

Obama's "Employment Creation" Program: Massive Outsourcing of American Jobs

Obama Says One Thing Under the Spotlight; Does Another Behind Closed Doors

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While Obama Tells the Country He Will Create Jobs and Stop Outsourcing, his Administration is Secretly Negotiating the Biggest Job-Outsourcing Treaty in History

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Jobs. That is the issue in the election – at least that is the issue Obama and Romney are focused on – who will create more jobs for a country in desperate need of them. During his convention speech, President Obama mentioned jobs 19 times, Romney did so 16 times. Obama promised a future where the U.S. will “outsource fewer jobs.” Of course, Romney is known as someone who made hundreds of millions by outsourcing jobs. Former President Clinton put forth a job scorecard, arguing Obama and the Democrats will create more jobs.

Neither candidate is arguing for a New Deal style government jobs program. Both are relying on private industry to create jobs. But, big business profits by spending less on labor. While in the spotlight of the convention, Obama is critical of jobs being sent overseas but at the same time his U.S. trade representative, Ron Kirk, who works out of the executive office of the president, is negotiating a secret treaty behind closed doors – the Trans-Pacific Partnership – known as ‘NAFTA on steroids’. This is a corporate trade agreement that will result in massive outsourcing of jobs.

In 2008, candidate Obama (along with candidate Hillary Clinton) promised that as president he would renegotiate NAFTA with Canada and Mexico with new terms favorable to the United States. He even [threatened to leave NAFTA saying](#) “we should use the hammer of a potential opt-out as leverage . . .” Not only did he and his secretary of state fail to renegotiate NAFTA, but now they are negotiating the largest corporate trade agreement in history that will outsource jobs, lower wages and undermine, environmental, consumer and labor laws. People on the right who are worried about the New World Order and on the left concerned about corporate power should all be concerned about the TPP – a global corporate coup.

Remember the impact of NAFTA, a [report by the Economic Policy Institute summarizes](#) the effects: “Since the North American Free Trade Agreement (NAFTA) was signed in 1993, the rise in the U.S. trade deficit with Canada and Mexico through 2002 has caused the displacement of production that supported 879,280 U.S. jobs. Most of those lost jobs were high-wage positions in manufacturing industries. The loss of these jobs is just the most

visible tip of NAFTA's impact on the U.S. economy. In fact, NAFTA has also contributed to rising income inequality, suppressed real wages for production workers, weakened workers' collective bargaining powers and ability to organize unions, and reduced fringe benefits." Every state in the nation lost jobs as a result of NAFTA.

The Trans-Pacific Partnership will do even more harm to U.S. employment. The treaty is being negotiated in secret by the United States Australia, Brunei, Chile, New Zealand, Peru, Singapore, Malaysia and Vietnam. The TPP contains an [unusual provision, a docking agreement, which allows](#) other countries to join. Right now, the U.S. is attempting to bully smaller, economically desperate countries with a few allies joining. This October Canada and Mexico will be part of the TPP, but only after key sections are negotiated without them. Later, Japan and China will likely join but it will not stop there. The TPP could set the standard for worldwide trade – a major reshuffling of our social contract without our participation.

In comparing job loss from NAFTA to the TPP [Economy in Crisis reports](#) the “negative effects may seem small compared to the damage the TPP could do. Free trade has allowed companies to seek out the lowest standards in wages and regulatory conditions, and the TPP would give these companies even more low-wage, low-regulation countries to do business in. Americans will either have to lose their jobs, or be willing to work in horrendous conditions for little pay.”

It is obvious how the TPP will result in lost jobs and lower wages for Americans. When you are creating a corporate trade agreement with a country like Vietnam, where [the CIA estimates](#) the GDP per capita was \$1,400 in 2011 compared to the U.S. where it is \$48,400. There is no question that transnational corporations will go to a country where they can pay pennies on the dollar for labor. There is no way for U.S. workers to lower their wages enough to compete.

If virtual free labor is not enough reason, the [Citizens Trade Campaign reports](#) that “provisions of the TPP would grant transnational corporations special authority to challenge countries' laws, regulations and court decisions in international tribunals that circumvent domestic judicial systems.” Here's the way it will work: if a country has an environmental law that will cost a corporation \$50 million in profits over five years, the corporation can sue to have the country pay the corporation for those lost profits. And, to ensure the outcome the corporation wants, the members of the tribunal – the judges – will for the most part be corporate lawyers on temporary leave from their corporate job. The TPP has no provisions regarding conflicts of interest. Special corporate courts that allow corporations to avoid paying for environmental damage, health care, pensions or salaries for workers or other laws and regulations combined with pennies on the dollar labor ensure a massive exodus of jobs from the United States.

