Go Your Own Way: The Case For Repealing KORUS FTA

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Go Your Own Way: The Case For Repealing KORUS FTA

Signed 8 years ago and taking effect in 2012, the United States / South Korea free trade agreement was supposed to improve the economies of both countries. Three years later, the results are in, and the experiment has failed. Please join my partner and me as we affirm that The United States federal government should substantially reform its trade policy with one or more of the following nations: China, Japan, South Korea, Taiwan.

OBSERVATION 1. We offer the following DEFINITIONS.

**Trade**: “: the activity or process of buying, selling, or exchanging goods or services” (*Merriam Webster Online Dictionary, copyright 2015* [*http://www.merriam-webster.com/dictionary/trade*](http://www.merriam-webster.com/dictionary/trade)*)*

**Policy**: “a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body” (*Merriam Webster Online Dictionary, copyright 2015* [*http://www.merriam-webster.com/dictionary/policy*](http://www.merriam-webster.com/dictionary/policy))

**Substantial**: “Of [considerable](http://www.oxforddictionaries.com/definition/english/considerable) [importance](http://www.oxforddictionaries.com/definition/english/importance), [size](http://www.oxforddictionaries.com/definition/english/size#size), or [worth](http://www.oxforddictionaries.com/definition/english/worth):” (*Oxford Dictionaries 2015*  [*http://www.oxforddictionaries.com/definition/english/substantial*](http://www.oxforddictionaries.com/definition/english/substantial)*)*

**Reform**: “to put or change into an improved form or condition” (*Merriam Webster Online Dictionary, copyright 2015* [*http://www.merriam-webster.com/dictionary/reform*](http://www.merriam-webster.com/dictionary/reform)*)*

**K.O.R.U.S. pronounced “chorus”: The South Korea/United States Free Trade Agreement**

OBSERVATION 2. INHERENCY. One key FACT about the Status Quo: KORUS fails.

The US/South Korea Free Trade Agreement fails to meet its promise of economic expansion

Public Citizen 2015 (a national, nonprofit consumer advocacy organization founded in 1971 to represent consumer interests in Congress, the executive branch and the courts) 13 Mar 2015 Unhappy Third Birthday for Korea Free Trade Agreement Drags Down Obama Push for Fast Track Trade Authority <http://www.commondreams.org/newswire/2015/03/13/unhappy-third-birthday-korea-free-trade-agreement-drags-down-obama-push-fast>

Three years after implementation of the U.S.-Korea Free Trade Agreement (FTA), [government data](http://dataweb.usitc.gov/) reveal that the administration’s promises that the pact would expand U.S. exports and create American jobs proved to be the opposite of the pact’s actual outcomes. The post-Korea FTA decline in U.S. exports to Korea and a new flood of imports from Korea have resulted in a major surge in the U.S. trade deficit with Korea that equates to nearly 85,000 lost U.S. jobs. The abysmal FTA record deals a fresh blow to the administration’s controversial bid to Fast Track the Trans-Pacific Partnership (TPP), for which the Korea FTA served as the U.S. template. “Three years ago we heard the same ‘more exports, more jobs’ sales pitch for the Korea FTA that the administration is making for the TPP, but the reality is that tens of thousands of U.S. jobs have been lost as exports have fallen and trade deficits have surged,” said Lori Wallach, director of Public Citizen’s Global Trade Watch.

OBSERVATION 3. We offer the following PLAN, to be implemented by Congress and the President

1. The U.S. drops out of the South Korean Free Trade Agreement.   
2. Plan takes effect 30 days after an Affirmative ballot.  
3. Enforcement and funding through existing agencies in the same manner as existing law.   
4. All Affirmative speeches may clarify.

OBSERVATION 4. The JUSTIFICATIONS for doing our plan.

JUSTIFICATION 1. Trade deficit. We see this in 2 sub-points:

A. The Link: Soaring trade deficit. The U.S. trade deficit with South Korea increased 39.8% after KORUS

Dr. [Robert E. Scott](http://www.epi.org/people/robert-e-scott) 2013 (with Economic Policy Institute; Ph.D. in Economics from the Univ of California at Berkeley and a B.S. in Engineering from the Washington Univ. Economic Policy Institute is an independent, nonprofit economic research organization) “No Jobs from Trade Pacts”  18 July 2013. <http://www.epi.org/publication/trade-pacts-korus-trans-pacific-partnership/>

Things are not turning out the way the president predicted. KORUS took effect March 15, 2012. In the year after the agreement took effect (April 2012 to March 2013), U.S. domestic exports to South Korea (of goods made in the United States) fell $3.5 billion, compared with the same period in the previous year, a decline of 8.3 percent. In the same 12-month period, imports from South Korea (which the administration consistently declines to discuss) increased $2.3 billion, an increase of 4.0 percent, and the bilateral U.S. trade deficit with South Korea increased $5.8 billion, a whopping 39.8 percent.

