

Buy American and Free Trade: A Love/Hate Relationship

Our Buy American Mention of the Week!

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If you love Buying American, you should hate free trade. Literally. Why? Because you cannot claim to support making it easier for Americans to Buy American and favor free trade at the same time. That is if your goal is a stronger U.S. economy, more jobs here at home, and more prosperous America, at least. Some may claim their main concern is a strong U.S. economy, but they're either deceived, a special interest, or simply not scratching far enough below the sound-bite surface to find out how and why America's free-trade mindset is the main reason more Americans don't have jobs.

How can I confidently make such a statement? Easy. There are these things called facts.

Let's start with the government's own statistics. Maybe our politicians will take note. After all, the politicians are the ones that keep making free trade deals the law of the land. They need to be convinced that free trade kills the American consumer's ability to buy American-made products and therefore create jobs, which means it kills American jobs.

Depending on which politician, economist, or government entity you listen to, for every \$1 billion in trade deficits, we lose between 16,000 and 20,000 American jobs.

Now here come some of those things called facts that free traders want to twist, distort, or just flat out deny somehow. How they can do it with a straight face and/or sleep at night is beyond me.

1. Every free trade agreement the United States has entered into has either take a U.S. trade surplus and turned into a trade deficit, or made an existing U.S. trade deficit worse. Every single one. The North American Free Trade Agreement (NAFTA), the Central American Free Trade Agreement (CAFTA), the Korea-U.S. Free Trade Agreement (KORUS). You name it. It may be factual that free trade deals increase overall trade, but not in our favor.
2. There are U.S. exporters that benefit from free trade, and targeted export-related jobs are created, but many times more American jobs are destroyed. We should not be proposing to create a small number of export-related U.S. jobs for the mere privilege of putting an even larger number of Americans in unemployment lines. That is merely one of the many reasons why the Trans-Pacific Partnership (TPP) being negotiated by President Obama needs to be soundly rejected by the U.S. Congress, and why Congress should deny the our U.S. President (and any future U.S. President) Fast Track authority.
3. The TPP would make Buy American laws and other local content laws illegal or impossible to implement. For example, the 2014 Water Resources Reform and Development Act, which mandated utilization of American steel and American iron covering over \$25 billion of U.S. spending, would be illegal.

We would in effect be saying to China "Send us all the steel you can produce, we'll send you American taxpayer dollars to pay for it, and we'll put our American workers in unemployment lines so they can drain even more taxpayer dollars through unemployment benefits and jobs:

claims." What American in their right mind would think that would be a good deal for America? The answer: Free traders like the ones who support Fast Track and the TPP.

President Abraham Lincoln hit the nail on the head when he said "When we buy manufactured goods abroad, we get the goods and the foreigner gets the money. When we buy the manufactured goods at home, we get both the goods and the money."

Aside from the job loss figures (free trade figures don't lie, but free traders figure) there are firm Constitutional and sovereignty reasons why Fast Track and ultimately the TPP needs to be denied to this and every President. Fast Track is the vehicle that the President wants to help pass the TPP and make it law. Fast Track means that our U.S. Congress must review and vote up or down on the President-negotiated TPP free trade deal but have minimal debate and zero amendments.

Fast Track is easily proven unconstitutional. The very first words of the U.S. Constitution are "All legislative Powers herein granted shall be vested in a Congress." All means all. All means nothing is left out. If Fast Track were Constitutional, then Congress would already have all legislative power. But they clearly do not, since Fast Track would not allow Congress to sufficiently debate or amend the TPP or any other trade agreement. And, if Congress were suddenly able to amend the TPP, that would be an increase in legislative power. So Congress obviously does not have "all legislative power" under Fast Track.

The U.S. Constitution also says Congress (not the President) "shall have the power to regulate commerce with foreign nations."

Then there's the nagging issue of U.S. sovereignty with Fast Track and the TPP. It was exposed recently that the TPP contains a provision called the Investor-State Dispute Settlement (ISDS). The ISDS would pave the way for foreign-owned corporations to challenge existing U.S. laws, and our U.S. courts would be ineligible to intervene. Why? Because the foreign-owned company would instead appear before a panel of international arbitrators. And what's more, the panel of international arbitrators could actually consist of the same individuals that brought the challenge to existing U.S. law in the first place! Pure anti-American bias.

Here is one hypothetical example: Suppose current American law bans a certain hazardous chemical. Now let's suppose a foreign-owned company makes a particular product which contains that chemical and wants to sell it to American consumers. The foreign company would be able to challenge our American law before an international court for review and judgment -- not a U.S. court. Any judgment from the international court could rule that the chemical in question constitutes an unfair trade barrier and could mandate that American taxpayers pay any amount (possibly billions of dollars) in damages to the foreign-owned company.

The good news is that it is entirely possible that Congress may end up denying Fast Track authority to the President. I've personally talked to both republicans and democrats in Congress who are against Fast Track and the TPP for various reasons. If we can kill Fast Track, we can kill the TPP, and avoid another NAFTA-style disaster. But you need to call your U.S. House and U.S. Senate representatives and tell them how you feel about these issues. Feel free to use any of the anti-free trade ammunition in this article.

Be nice and cordial with your representatives, but keep in mind that it's time for "No More Mr. Nice Guy" on trade. The days of continuing to open the American market to foreign companies

for little in return should be over, starting now. Free trade deals like the TPP don't work, they haven't worked, and they won't work to our benefit overall. The days of surrendering America's market to foreign producers in a "the grass is greener on the other side" mentality should be declared over, so let's declare it over right now with this bad trade deal!

We have the world's most lucrative market. Everyone wants to sell to us. We should be able to craft a trade policy that exports more and imports less. A nation that has the most lucrative market in the world and can't negotiate a trade surplus doesn't even belong in the negotiation business. Tell your representatives and senators to vote NO on Fast Track and the TPP!