

How Free Trade Hurts

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Fewer and fewer Americans support our government's trade policy. They see a shrinking middle class, lost jobs and exploding trade deficits.

Yet supporters of free trade continue to push for more of the same -- more job-killing trade agreements, greater tax breaks for large corporations that export jobs and larger government incentives for outsourcing.

Last month voters around the country said they want something very different. They voted for candidates who stood up for the middle class and who spoke out for fair trade. They did so because they understand what's at stake.

Over the past 100 years, Americans have built a thriving middle class. It's the envy of the world, and it didn't come easily.

At the turn of the 20th century, child labor was common; working conditions were often abysmal; there were no enforced workplace health, safety or environmental requirements; no unemployment insurance; and no workers' compensation. Workers were attacked and killed for the sole reason that they wanted to form a union; there was no 40-hour week, minimum wage, job security, overtime pay or virtually any other limit on the exploitation of employees.

America was split dramatically between the haves and have-nots. It was a harsh work world for many: nasty, brutish and, too often, short.

Worker activism, new laws and court decisions changed all that during the past century. As they did, a middle class grew and thrived. By mid-century, it became the engine that drove an ever-expanding economy in which benefits were shared by tens of millions of Americans. The American Dream of a secure, well-paid job with benefits, a nice house and a high-quality public education seemed within reach of everyone who worked hard and played by the rules.

That is what's at stake when we talk about trade policy: America's middle class and the American Dream.

The new mobility of capital and technology, coupled with the revolution in information technology, makes production of goods possible throughout much of the world. But much of the world at the beginning of the 21st century looks a lot like the United States did 100 years ago: Workers are grossly underpaid, exploited and abused, and they have virtually no rights. Many, including children, work 10, 12, 14 hours a day, six or seven days a week, for only a few dollars a day.

The result has been a global race to the bottom as corporations troll the world for the cheapest labor, the fewest health, safety and environmental regulations, and the governments most unfriendly to labor rights. U.S. trade agreements paved the way for this race: While rejecting protections for workers or the environment, they protected investors and corporate interests.

The results of such trade agreements are skyrocketing trade deficits -- more than \$800 billion this year alone -- and downward pressure on income and benefits for American workers. Why? Because these agreements enable countries to ship what their low-wage workers produce to the United States while blocking many U.S. products from entering their countries.

Equally important, by enabling this kind of trade, the agreements force U.S. workers to accept cuts in their pay and benefits so their employers can compete with low-wage foreign producers. And those workers are the lucky ones. Millions of others have lost their jobs as corporations moved overseas to build the same products with cheap foreign labor. It is no coincidence that salaries and wages today are the lowest percentage of gross domestic product since the government began keeping track of this in 1947.

It took a century to build a thriving middle class and economic security here in America. We need to protect that for which we have sacrificed.

We must insist that all trade agreements have labor, environmental and other protections so that American workers can compete on a level playing field. Trade agreements must also be reciprocal. The American market is the most desirable in the world. Every country wants access to it. That gives us a great deal of leverage, if only we'd use it. Barriers to U.S. products overseas should not be tolerated.

Free-trade agreements have protected drug companies, international investors and Hollywood films, yet failed to protect our communities, our workers and our environment.

We believe there is a better way. Fair trade is not the enemy of more trade. It's how we expand international trade without reversing U.S. economic progress.

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