B. The Impact: 50,000 US jobs lost.

Leo Hindery Jr. 2015 (managing partner of InterMedia Partners and former chief executive officer of AT&T Broadband) As free trade pacts expand, U.S. trade deficit soars. Why add one more? <http://blogs.reuters.com/great-debate/2015/02/16/as-free-trade-pacts-expand-u-s-trade-deficit-soars-why-add-one-more/>

But Obama’s 2011 trade deal with South Korea, which serves as the template for the new Trans-Pacific Partnership, has resulted in a 50 percent jump in the U.S. trade deficit with South Korea in its first two years. This equates to 50,000 U.S. jobs lost. Small-businesses’ exports to South Korea have also declined sharply, falling 14 percent. In just one month, October 2014, the United States had a $3-billion trade deficit in goods with South Korea, the highest on record.

JUSTIFICATION 2.  KORUS hurts small businesses

Dave Johnson 2015. (journalist) “When Obama Pushes Fast Track In SOTU, Here’s The Facts” JANUARY 2015. <https://www.popularresistance.org/when-obama-pushes-fast-track-in-sotu-heres-the-facts/>

The KORUS FTA has hit American small businesses harder than large ones. According to [U.S. Census Bureau data](http://www.census.gov/foreign-trade/Press-Release/edb/2012/edbrel.pdf), small firms with fewer than 100 employees saw exports to Korea drop 14 percent while firms with more than 500 employees saw exports decline by 3 percent. According to “Report Funded by Big Business Explains to Small Businesses What’s Best for Them” at Public Citizen’s Eyes on Trade blog, “As a result, under the Korea FTA, small businesses are capturing an even smaller share of the value of U.S. exports to Korea (just 16 percent), while big businesses’ share has increased to 72 percent.”

JUSTIFICATION 3. KORUS harms South Korean workers

Sangwon Yoon and Eric Martin with Bloomberg news  2012. (Yoon- journalist) (Martin- journalist) (Bloomberg is a national news organization) “U.S.-Korea Free Trade Starts as Seoul Opponents Vow Repeal” 15 March 2012 [http://www.bloomberg.com/news/articles/2012-03-15/south-korea-opposition-party-vows-to-scrap-u-s-fta-if-elected](https://www.google.com/url?q=http://www.bloomberg.com/news/articles/2012-03-15/south-korea-opposition-party-vows-to-scrap-u-s-fta-if-elected&sa=D&ust=1443092542577000&usg=AFQjCNGwP7v1sJBAKOoMnvKTvoBh0rrJMw" \t "_blank)

South Korean opposition lawmakers say the agreement benefits U.S. industries and jobs at the expense of South Korean laborers, farmers and small businesses. The Democratic United Party also objects to the Investor-State Dispute settlement clauses, which let foreign investors take legal action against South Korea, as undermining the country’s sovereignty. Lee’s National Frontier Party rammed the deal through South Korea’s parliament in November over the objections of opposition lawmakers concerned about the impact on agriculture and investment.

JUSTIFICATION 4. Chinese fraud. KORUS allows Chinese exporters to evade sanctions on their illegal trade practices by passing through Korea

Rep. Rose DeLauro 2011 (D-Conn.) Congressional Record 12 Oct 2011 [http://www.c-span.org/congress/bills/billAction/?print/2665164/600649935](https://www.google.com/url?q=http://www.c-span.org/congress/bills/billAction/?print/2665164/600649935&sa=D&ust=1443092542578000&usg=AFQjCNGyzVngZiBCr907CqC8DvTIwcHGSA" \t "_blank)

Like the two other NAFTA-style trade agreements before us, we know this deal will lead to the outsourcing of American jobs, potentially displacing 159,000 U.S. workers, according to the Economic Policy Institute. It will provide Chinese businesses engaged in the transshipment of goods through third countries an easy opportunity to take advantage of tariff rates that are intended for South Korean goods. According to the Korea Customs Service, the quantity of products illegally labeled ``Made in Korea'' doubled from 2008 to 2010. These transshipped products come primarily from China and southeast Asian nations. Chinese companies have a history of transshipping goods to the U.S. through other countries so that they can avoid duties that are levied against them for illegal trading practices. Korea's proximity and 16 ports, including the world's fifth-largest, makes them a usual target for Chinese companies.

2A Evidence: End KORUS FTA

OPENING QUOTES

KORUS fails

Leo W. Gerard 2014 (president, United Steel Workers union) 12 Mar 2014 USW Cites Failure of Korea Free Trade Deal in 2nd Year <http://www.usw.org/news/media-center/releases/2014/usw-cites-failure-of-korea-free-trade-deal-in-2nd-year>

“Government data, congressional voices and economic studies confirm that the US-Korea Free Trade Agreement has failed us,” USW President **[Leo W. Gerard](http://www.usw.org/union/leaders/international-executive-board/leo-w-gerard" \t "_blank)** said.  “It has failed to produce good jobs and the evidence on exports is clear. Our export growth rate in the past 20-out-of -21 months is below the average monthly level seen before the FTA was signed.

