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For Immediate Release:  
Jan. 25, 2011

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## **SOTU Speech Includes 24 Mentions of Job Creation but Calls on Congress to Pass NAFTA-style Korea Free Trade Agreement That Is Projected to Increase U.S. Trade Deficit, Cost U.S. Jobs**

*Statement of Lori Wallach, Director of Public Citizen's Global Trade Watch*

It was beyond surreal to hear President Barack Obama talk about the priority of creating U.S. jobs while saying nothing about on fixing our China trade debacle and calling on Congress to pass a NAFTA-style trade agreement with Korea that the government's own studies show will increase our trade deficit. The Korea pact is projected to cost another 159,000 U.S. jobs – with nine economic sectors, including high tech electronics, as losers.

As Paul Krugman wrote in a recent *New York Times* column ("Trade Does Not Equal Jobs," Dec. 6, 2010): "If you want a trade policy that helps employment, it has to be a policy that induces other countries to run bigger deficits or smaller surpluses. A countervailing duty on Chinese exports would be job-creating; a deal with South Korea, not."

Doing more of the same – more NAFTA-style deals like the Korea pact and continuing the unbalanced mode of China trade – is not going to create American jobs or reduce our trade deficit. After campaigning on the need to reform America's job-killing trade policy, it is stunning for President Obama to call for more-of-the-same trade policies as if these had not resulted in a huge American trade deficit – \$810 billion before the economic crisis-related collapse in trade and now again rising – and the net loss of 5.1 million American manufacturing jobs and 43,000 factories closed since we started the damaging experiment with the current trade model in the 1990s.

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