

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

Douglas J. McCarron
General President

July 11, 2011

Dear Member of Congress;

On behalf of the over half a million members of the United Brotherhood of Carpenters, I am writing to urge you to vote against the proposed Free Trade Agreements with South Korea, Columbia and Panama. Approval of these three proposals is a vote to undercut American living standards

The evidence is clear. Over the last twenty years our government has agreed to similar trade deals with Mexico, Central America, China and other nations. Each time their promoters promised the Congress that the agreements would make America more competitive and create more jobs. Each time, the result was a widening trade deficit financed by borrowing from foreigners and a net loss of U.S. jobs. Our massive indebtedness to China, for example, is a direct result of the trade deficit that followed the 2000 China trade agreement.

We now know that these deals were not designed to help U.S. workers or businesses that produce here. Rather they were designed to allow multinational corporations to off-shore production in countries where costs are cheap because workers are suppressed, the environment is abused and finance is unregulated.

As in prior trade deals, the new agreements lack enforceable labor and environmental protections. They allow foreign companies to challenge U.S. laws on the grounds that they inhibit foreign competition. And despite the claims of "free trade", they give away access the U.S. markets without reciprocal rights for U.S. producers.



Thus, to give one example, under the agreement with **Panama**, any company registered in that country – including the thousands of Chinese and other foreign companies registered there -- will have the right to bid on virtually any significant U.S. government procurement or construction project. But American firms are denied access to bid on the only large scale project of any size in Panama – the widening of the Panama Canal.

In effect, we would give away American jobs in order that U.S. multinationals have even greater opportunity to use Panama's notorious lax and corrupt financial system to escape U.S. taxes and rules against money laundering.

The negative impact of the deal with **South Korea** will be larger. The Economic Policy Institute –which has accurately forecast the economic impact of prior trade deals -- estimates that the Korean FTA will directly cost Americans at least 160,000 jobs to start. The long term damage will be even greater. The agreement allows South Korea to export goods duty-free to the U.S. even if only 35 % of the content is actually produced there. This will open the door for the transshipment of goods primarily manufactured in places like China, Viet Nam and the totalitarian regime in North Korea.

Moreover, the Korea agreement has no effective provision for dismantling the labyrinth of non-tariff barriers that already results in the U.S. selling only 6,000 autos there a year, while Korea sells us 500,000. Neither does it prohibit the Koreans from manipulating its currency to gain competitive advantage in the same way that China now does.

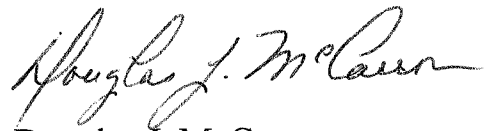
The proposed deal with **Columbia** is morally offensive as well as economically unsound. Columbia has by far the most brutal record of repression of independent trade unionists in the world. On nothing but the flimsy promise that they will do better in the future, our government will be rewarding a corrupt oligarchy that suppresses workers efforts to improve wages and working conditions with beatings, torture and assassination. Despite claims that the political system there has “reformed”, a record 52 Columbia trade unionists were murdered last year. Of the 2,800 assassinations of union leaders over two and a half decades, only five percent of the cases have been prosecuted.

The primary purpose of the treaty with Columbia is the same as that of the 2007 treaty with Peru – outsourcing American jobs. As the Peruvian president told the US Chamber of Commerce the night the Peru FTA was signed, "Come and open your factories in my country so we can sell your own products back to the U.S."

The United Brotherhood of Carpenters supports balanced reciprocal trade agreements that provide the benefits of economic growth to workers in both the U.S. and its trading partners. Under any circumstances, these current proposals would not meet this common sense test. Today, at a time of high joblessness, deteriorating wages and shrinking work opportunities, our members and their families have little tolerance for trade policies that will make their lives worse and their country weaker.

The only responsible vote is no.

Sincerely,

A handwritten signature in black ink, reading "Douglas J. McCarron". The signature is written in a cursive style with a large, sweeping initial 'D'.

Douglas J. McCarron
GENERAL PRESIDENT

DJM/ch/jb