DEFINITIONS

KORUS FTA

Office of United States Trade Representative 2012. [https://ustr.gov/trade-agreements/free-trade-agreements/korus-fta](https://www.google.com/url?q=https://ustr.gov/trade-agreements/free-trade-agreements/korus-fta&sa=D&ust=1443092542575000&usg=AFQjCNEo92LFvaPkHsg879GrhuK-qKV5ug" \t "_blank)

“The United States and the Republic of Korea signed the United States-Korea Free Trade Agreement (KORUS FTA) on June 30, 2007. On December 3, 2010, the United States and Korea concluded new agreements, reflected in letters signed on February 10, 2011, that provide new market access and level the playing field for U.S. auto manufacturers and workers.  Congress approved the agreement on October 12, 2011, and Korea’s National Assembly approved it on November 22, 2011. The United States and Korea completed their review of the measures both sides had taken to implement the FTA and exchanged diplomatic notes on February 21 agreeing to bring the agreement into force on March 15, 2012.”

INHERENCY

“TPP can fix problems with KORUS” – Response: TPP was based on KORUS and will make things even worse

Dr. Robert E. Scott. Economic Policy Institute. 2015. (Scott has a Ph.D. in Economics from the University of California at Berkeley and a B.S. in Engineering from the Washington University) (Economic Policy Institute, an independent, nonprofit think tank that researches economic trends and policies) “[U.S.-Korea Trade Deal Resulted in Growing Trade Deficits and More Than 75,000 Lost U.S. Jobs U.S.-Korea Trade Deal Resulted in Growing Trade Deficits and More Than 75,000 Lost U.S. Jobs](https://secure.epi.org/blog/u-s-korea-trade-deal-resulted-in-growing-trade-deficits-and-more-than-75000-lost-u-s-jobs/)” 30 MARCH 2015. https://secure.epi.org/blog/u-s-korea-trade-deal-resulted-in-growing-trade-deficits-and-more-than-75000-lost-u-s-jobs/

Alarmingly, the KORUS agreement has not taken full effect and still retains some important U.S. tariffs that protect our domestic auto industry. [When they expire in 2021](https://fas.org/sgp/crs/row/RL34330.pdf), our trade deficit with Korea will undoubtedly worsen. The administration is nearing completion of negotiations for the proposed [Trans-Pacific Partnership (TPP)](http://www.ustr.gov/tpp) with 11 other nations in the Asia-Pacific region, including Malaysia, Vietnam, and Japan. [Congress is expected to introduce fast-track](http://www.wsj.com/articles/top-senate-house-lawmakers-nearing-deal-on-trade-promotion-authority-1424467559), or trade promotion authority to facilitate its consideration of the TPP, without amendments, in the near future. The [United States has also encouraged South Korea join the TPP](http://www.hani.co.kr/arti/english_edition/e_international/579052.html). [China has also expressed interest](http://www.bangkokpost.com/breakingnews/352642/china-considers-joining-tpp) in joining the TPP talks. The United States trade deficit with the 11 other proposed members of the TTP has more than doubled since 1997, to $265.1 billion in 2014. Many members of the proposed TTP trade and investment deal have [long histories of currency manipulation](http://www.epi.org/publication/stop-currency-manipulation-and-create-millions-of-jobs/), dumping, and other unfair trade practices that have dramatically increased U.S. trade deficits and job losses, and the agreement [could sharply curtail the ability of the United States to challenge these practices](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1739314). The TPP would significantly increase the threat that rapidly growing trade deficits and job losses in the United States would be locked in. KORUS was the template for TPP. It is a broken model. [If completed and approved by Congress, this trade and investment deal will only result](http://www.epi.org/blog/whats-wrong-with-the-tpp-this-deal-will-lead-to-more-job-loss-and-downward-pressures-on-the-wages-of-most-working-americans/) in more outsourcing by US and foreign MNCs, rising trade deficits, even more trade-related job losses and downward pressure on U.S. wages. A multi-nation trade deal modeled on KORUS is a direct threat to the heart of U.S. manufacturing employment and domestic production.

KORUS fails to meet its promises and expectations

John Olen. 2014.  (Olen is a staff writer for Economy in Crisis, an online news organization.) “KORUS is a Complete and Utter Failure for America” 25 MARCH 2014. <http://economyincrisis.org/content/korus-is-a-complete-and-utter-failure>

The South Korea – U.S.[Free Trade](http://economyincrisis.org/content/korus-is-a-complete-and-utter-failure) Agreement (KORUS) came with a lot of promises. Proponents of the agreement said it would increase our ability to export, and bring economic benefits to the United States a result. It was said it would be good for the auto industry. Two years after the agreement went into effect we can see the ugly truth. None of the things we were promised have happened and the [American economy](http://economyincrisis.org/content/korus-is-a-complete-and-utter-failure) is paying the price.

