



"Job-creating" ObamaTrade Requires Subsidies for Displaced U.S. Workers

Establishment Republicans, working closely with the White House, have been pushing a triad of trade agreements that, if enacted into law, are supposed to create jobs. Yet even proponents of the agreements acknowledge they will also cost many Americans their jobs. The content of the agreements — the Trans Pacific Partnership (TPP), the Trade in Service Agreement (TISA), and the Transatlantic Trade and Investment Partnership (TTIP) — has been kept hidden from the American people.



In fact, even members of Congress have been able to view only the TPP thus far — if they go to a secret room to view it and agree not to divulge the content. Concurrent with the secrecy involved is a level of dishonesty and subterfuge that is beyond even that which Americans have come to expect from their government.

It has been said that in America we have the stupid party and the evil party. Sometimes they get together and do something both stupid and evil. This, we call bipartisanship. The bipartisan support for the trade agreements collectively referred to as ObamaTrade could be viewed as a fitting example of that adage. That's assuming of course that trying to enact sovereignty-destroying agreements by keeping them hidden from the American people may properly be classified as "evil." And "selling" these agreements to the public by claiming they will create jobs, while also claiming that government assistance must be provided to offset all of the jobs these agreements will cost, may be classified as "stupid."

In a glaring example of Orwellian double-think, ObamaTrade advocates are simultaneously pushing for Trade Promotion Authority (TPA, aka "Fast Track") to get the supposedly jobs-creating trade agreements through Congress, and Trade Adjustment Assistance (TAA) for U.S. workers who lose their jobs because of the agreements. So which is it? Is ObamaTrade going to lose jobs or create jobs? The answer, according to House Ways and Means Committee chairman Paul Ryan and others who support ObamaTrade, is yes — both.

Apparently they believe (or expect voters to believe) that jobs must be lost in order for jobs to be created. Moreover, without government intervention in the marketplace jobs will be lost and created as a result of innovation and consumer preferences. (How many workers make typewriters these days compared to computers?) But does it make sense for the U.S. government to sign treaties that will destroy jobs and then increase government spending to help the displaced workers? How can such an approach end any way but badly?

Remember NAFTA, which was going to create prosperity and jobs for Americans according to its propoents, but which resulted instead in the exportation of jobs? Is it stupidity — or evil, or both — to ignore this lesson from the past while pursuing ObamaTrade?



Written by C. Mitchell Shaw on June 12, 2015



On May 22, the Senate passed the Trade Promotion Authority bill, which also included the Trade Adjustment Assistance provisions to assist U.S. workers who will be displaced. But GOP House leaders decided to have the House vote on Trade Promotion Authority and Trade Adjustment Assistance separately, assuming there was a better chance of passing both separately than passing them together in a single vote. But the strategy backfired. Though the House passed Trade Promotion Authority Friday, it rejected Trade Adjustment Assistance. This made the TPA vote a hollow "victory," since the legislation cannot be cleared by Congress and sent to the president for his signature unless both the House and Senate pass identical versions of the legislation.

Consequently, for the TPA and TAA to move forward, either the House has to take another go at it or the Senate must revisit it. (You have to appreciate the separation of powers our Founding Fathers put in place!) Ironically, the TAA was torpedoed on Friday by Democrats who support the trade adjustment assistance but who (in the words of House Minority Leader Nancy Pelosi) "want a better deal for America's workers."

As it stands now, the House may vote on Trade Assistance Authority again as early as next Tuesday. Thus, despite initial news reports in the wake of Friday's votes suggesting that ObamaTrade may have been dealt a deathblow, the political reality is that Mark Twain's famous quote "The report of my death was an exaggeration" may turn out to be very appropos. Much more arm-twisting and back-room deals are expected over the weekend as President Obama and establishment Republicans push for passage in an effort to avoid having the bill go back to the Senate.

Now if only the federal legislators who are forced to acknowledge the separation of powers given to us by the Founding Fathers would abide by the economic and foreign policies they gave us as well. That would be real recovery.







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