

The Korea-US Free Trade Agreement

Another Cash Cow for Corporations

BY JIM GOODMAN

We have to seek new markets aggressively, just as our competitors are. If America sits on the sidelines while other nations sign trade deals, we lose the chance to create jobs on our shores". President Barack Obama, State of the Union Address January 27, 2010

The Korea-US Free Trade Agreement (KORUS) is precisely what President Obama is promoting. The arguments and the promises are pitched again, over and over and over, ad nauseum – Free Trade Agreements (FTAs) will produce more and better jobs for U.S. workers, better markets and more profit for U.S. farmers.

The underlying assumption of job creation through FTAs is false. Current trade policy has not created more U.S. jobs; it has, according to the AFL-CIO, cost the U.S. 6 million jobs since 1998. Understanding that fact is not rocket science. Current trade policy has accelerated offshoring of U.S. jobs and it has, in effect, allowed multinational corporations to opt out of environmental protection and fair labor standards.

Considering our long history of FTAs, [North American Free Trade Agreement (NAFTA) 1994, the World Trade Agreement (WTO) 1995 and the Central American Free Trade Agreement (CAFTA) 2005], shouldn't the prosperity for workers and farmers be kicking in pretty soon? Why those 6 million jobs lost, why a the continuing food crisis, why the world economic death spiral?

Prior to NAFTA, 1990-1994 our trade deficit with Canada averaged \$8.1 billion; by 2006 it was \$71 billion. In 1993 we had a \$1.6 billion trade surplus with Mexico; by 2010 we were \$61.6 billion in the red. Given economic factors unrelated to NAFTA,



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both positive and negative, the Congressional Budget Office estimates that under NAFTA the U.S. gross domestic product increased a few hundredths of one percent. Wow!

While the Boston Globe <http://www.commondreams.org/views01/0422-01.htm> indicated NAFTA was bad for U.S. jobs and the environment, the San Francisco Chronicle <http://www.commondreams.org/views04/0114-04.htm> noted that under NAFTA multinational corporations had been able to cut labor costs and increase their profits.

KORUS will be no different: bad for workers, good for corporate profits.

The U.S. International Trade Commission estimates that under KORUS, the U.S. trade deficit would, again, increase and U.S. jobs would, again, be lost.

<http://www.citizen.org/Page.aspx?id=4750>

So, while profits will be realized, the benefit to society is a question of one's perspective. While workers are laid off, farmers gain nothing and the poor sink deeper into destitution, corporate power and profit will keep growing. Who really benefits when, for example, General Electric made \$14 billion in profit in 2010 yet paid no taxes?

GE is one example, but the parallels are pointedly exact, whether it is GE, Wal-Mart, Nestle, Kraft, Cargill or any of a host of agribusiness corporations. They profit, they do not pay their fair share of taxes and they happily exploit labor standards and environmental protection.

Agriculture could be the biggest winner when KORUS is approved. U.S. agricultural interests stand to gain billions in earnings and undoubtedly they will. Farmers, however, are not international traders, the real profit in agriculture is made in the corporate boardroom and we don't have a seat there. Perhaps the stronger point is that most farmers worldwide produce food to be consumed locally, not commodities for international trade, they stand to be victims of corporate "dumping" rather than to benefit by trade. <http://newfarm.rodaleinstitute.org/news/2005/0305/030205/dump.shtml>

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In May President Obama meets with Lee Myung-bak to move forward on FTA

Farmers' marketing options are limited, workers' bargaining power is limited and the poor have no power. Trickle down economics did not work when Ronald Reagan made it popular. It does not work now and it never will.

Like Mexican and Central American farmers under NAFTA and CAFTA, Korean farmers will, perhaps, suffer the most. They stand to lose their land, their culture and their dignity—again.

<http://www.guardian.co.uk/world/2003/sep/16/northkorea.wto>

Farmers and workers should not be forced into dependence on trickle down economics, content with the crumbs that fall off the corporate banquet table.

If the argument in favor of KORUS is increased corporate profit, fine. Call it that. But it is a perverse misrepresentation to imply that U.S. farmers and workers will profit, because we have not and we never will. We do not have the power the lawyers or off-shore banks that the multi-national corporations use to push their agenda and profit from our labor.

Increased profit through free trade? Yes, that will happen. Clearly there is profit to be made through the implementation of FTAs, but the profit will be made by the multi-national corporations who actually move product around the world. As tariff barriers are removed, the world will indeed be their oyster and Shakespeare could be quoted as their guiding light, "Why then the world's mine oyster, which I with sword will open."



BOOK REVIEW

by By: Christina Schiavano, World Hunger Year
And the Echo Follows - by: Nic Paget-Clarke
(AuthorHouse, 2010)

From the administration's recent approval of GM alfalfa to the First Lady's embrace of Wal-Mart as the latest healthy food hero, the food movement in the US is beginning to get riled up—and for good reason. Just as communities are making some headway on building local food systems, structures from above seem to be working extra hard to dismantle them. Words like "democracy," "power," and even "revolution" are showing up more frequently on food and farm listservs, undoubtedly inspired by the popular uprisings sweeping across northern Africa and the Middle East, many of which were sparked by the food price spikes of the globalized food system. This confluence of factors makes *And the Echo Follows* by Nic Paget-Clarke a timely arrival for those who are yearning to tackle food issues in their broader political context.

And the Echo Follows brings the concept of food sovereignty to life by sharing the stories, insights, and images of the people who are putting it into practice every day. We hear from Maori activists in New Zealand who are resisting further colonization in the form of biopiracy of their native flora and fauna, indigenous knowledge, and even their own DNA. We hear from peasant leaders of Mali who are making up for the failure of the government to regulate agricultural prices by creating their own system of locally controlled reserves. We hear from community leaders of Venezuela and Bolivia, where for the first time, peasants and indigenous peoples are at the helm of a process of social transformation based on participatory democracy. These stories, together with vivid images and historical context, form a fascinating web of interconnections and commonalities that Nic Paget-Clarke has masterfully woven together in this work.