



Written by on January 20, 2011

U.S. Seeking Trade Pact With S. Korea by July

Both AFP and Reuters news services reported on January 13 that U.S. Trade Representative Ron Kirk had announced that the Obama administration hopes to win congressional approval of a free trade agreement with South Korea before July.

"Everything we're doing in terms of finalizing the text with the Koreans, working with (congressional) committees, is with that July 1 goal in mind," Kirk said during a discussion hosted by Third Way, a Washington-based policy group.



As an article in [Wikipedia](#) explains the trade pact:

The Republic of Korea-United States Free Trade Agreement (also known as KORUS FTA) is a trade agreement between the United States and the Republic of Korea. Negotiations were announced on February 2, 2006, and concluded on April 1, 2007. The treaty was first signed on June 30, 2007, with a renegotiated version signed in early December 2010. However, the agreement has not yet been ratified by the National Assembly of South Korea or the United States Congress and thus has not yet entered into force. Upon ratification by each nation's legislatures, the treaty will eliminate 95% of each nation's tariffs on goods within five years, and also create new protections for multinational financial services and other firms.

The article also notes:

The U.S. International Trade Commission, an independent federal agency, has projected that the Korea FTA will increase the U.S. trade deficit in goods and lead to no increase in U.S. employment. The U.S. think-tank Economic Policy Institute predicts that it will lead the loss of 159,000 jobs. The U.S. Chamber of Commerce, a business lobbying group in favor of the Korea FTA, predicts that the Korea FTA will create U.S. jobs.

A lengthy quote in the preceding article from the Coalition of Service Industries (CSI) revealed an agenda behind its support for KORUS FTA that should be an ominous warning to Americans during a recession that has spawned double-digit unemployment rates:

Korean laws make it difficult for foreign companies to *outsource and offshore* activities. These laws often relate to privacy (private data protection law and real name law). Under the Protection and Use of Credit Information Law and its Presidential Decree, foreign companies operating in Korea are prohibited from transferring any customer data whatsoever out of Korea, even for the purposes of processing data to their own affiliates. In addition, as a result of the revision of the Insurance Business Act in May 2003, it is mandatory for insurance companies to maintain in-house the basic human and non-human resources, including IT systems, necessary for insurance business. These restrictions seriously undermine the government's goal of making Korea into a financial "hub" by significantly increasing the cost of operating in Korea. These regulations should be modified to



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permit companies to follow their global operating models for *outsourcing and offshoring* provided they have existing practices to protect consumer information. [Emphasis added.]

Just what the battered U.S. economy needs! A trade agreement that will make it easier for U.S. companies to “outsource and offshore” more jobs to South Korea!

AFP observed that the AFL-CIO, the nation’s largest labor union, whose members usually are Democratic Party stalwarts, opposes the agreement, which it maintains will not provide economic protection for workers during a weak economy.

The AFP report also noted that the Democrats’ loss of members of Congress in the mid-term elections will undoubtedly make it easier for President Obama to gain approval of the pact, since the new Republican leadership of the House is enthusiastic about “free trade.”

The Reuters report observed: “The pact with South Korea is the biggest of three trade agreements negotiated by the administration of former President George W. Bush but which have stalled in Congress because of strong opposition from Democrats.” As with the ongoing wars in Afghanistan and Iraq, it seems that Obama’s positions are more in line with neoconservative Republicans than with members of his own party.

The article also cited Kirk’s admonition against trying to bundle several trade deals — include pacts with Colombia and Panama — into one package, a move the trade representative believes would be strategically unwise.

“They are just as important to us. We are committed to them,” “But we think, as attractive as it may sound to some, it would be a huge mistake now to just force all of the trade agenda into one lone vote along with Korea.”

The Korea-U.S. FTA has generated organized opposition from Americans who are wary of not only its economic impact, but its potential threats to both U.S. sovereignty and states’ rights. Former Arizona State Senator Karen Johnson made available a copy of correspondence she received from Michael D. Ostrolenk, National Director of [Stop US KOREA NAFTA](#), a project of Americans for Free and Fair Trade. (The organization has its own [Facebook](#) page.)

As Ostrolenk wrote to his State Senator:

Dear Senator Johnson:

Barack Obama is pushing a NAFTA-Style Korea Free Trade agreement that would undermine America’s sovereignty, laws and economy. This deal would: Allow foreign corporations to drag the U.S. before U.N. and World Bank tribunals to enforce special trade privileges and to demand compensations from the U.S. Treasury. Undermine states rights with hundreds of state laws and regulations subject to review and alteration. Kill almost 160,000 jobs in the U.S.

Ostrolenk’s correspondence listed “Six things you can do right now”:

- Add your organization’s name to our coalition letter (attached)
- [Ask your members to sign our petition](#)
- [Add this widget to your homepage and e-communications](#)
- [“Like” on Facebook](#)
- [Twitter](#)



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- [Learn more. FAQ's](#)

Americans for Free and Fair Trade have also listed their “Top Ten Reasons KORUS is Not FREE or FAIR Trade”:

- Undermines U.S. Sovereignty in favor of international law & foreign tribunals of UN & World Bank.
- Violates U.S. Constitution by circumventing Congressional authority regarding appropriation of U.S. tax dollars.
- State legislators oppose because it undermines State’s sovereignty.
- Negotiated with expedited Executive authority & Congress is banned from amending or fully debating it.
- Kills almost 160,000 U.S. jobs & encourages offshoring by multi-national corporations.
- Favors powerful multi-national corporations over U.S. small business even when bidding for government contracts.
- Not real “free trade” — benefits Korea much more than U.S. & increases U.S. trade deficit by \$16.7 billion.
- Allows unsafe food products into U.S.
- Benefits the NORTH Korea & strengthens Chinese leverage against us.
- Immigration — throws open U.S. doors to Korea.

Our online magazine has published many articles about the way our government has initiated multiple pacts deceptively billed as “free trade” agreements, when, in reality, such agreements create mammoth bureaucracies that overly regulate and impede, rather than liberate and facilitate, commerce. A few of these include:

[Another Step Toward North American Union?](#)

[EU-U.S. Integration: Unattractive Union](#)

[Obama’s Canada Visit Spotlights NAFTA](#)

[Obama to Strengthen NAFTA Without New Negotiations](#)

[The World Government Two-Step](#)

Photo: U.S. Trade Representative Ron Kirk talks with South Korean Trade Minister Kim Jong-hoon (out of picture) during their meeting in Seoul, South Korea, on Nov. 8, 2010.: AP Images



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