The TPP is building on a corporate court system that has been developing in other trade agreements but the TPP goes further by giving corporations the right to sue governments. The impact of these trade tribunals has already been significant, as [Global Trade Watch reports](#): “Over \$350 million in compensation has already been paid out to foreign investors in a series of investor-state cases under NAFTA-style deals. This includes attacks on natural resource policies, environmental protection and health and safety measures, and more. In fact, of the over \$12.5 billion in the 17 pending claims under NAFTA-style deals, all relate to environmental, public health and transportation policy – not traditional trade issues.” Thus

foreign firms will have an advantage over domestic corporations that have to pay to obey environmental and other laws. This will make competition impossible and result in making laws designed to protect the environment, workers and consumers more difficult to enact.

One recent notorious case involved a judgment of an international tribunal convened under the U.S.-Ecuador Bilateral Investment Treaty. The trade tribunal [ordered Ecuador to stop enforcement of an \\$18-billion judgment against Chevron](#) to pay for three decades of pollution in the Ecuadorian Amazon. This is one example of how [unaccountable corporate panels](#), from which no outside appeal is available, empower corporations to skirt real courts. The TPP entrenches [laws that have already undermined](#) consumer health and safety policies, environmental and land-use laws, government procurement decisions, regulatory permits, intellectual property, financial regulation, and more.

The TPP negotiation is being conducted in secret, indeed Senator Wyden could not even get copies of the U.S. proposals. Of course it is not a secret to transnational corporations as there are 600 corporate advisers helping to write this corporate trade agreement who have real time access to the text as it is being negotiated.

The little that has been leaked makes it obvious why the trade pact is being negotiated in secret. U.S. Trade Representative [Ron Kirk admitted as much](#) when he told MSNBC that in previous negotiations when the draft of a major regional trade pact was released, it became impossible to finish the deal. But, isn't this a democracy where the people rule? If a proposed law is unpopular – as this one definitely would be – it should not become a law. The fact that negotiators insist on secrecy is a warning that this is a proposal bad for the people and the planet.

On Sunday, I attended the “stakeholder” meeting in Leesburg, VA where public comment was allowed. It was one of those all-too-common situations where the government allows the public to speak and ask questions and the government gives vague, non-answers. Due to the leaks of portions of the TPP there were specific questions about many issues. Concerns are growing. On healthcare the United States is advocating protecting the profits of Big Pharma at the expense of people's health by extending patent protections which keeps drug prices artificially high. As [Judith Rius, the U.S. manager of Doctors Without Borders Access to Medicine Campaign said](#) that “Bush was better than Obama on this. It's pathetic, but it is what it is. The world's upside-down.” Environmentalists are worried about the impact on the environment, as [Margrete Strand Rangnes, director of Labor and Trade for the the Sierra Club said](#) the “investment chapter would severely undermine attempts to strengthen environmental law and policy.” The [Electronic Freedom Foundation has raised concerns about Internet Freedom](#) being undermined by the TPP.

When I spoke at the stakeholder meeting, I focused on the overall direction of putting corporate profits before human needs, making corporations more powerful than governments and undermining democracy. The lack of transparency and the corporate courts are two examples, but the process of congressional review will also undermine democracy. The Obama administration is expected to avoid debate, committee hearings and amendments in Congress by [‘fast tracking’](#) the legislation. I asked the U.S. Trade Representative if the administration would agree to committee hearings and full debate in Congress since the U.S. was a democracy. She refused to make that commitment. They know that if the TPP is debated it will not become law as it only serves the interests of transnational corporations and undermines the interests of everyone else.

It was President Clinton who signed the disastrous NAFTA into law, and propagandistically-called "free trade" has been in the Democratic Party Platform since 2000. Of course, it is also supported by the Republican Party. Indeed, at the 2012 Democratic Convention free trade lobbyists had a very strong presence. [One investigative report found](#) "a brigade of free trade lobbyists were among the cadre of influential people behind the parties at the DNC." So, while President Obama says he will stop outsourcing, in fact he is negotiating a treaty that will do the opposite – remember he also said he opposed NAFTA in 2008.

Obama is taking corporate trade to new levels, as his trade representative, Ron Kirk, is proposing some of the worst aspects of the TPP – the increased jurisdiction of corporate trade tribunals, the lack of regulation for banks and financial institutions and the extension of patents to protect drug profits. It is no wonder, especially during an election year, that the TPP and especially the U.S. proposals are being kept secret. The president does not want the public to know that what he is saying in the spotlight of the campaign trail is the opposite of what he is negotiating behind closed doors on behalf of his corporate donors.

For more information visit:

[Flushthe TPP](#)

[Citizens Trade Campaign](#)

[Global Trade Watch](#)

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