KORUS is failing

Dave Johnson 2015 (a fellow with [Campaign for America’s Future](http://ourfuture.org/author/davejohnson" \t "_blank) and a senior fellow with [Renew California](http://renewca.org/" \t "_blank)) 7 Feb 2015 The United States’ Enormous Trade Deficits Are Widening. Why Aren’t We Fixing Our Failed  <http://billmoyers.com/2015/02/07/enormous-humongous-trade-deficits-widen-exposing-failed-policy/>

Since the Korea-US Free Trade Agreement, our trade deficit with Korea has surged more than 80 percent, which equates to the loss of more than 70,000 US jobs. The US goods trade deficit with Korea increased 20 percent in 2014 to more than $25 billion. 2014 exports to Korea were lower than 2011 – which was before entering into the KORUS trade agreement.

**END QUOTE. Dave Johnson goes on later in the same context to say QUOTE:**

We don’t need any more “free trade” agreements. The US has run large and increasing trade deficits since the late 1970s, when the “free trade” ideology took over. The results are obvious. These trade agreements have devastated entire “rust belt” regions of the country. They have kept wages stagnant for decades. They have caused “structurally” high unemployment. They have shifted the middle class down into demeaning, low-wage jobs. They have brought incredible, massive wealth to a very few gazillionaires as they move more factories and jobs out of the country and pocket the wage and environmental-protection differential and these gazillionaires are now controlling our entire political system.

Original predictions used cherry picked numbers, Obama administration hides the bad numbers

Dr. [Robert E. Scott](http://www.epi.org/people/robert-e-scott) 2013 (with Economic Policy Institute; Ph.D. in Economics from the Univ of California at Berkeley and a B.S. in Engineering from the Washington Univ. Economic Policy Institute is an independent, nonprofit economic research organization) “No Jobs from Trade Pacts”  18 July 2013. <http://www.epi.org/publication/trade-pacts-korus-trans-pacific-partnership/>

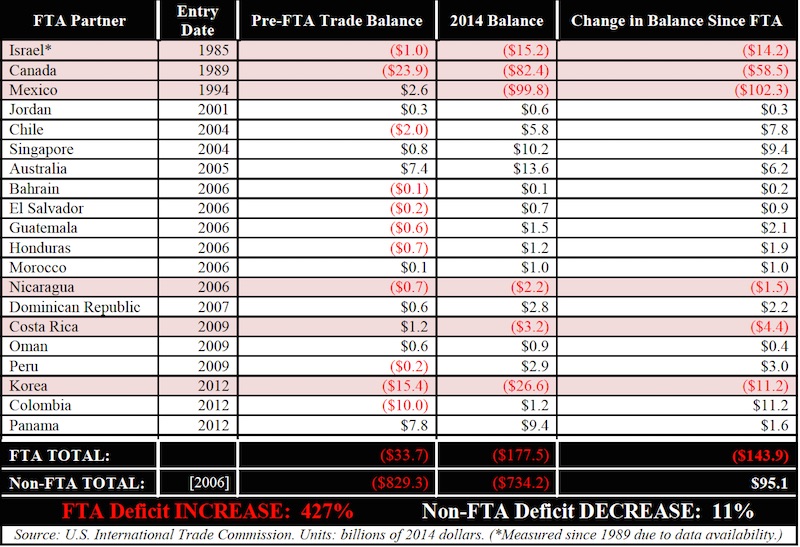
The White House also seemingly cherry picked export numbers from the USITC study. The USITC report estimated that exports to South Korea would rise in the range of $9.7 billion to $10.9 billion, and Obama, as cited earlier, said KORUS would increase U.S. goods exports by “$10 billion to $11 billion.” But the administration ignored the projected impact of KORUS on imports, specifically, leaving out the USITC prediction that KORUS would increase imports in the range of $6.4 billion to $6.9 billion, producing an improvement of the bilateral trade balance ranging from $2.8 billion to $4.5 billion, not $10 billion to $11 billion as implied by Obama’s comment (U.S. International Trade Commission 2010, Table 2.1 at 2-9). The White House has refused to discuss the negative impacts of imports on the U.S. economy, and some officials at the Office of the United States Trade Representative have claimed before Congress that imports *benefit* the domestic economy—a highly suspect claim that will be addressed in a future EPI report.

