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Obama’s Legacy: Middle-Class Jobs, Affordable Medicine and Financial Stability, or Fast-Track Trade Agreements – But Not Both

New Report ‘Prosperity Undermined’ Fact Checks Administration, Corporate Lobbyists and GOP Leadership With 20 Years of Data on Jobs, Economy

WASHINGTON, D.C. – Fast Tracked trade deals have exacerbated the income inequality crisis, pushed good American jobs overseas, driven down U.S. wages, exploded the trade deficit and diminished small businesses’ share of U.S. exports, a new report from Public Citizen’s Global Trade Watch shows. The report, “Prosperity Undermined,” compiles and analyzes 20 years of trade and economic data to show that the arguments again being made in favor of providing the Obama administration with Fast Track trade authority have repeatedly proved false.

President Barack Obama is expected to push Fast Track for the Trans-Pacific Partnership (TPP). The pact, initiated by George W. Bush, [literally replicates](#) most of the job-offshoring incentives and wage-crunching terms found in the North American Free Trade Agreement (NAFTA) and would roll back Obama administration achievements on health, financial regulation and more.

“It’s not surprising that Democrats and Republicans alike are speaking out against Fast Track because it cuts Congress out of shaping trade pacts that most Americans believe cost jobs while empowering the president to sign and enter into secret deals before Congress approves them,” said Lori Wallach, director of Public Citizen’s Global Trade Watch. “In their speeches and commentary, the administration, corporate interests and GOP leadership disregard the real, detrimental impacts that previous fast tracked trade deals – which serve as the model for the Trans-Pacific Partnership – have had on America’s middle class over the past 20 years.”

With [unprecedented unity among Democratic members of Congress](#), there will be a handful of Democratic House votes in favor of Fast Track. Last year, seven of 201 House Democrats supported Fast Track legislation. Meanwhile, [a sizable bloc of GOP House members oppose Fast Track](#), which would grant the president extensive new executive powers and delegate away core congressional constitutional authorities.

The new report shows a 20-year record of massive U.S. trade deficits, American job losses and wage suppression. More specifically, data show that:

- **Trade Deficits Have Exploded:** U.S. trade deficits have grown more than 440 percent with Fast Tracked U.S. FTA countries since the pacts were implemented, but declined 16 percent

with non-FTA countries during the relevant period. Since Fast Track was used to enact NAFTA and the World Trade Organization, the U.S. goods trade deficit has more than quadrupled, from \$216 billion to \$870 billion. Small businesses' share of U.S. exports has declined, while U.S. export growth to countries that *are not* FTA partners has exceeded U.S. export growth to FTA partners by 30 percent over the past decade.

- **Good American Jobs Were Destroyed:** Nearly 5 million U.S. manufacturing jobs – one in four – were lost since the Fast Tracking of NAFTA and various NAFTA-expansion deals. Since NAFTA, more than 845,000 U.S. workers have been certified under just one narrow U.S. Department of Labor (DOL) program for Americans who have lost their jobs due to imports from Canada and Mexico and offshored factories to those countries.
- **U.S. Wages Have Stagnated, Inequality Soared:** Three of every five manufacturing workers who lose jobs to trade and find reemployment take pay cuts, with one in three losing greater than 20 percent, according to DOL data. Overall, U.S. wages have barely increased in real terms since 1974 – the year that Fast Track was first enacted – while American worker productivity has doubled. Since Fast Track's enactment, the share of national income captured by the richest 10 percent of Americans has shot up 51 percent, while that captured by the richest 1 percent has skyrocketed 146 percent. Study after study has revealed an academic consensus that status quo trade has contributed to today's unprecedented rise in income inequality.
- **Food Exports Flat, Imports Soared:** Under NAFTA and the WTO, U.S. food exports have stagnated while food imports have doubled. The average annual U.S. agricultural deficit with Canada and Mexico under NAFTA's first two decades reached \$975 million, almost three times the pre-NAFTA level. Approximately 170,000 small U.S. family farms have gone under since NAFTA and WTO took effect.
- **Damaging Results of Obama's "New and Improved" Korea Trade Deal:** Since the Obama administration used Fast Track to push a trade agreement with Korea, the U.S. trade deficit with Korea has grown 50 percent – which equates to 50,000 more American jobs lost. The U.S. had a \$3 billion monthly trade deficit with Korea in October 2014 – the highest monthly U.S. goods trade deficit with the country on record. After the Korea FTA went into effect, U.S. small businesses' exports to Korea declined more sharply than large firms' exports, falling 14 percent.

“Big dollars for big corporations and special interests calling the shots – that's what the American people hear when only the country's top corporate lobbyists are shaping America's trade agreements,” said Wallach. “With such high stakes, we cannot let the Fast Track process lock Congress and the public out of negotiations that will have lasting impacts on the livelihoods, rights and freedoms of American families, workers and businesses.”

[Read the report.](#)

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