

China Trade Promises All Snake Oil -- Fair Trade Crucial

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In the free for all 21st, it all sounds terrific -- free markets, free trade and free commerce. But really, it's lies, traderous lies and statistics.

The "d" in trader is deliberate. This is about the sleight of hand billed as free trade.

We're constantly told it's a win-win. In 2000, when China was admitted to the World Trade Organization, for example, a former president said that exports to China already supported hundreds of thousands of American jobs, and this figure would grow substantially with the new access to Chinese markets that the WTO agreement would create. Politicians also promised the U.S. would benefit from exports to the rapidly growing consumer market in China.

The opposite, however, has occurred: China has exploited the U.S. consumer market while U.S. companies have been restricted to selling to China bulk goods such as grains, scrap, and chemicals, some intermediate products such as semiconductors and some durable products such as aircraft.

The China trade promises were snake oil.

The Economic Policy Institute released a study Wednesday revealing what happened to American jobs since China was admitted to the WTO. Between 2001 and 2007, 2.3 million workers lost their jobs or were displaced because of trade deficits with China.

Annual earnings for all U.S. workers without a college degree are \$1,400 lower because of competition with China's low-wage workers and because China now accounts for such a huge percent of all of our imports. Displaced American workers, who did find new jobs, lost an average of \$8,146 a year in earnings each. That is \$156 less each week to use to feed the kids, to pay the mortgage, to meet the car payments.

Coincidentally, on the very same day EPI released its report, talks in Geneva, Switzerland to open global markets even further collapsed as China and India refused to allow free trade when it came to their own agricultural products. Both countries wanted to impose or raise tariffs on imported agricultural goods to protect their indigenous farmers.

Remember, it is for the most part, bulk goods, such as agricultural products, that the U.S. is exporting to China. A sticking point in the negotiations, for example, was soybeans.

U.S. trade representative Susan C. Schwab had agreed that China could increase tariffs on soybeans in 8 of every 10 years, and still China walked away from the Geneva talks.

So here is the question: how can this relationship possibly be called free trade when China wanted to impose tariffs on our soybeans in 8 of 10 years, when it is manipulating its currency, when it is subsidizing its manufacturing, when it is failing to enforce even the most basic environmental and labor regulations?

That is snake oil.

We need fair trade. And so do Chinese workers and families, who are being abused by this so-called free trade system that benefits only CEOs and major shareholders of global corporations.

What do Americans workers and families get out of so called free trade? A report, "The Toxic Truth: Unfair Trade Kills" issued recently by the United Steelworkers details the gross destruction, including a four-year-old who died after swallowing a lead pendant that was attached to his shoe imported from China; two Philadelphia carpenters killed when their van crashed while they were traveling home from work on defective tires manufactured in China, and 81 patients from across the country poisoned by contaminated heparin, a blood thinner imported from China.

In addition, the U.S. Consumer Products Safety Commission recalled 30 million toys made in China last year because they were doused with dangerous leaded paint; Chinese-made pet food sickened and killed untold numbers of American cats and dogs because it contained tainted wheat protein; officials pulled off the market poisonous Chinese toothpaste; children were sickened by Aqua Dots toy kits made in China with a substitute chemical that turned into the "date rape" drug when swallowed, and the U.S. blocked import of Chinese fish containing banned antibiotics.

That's just the consumer viewpoint. The EPI study dispelled the myth that a good education is insurance against job displacement. EPI found that 31 percent of the jobs lost since China entered the WTO were among workers with college degrees and more than half -- 55.6 percent -- of the displaced were in the top half of American wage earners. The China trade deficits have contributed to the loss of 200,000 scientist and engineer jobs within this nation's manufacturing base, a 10.7 percent drop.

This is what free trade has given the U.S. Poisonous products. Lost jobs. Lower earning power.

It's not just us though. Think about this: One effect of free trade is polluted air wafting all the way across the Pacific Ocean to the shores of California, a state that enforces environmental standards higher than the national ones. Twenty-five percent of the pollutants in the Los Angeles basin come from China. That's tragic for Californians who try so hard.

That's also tragic for the Chinese people who live with befouled air every day. (Well, except during the brief period of the Olympic Games when the country is attempting to impress the world. After that, the cars, trucks and industrial pollution will return full force.) More than half of the rivers in China are too polluted to serve as a source of drinking water -- often because of untreated pollution pouring into them from factories.

An investigative report issued earlier this month by the National Labor Committee describes conditions in the Kai Da Toy factory in Shenzhen, China where the Sesame Street's Kid K'Nex Ernie construction toys are made. In violation of local and national laws, the factory's employees are forced to work 13 to 15 hours a day, 7 days a week without health care. After deductions for room and board, they are paid 28 cents an hour, far below the requisite minimum wage. The 600 workers include 100 16-year-olds, and earlier this year, included numerous children who "disappeared" after an investigation by a Chinese newspaper.

NLC inquiries have repeatedly uncovered violations of Chinese labor law. Chinese firms don't have to pay U.S. minimum wage. But they need to follow their own rules and not make virtual slaves of their country's own adolescents.

Adult American factory workers trying to support families cannot compete with Chinese teenagers living four to a dormitory room on the factory site without any health or other benefits, working sweatshop hours, seven days a week.

What kind of "free trade" system is this? Those Chinese adolescents aren't free. The American factory workers who have lost their jobs have forfeited financial freedom.

Still, the Kai Da factory will make big money. And the American corporations selling the Ernie construction toys will make big profits. Free trade works just fine for them.

If so-called free trade is ever to be replaced with fair trade, workers and families in China and America and every other trading country must demand it. Fair trade means that at the very least, labor and environmental regulations must be respected and enforced, so that people are not enslaved and the environment destroyed in the name of global corporate profit.

Really, at some point, when politicians claim these free trade deals are a win-win, and the actual result is 16-year-old Chinese youngsters working 16 hour days and American workers idled while their youngsters play with toxic imported toys, aren't the lies traitorous?