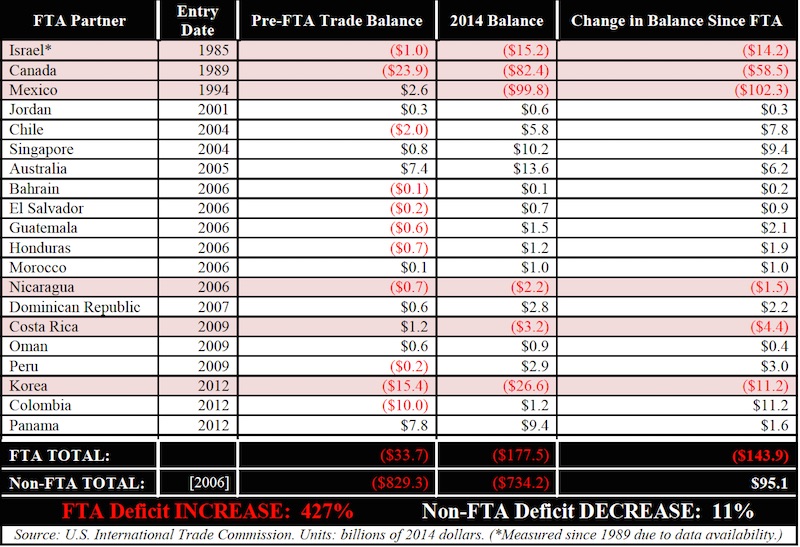
HARMS / SIGNIFICANCE

KORUS increased U.S. trade deficit

Public Citizen. 2015. (a national, nonprofit consumer advocacy organization founded in 1971 to represent consumer interests in Congress, the executive branch and the courts) “Job-Killing Trade Deficits Surge under FTAs: U.S. Trade Deficits Grow More than 425% with FTA Countries, but Decline 11% with Non-FTA Countries ” February 2015.  <http://www.citizen.org/documents/FTA-V-No-FTA-Factsheet.pdf>

The North American Free Trade Agreement (NAFTA) contributed the most to the widening FTA deficit – under NAFTA, the U.S. trade deficit with Canada has ballooned and a U.S. trade surplus with Mexico has turned into a nearly $100 billion deficit. More recent deals have produced similar results. Under the 2012 Korea FTA, the U.S. template for the Trans-Pacific Partnership, the U.S. trade deficit with Korea has already surged 72 percent.





KORUS increased the trade deficit and killed jobs

PR Newswire. 2014. (PR Newswire provides press releases and company communications through its website) “Teamsters: U.S.-Korea Trade Deal Marks Two Years Of Failure” 14 MARCH 2014. <http://www.prnewswire.com/news-releases/teamsters-us-korea-trade-deal-marks-two-years-of-failure-250337461.html>

KORUS was hailed by supporters two years ago as a job-maker that would create as many as 70,000 much-needed U.S. jobs. But the report shows instead that it has led to the loss more than 46,600 American jobs. Teamsters General President Jim Hoffa said the new insight shows why agreements like the Trans-Pacific Partnership (TPP), which has been shrouded in secrecy, should be scrutinized. "We're against unfair trade, which is what these deals are," Hoffa said. "The public is being kept in the dark about the TPP. If it is as good of a deal as supporters claim, then release the [text](http://www.prnewswire.com/news-releases/teamsters-us-korea-trade-deal-marks-two-years-of-failure-250337461.html) so everyone can take a look." U.S. exports to Korea have fallen below their pre-KORUS average monthly level for 21 out of 22 months since the deal took effect, according the new report. The United States has lost an average of $385 million each month in exports to Korea, an 11 percent drop.

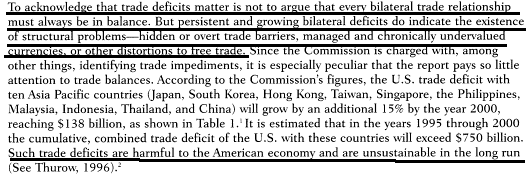
KORUS hurts US automotive manufacturing with Korea’s unfair trade practices

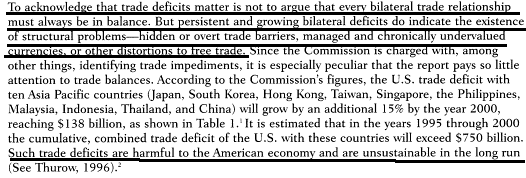
PR Newswire. 2014. (PR Newswire provides press releases and company communications through its website) “USW Cites Failure of Korea Free Trade Deal in 2nd YearU.S. deficit up from imports; job promises, exports down” 12 MARCH 2014. <http://www.prnewswire.com/news-releases/usw-cites-failure-of-korea-free-trade-deal-in-2nd-year-249921341.html>

The USW continues to voice concerns related to the vehicle and auto parts industry -- perhaps the single most important industrial sector involved in trade between Korea and the U.S. The USW has more than one-third of its 850,000 members making parts that can go into manufactured vehicles.  U.S. vehicle exports to Korea totaled 14,819 units in 2011 and increased to 27,553 units in 2013; but Korea's exports to the United States grew from 587,328 to 752,675 units over the same period. The entire annual increase in U.S. vehicle exports to Korea are dwarfed by less than one-month of the increase alone in Korea's exports." The failures of the Korea FTA show why [future](http://www.prnewswire.com/news-releases/usw-cites-failure-of-korea-free-trade-deal-in-2nd-year-249921341.html) trade deals need to eliminate non-tariff trade barriers; include strong rules of origin; develop enforceable labor and environmental standards; and stop our country's focus on negotiating enhanced protections for corporations at the expense of workers' rights.  And, these provisions need to be backed up by strong implementation and enforcement provisions to guarantee results," [USW President Leo W.] Gerard declared. [Fred Redmond, USW Vice President/Human Affairs](http://www.usw.org/union/leaders/international-executive-board/fred-redmond), who joined today's Capitol Hill press event with Members of Congress and the private sector economists, described USW member jobs lost from Korea's unfair trade practices.

