobbyists and to political campaigns to get it. After all, American workers aren't their responsibility. They answer to investors.

Agribusiness is the same. It's heavily subsidized by Congress and loves selling its low-cost products tariff-free in lands where no competing subsidy exists. That may drive local farmers out of business, but the companies don't care. They're not our brothers' keepers.

Most nations have imposed tariffs or quotas to protect local industries against such cheap foreign competition. This healthy protection is what free trade agreements

Expanded to the grand scale of world trade, these actions have led to our rampant unemployment, a depressed economy, and an unsustainable trade deficit. Two current examples: Whirlpool is moving more

ment or abuses workers.

in destroying the environment and abusing workers.

made in destroying the environment and abusing workers. That's why multinational corporations invest big bucks in the legislative process to assure they can continue to do just that. Only citizen protests slow them down.

Disappointingly, even our own 'Norwalk, Conn.

OtherWords columnist William A. Collins is a former state representative and a former mayor of

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