Trade deficits are unsustainable and harmful to U.S. Economy

Kenneth D. Brody 1999. (Brody is the Co-founder of [Taconic Capital Advisors](http://www.linkedin.com/company/77536?trk=ppro_cprof),  a global institutional investment firm ) “Building American Prosperity in the 21st Century” <https://books.google.com/books?id=uHeKraw7BGMC&pg=PA63&lpg=PA63&dq=trade+deficit+%2B+%22harmful%22+%2B+%22south+korea%22&source=bl&ots=YAU4V5gBYA&sig=ER9abUQRIc8FttFd6XpybjcHD60&hl=en&sa=X&ei=O6RtVfGTN4udyASxroCwBw&ved=0CD0Q6AEwBg#v=onepage&q&f=false>





KORUS was supposed to create 70,000 jobs, instead it reduced >40,000 jobs, mostly good jobs in manufacturing

Dr. [Robert E. Scott](http://www.epi.org/people/robert-e-scott) 2013 (with Economic Policy Institute; Ph.D. in Economics from the Univ of California at Berkeley and a B.S. in Engineering from the Washington Univ. Economic Policy Institute is an independent, nonprofit economic research organization) “No Jobs from Trade Pacts”  18 July 2013. <http://www.epi.org/publication/trade-pacts-korus-trans-pacific-partnership/>

The tendency to distort trade model results was evident in the Obama administration’s insistence that increasing exports under KORUS would support 70,000 U.S. jobs. The administration neglected to consider jobs lost from the increasing imports and a growing bilateral trade deficit. In the year after KORUS took effect, the U.S. trade deficit with South Korea increased by $5.8 billion, costing more than 40,000 U.S. jobs. Most of the 40,000 jobs lost were good jobs in manufacturing.

US job loss from KORUS

Dr. Robert E. Scott, Economic Policy Institute. 2015. (Ph.D. in Economics from the University of California at Berkeley) (Economic Policy Institute is an independent, nonprofit think tank that researches the impact of economic trends and policies on working people in the United States) “[U.S.-Korea Trade Deal Resulted in Growing Trade Deficits and More Than 75,000 Lost U.S. Jobs U.S.-Korea Trade Deal Resulted in Growing Trade Deficits and More Than 75,000 Lost U.S. Jobs](https://secure.epi.org/blog/u-s-korea-trade-deal-resulted-in-growing-trade-deficits-and-more-than-75000-lost-u-s-jobs/)” 30 MARCH 2015. <https://secure.epi.org/blog/u-s-korea-trade-deal-resulted-in-growing-trade-deficits-and-more-than-75000-lost-u-s-jobs/>

Expanding exports alone is not enough to ensure that trade adds jobs to the economy. Increases in U.S. exports tend to create jobs in the United States, but increases in imports lead to job loss—by destroying existing jobs and preventing new job creation—as imports displace goods that otherwise would have been made in the United States by domestic workers. Thus, it is changes in trade balances—the net of exports and imports—that determine the number of jobs created or displaced by trade and investment deals like KORUS. In the first three years after KORUS took effect, U.S. domestic exports to Korea increased by only $0.8 billion, an increase of 1.8%, as shown in the figure below. Imports from Korea increased $12.6 billion, an increase of 22.5%. As a result, the U.S. trade deficit with Korea increased $11.8 billion between 2011 and 2014, an increase of 80.4%, nearly doubling in just three years.

**KORUS hurts the auto industry**

Reuters news service 2015 (journalist Jeff Mason) “Obama touts auto bailout success, Michigan worries about trade” 7 JANUARY 2015. <http://www.reuters.com/article/2015/01/07/us-usa-obama-autos-idUSKBN0KG2B920150107>

But his push for new trade agreements is controversial in Michigan, where advocates and local officials say a Korean free trade agreement has helped that country's auto industry significantly more than the U.S. sector. "That agreement generally has just slammed Michigan," said Lori Wallach, director of Global Trade Watch, an advocacy group, in an interview.

FTAs encourage unfair trade practices (like currency manipulation and dumping), reducing US jobs and wages

Dr. [Robert E. Scott](http://www.epi.org/people/robert-e-scott) 2013 (with Economic Policy Institute; Ph.D. in Economics from the Univ of California at Berkeley and a B.S. in Engineering from the Washington Univ. Economic Policy Institute is an independent, nonprofit economic research organization) “No Jobs from Trade Pacts”  18 July 2013. <http://www.epi.org/publication/trade-pacts-korus-trans-pacific-partnership/> (brackets added)

FTAs and other trade agreements make it enormously profitable to outsource production to countries such as South Korea and China that use currency manipulation, dumping, and other unfair trade practices to undercut production and wages in the United States. U.S. MNCs [multi-national corporations], including Apple, Boeing, Dell, Ford, GE, GM, and Intel have also profited enormously from outsourcing to Mexico, China, and other low-wage trade partners under the protection of FTAs and the WTO. The end result is a race to the bottom in wages and working conditions for most members of these agreements (Inequality.is 2013). The United States should stop negotiating FTAs and trade deals and fix the ones we have.

Free Trade Agreements fail: They predict job growth and instead jobs are eliminated. Example: NAFTA

Dr. [Robert E. Scott](http://www.epi.org/people/robert-e-scott) 2013 (with Economic Policy Institute; Ph.D. in Economics from Univ of California-Berkeley. Economic Policy Institute is an independent, nonprofit economic research organization) “No Jobs from Trade Pacts”  18 July 2013. <http://www.epi.org/publication/trade-pacts-korus-trans-pacific-partnership/>

For more than two decades, presidents of both parties have claimed that new trade deals would result in rising U.S. exports and new job creation. Bill Clinton (1993) and his supporters claimed in the early 1990s that the North American Free Trade Agreement would create 200,000 new jobs through increased exports to Mexico. In fact, by 2010, growing trade deficits with Mexico had eliminated 682,900 U.S. jobs, with job losses in every U.S. state and congressional district (Scott 2011).

KORUS is a NAFTA clone, and just as bad for American workers

Ian Fletcher. 2011. (Fletcher is Senior Economist of the Coalition for a Prosperous America. He was previously a Research Fellow with the U.S. Business and Industry Council, a Washington think tank.) Huffington Post.  “No, Obama, We Don't Need Free Trade Agreements with Panama, Colombia, and Korea” 15 JULY 2011.  (Parenthesis in original) <http://www.huffingtonpost.com/ian-fletcher/free-trade-agreements-harmful-to-economy_b_900463.html>

Nice words. Unfortunately, none of them are reflected in KORUS-FTA, which contains no serious new provisions on these issues. This agreement is essentially a NAFTA clone. It is, in fact, the biggest trade agreement since NAFTA, and the first since Canada with a developed country. This agreement, like NAFTA and the dozen or so other free trade agreements America has signed since NAFTA, is fundamentally an offshoring agreement. That is, it is about making it easier for U.S.-based multinationals to move production overseas with confidence in the security of their investments in overseas plants. The provisions to protect workers and consumers are unenforceable window dressing. (That's why they're allowed to be in there in the first place.) Don't be fooled by the fact that some unions, like the United Auto Workers (UAW), have endorsed the agreement. This is just a cynical ploy by the White House to split the trade union movement in order to keep the AFL-CIO neutral.

South Koreans hurt by KORUS: weakens labor standards in Korea

Jordan Smith. &  L. Thomas Galloway. 2012. (writer at the Center for International Journalism. His work has appeared in numerous publications across the country, including the New York Times, Washington Post and Boston Globe. Galloway - president of the Galloway Family Foundation, whose focus is on international journalism and human rights and funds the Center for International Journalism.) “For US free trade partners, threats to labor rights” 2 APRIL 2012. <http://www.globalpost.com/dispatches/globalpost-blogs/rights/free-trade-labor-rights-korea-guatemala> (brackets added)

“They’re concerned with the investor-state provision, and concerned that the dispute mechanisms favor multinational corporations,” says [Scott] Snyder [Korea expert at the Council on Foreign Relations]. Investor-state dispute settlement mechanisms allow US investors to file grievances with Korea in the courts of a third country. The opposition argues this would work mostly in favor of the US because it has such significant influence over the international judicial system. Those fears are not misplaced, said Arthur Stamoulis, executive director of Citizens Trade Campaign, a coalition of groups founded in 1992 to oppose the North American Free Trade Agreement. “Most existing laws are safe, but future laws—if a union wanted to improve worker safety, for example, a foreign corporation could challenge it if it affects cross-border trade or investment.” Labor-related regulations and court decisions are also open to being challenged by multinational companies under the FTA, Stamoulis said. Korean labor concerns are further validated by the outcomes of previous US free trade agreements.

KORUS FTA promotes Chinese fraudulent circumvention of trade laws. Impact: Lost jobs

Rep. Linda Sanchez 2011 (D-Calif.) CONGRESSIONAL RECORD 12 Oct 2011 <http://www.c-span.org/congress/bills/billAction/?2665164>

This Korea FTA will allow China to dump even more cheap goods into the U.S. without paying proper duties. And we're not talking about just a couple of dollars here either. Chinese companies fraudulently labeled many of their products as ``Made in Korea'' to the tune of $153 million last year. This fraud will mean lost jobs and lost revenue here in the United States. If this agreement passes, more Chinese companies will ignore our trade laws. I think we can all agree that we should be working toward supporting our manufacturing sector, not making it easier for China to cheat us. Working families in this country deserve better than this flawed agreement.

SOLVENCY / ADVOCACY

S. Korea’s United Progressive Party: KORUS deal should be nullified

Bloomberg News 2012 (journalists Sangwon Yoon and Eric Martin) 15 Mar 2015 U.S.-Korea Free Trade Starts as Seoul Opponents Vow Repeal <http://www.bloomberg.com/news/articles/2012-03-15/south-korea-opposition-party-vows-to-scrap-u-s-fta-if-elected>

South Korea’s United Progressive Party, which has joined a coalition with the main opposition group, said in a statement it will propose a parliamentary agreement to nullify the deal. “March 15, 2012, will be remembered not as a day that South Korea lost its dreams but as its first day stepping forward to a progressive future,” United Progressive Party legislator Kang Ki Kab told reporters today in Seoul.

Many South Koreans oppose KORUS, and the Democratic United Party advocates repealing it

PR Watch. 2014. (A nonprofit, public interest organization dedicated to investigative reporting on the public relations industry.) “John Kinsman: Why we should oppose the Trans Pacific Partnership” 24 January 2014. <http://www.bilaterals.org/?john-kinsman-why-we-should-oppose-24523&lang=en>

Most recently, the Korea US Free Trade Agreement (KORUS FTA) was signed over the objections of many labor, farm, and consumer groups in both countries. According to the February 8 edition of the Korea Times, the leader of the Democratic United Party (DUP) vowed to nullify this deal once in power, and it is predicted the DUP will win this year’s general election. In an [open](http://www.bilaterals.org/?john-kinsman-why-we-should-oppose-24523&lang=en) letter to President Obama, Vice President Biden, and House Speaker Boehner, the DUP called upon the US "to reconsider the KORUS FTA in order to truly strengthen the long-term relationship between our countries. If our cordial and earnest request is overlooked by your administration, we will have to take all measures possible to freeze the implementation of the KORUS FTA."

Either party (US or S.Korea) can repeal the deal with no problem

Bloomberg News 2012 (journalists Sangwon Yoon and Eric Martin) 15 Mar 2015 U.S.-Korea Free Trade Starts as Seoul Opponents Vow Repeal <http://www.bloomberg.com/news/articles/2012-03-15/south-korea-opposition-party-vows-to-scrap-u-s-fta-if-elected>

Repealing the accord “won’t jeopardize national confidence” because under the agreement “any of the two countries could nullify the deal,” Rhyu Si Min, a leader in of the United Progressives, said in an interview today with YTN Radio. “The DUP calls for a renegotiation of the terms, and we have agreed to respect each other’s difference in opinion.”

Withdrawal from KORUS (and other FTAs) is the only solution

James Moreland 2014 (staff writer for Economy In Crisis, a non-profit economic research group) 4 Oct 2014 “Free Trade” Has Exposed Us to South Korea’s Predatory Practices <http://economyincrisis.org/content/free-trade-has-exposed-us-to-south-koreas-predations>

If we practiced fair trade, not only would the present case have been dispatched long ago, but all other such cases could be handled with equal ease. Instead, we have managed to swat a single mosquito while dozens of others buzz around us, ready to suck out our economic lifeblood. The only realistic, comprehensive, long-term remedy for our ills is to withdraw from the World Trade Organization, NAFTA, KORUS and any other “free trade” entanglements. Once we regain our sovereignty, we will have the freedom to take the measures we need to get back on the path to prosperity.

U.S. trade does better without FTA than with it

Public Citizen. 2015. (a national, nonprofit consumer advocacy organization founded in 1971 to represent consumer interests in Congress, the executive branch and the courts) “Job-Killing Trade Deficits Surge under FTAs: U.S. Trade Deficits Grow More than 425% with FTA Countries, but Decline 11% with Non-FTA Countries ” February 2015.  <http://www.citizen.org/documents/FTA-V-No-FTA-Factsheet.pdf>

The aggregate U.S. goods trade deficit with Free Trade Agreement (FTA) partners is more than five times as high as before the deals went into effect, while the aggregate trade deficit with non-FTA countries has actually fallen. The key differences are soaring imports into the United States from FTA partners and lower growth in U.S. exports to those nations than to non-FTA nations. Growth of U.S. exports to FTA partners has been 20 percent lower than U.S. export growth to the rest of the world over the last decade (annual average growth of 5.3 percent to non-FTA nations vs. 4.3 percent to FTA nations from 2004 to 2014).