

# “TPP Will Be Great,” Say People Who Crashed Global Economy in 2008

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Theme: [Global Economy](#)

Global Research, May 07, 2015

[Common Dreams](#) 6 May 2015

Executives from the financial institutions who received TARP funds, (L-R) Goldman Sachs Chairman and CEO Lloyd Blankfein, JPMorgan Chase & Co Chairman and CEO Jamie Dimon, The Bank of New York Mellon CEO Robert P. Kelly, Bank of America CEO Ken Lewis and State Street Corporation CEO and Chairman Ronald Logue testify before the House Financial Services Committee February 11, 2009 in Washington, DC. (Photo: Chip Somodevilla/Getty Images)

Even as millions and millions of Americans—represented [by thousands of labor, environmental, family farm, consumer, faith, Internet freedom and other advocacy organizations](#)—continue to stand firmly in opposition to the Trans-Pacific Partnership, those backing the TPP, including President Obama and a large majority of the Republican caucus, still have two dedicated demographic groups pledging their allegiance to the cause and arguing the so-called “free trade agreement (FTA)” would be good for average workers and the economy overall: billionaires and Wall Street titans.

As Zach Carter of the *Huffington Post* [reports](#):

Last week, dozens of New York City’s power elite [signed a letter](#) to the state’s congressional delegation, urging lawmakers to support the Trans-Pacific Partnership now in negotiations. Democrats in Congress largely oppose the TPP, and Republican leaders have said [they don’t have the votes](#) needed to pass it without Democratic support.

But while Obama has struggled to win over members of his own party — he has been [publicly feuding](#) with [Sen. Elizabeth Warren](#) (D-Mass.) — wealthy CEOs probably aren’t the ideal pitchmen to skeptical Democrats. Even if their letter hails the TPP as “a catalyst for creating new jobs in the United States” that will benefit “American workers in a broad range of industries.”

Fox News mogul Rupert Murdoch signed the letter. So did Steven Schwarzman, who once compared the prospect of raising taxes on private equity magnates like himself to [Hitler’s invasion of Poland](#). John Paulson, the Republican mega-donor who made a fortune [betting against the housing market with Goldman Sachs](#), is also a signee. So is vulture investor Wilbur Ross, who [spent six figures](#) to support GOP nominee Mitt Romney in 2012 and has backed such conservative hardliners as Sen. Tom Cotton (R-Ark.) and former Rep. Allen West (R-Fla.).

Other signatories include real estate billionaire Jerry Speyer, who recently [attended](#) a [\\$100,000-per-person](#) fundraiser to bolster former Florida Gov. Jeb Bush’s White House hopes. The host of that event, private equity kingpin Henry Kravis, also signed.

News of the letter, which can be read in full [here](#), came on the same day as [new trade data](#) released by the U.S. Census Bureau, covering the full first three years of the bilateral trade deal between the U.S. and South Korea, revealed that the U.S. goods trade deficit with that country has more than doubled since the agreement, first signed in 2007 and amended in 2010, was implemented.

What the new data shows, according to the advocacy group Public Citizen, is economic outcomes that are the opposite of the Obama administration's "[more exports, more jobs](#)" promise used to push through that deal, which are the same promises the administration and those supporting TPP are now using as they attempt to persuade Congress to approve Fast Track authority and ram it through Congress without debate or amendment.

The new economic statistics, explains Public Citizen, offer a damning indictment of the promises on which such deals are sold:

U.S. goods exports to Korea have dropped 6 percent, or \$2.7 billion, under the Korea FTA's first three years, while goods imports from Korea have surged 19 percent, or \$11.3 billion (comparing the deal's third year to the year before implementation). As a result, the U.S. goods trade deficit with Korea has swelled 104 percent, or more than \$14 billion. The trade deficit increase equates to the loss of more than 93,000 American jobs in the first three years of the Korea FTA, counting both exports and imports, according to the trade-jobs [ratio](#) that the Obama administration used to project gains from the deal." [...]

Record-breaking U.S. trade deficits with Korea have become the new normal under the FTA - in 35 of the 36 months since the Korea FTA took effect, the U.S. goods trade deficit with Korea has exceeded the average monthly trade deficit seen in the three years before the deal. In January 2015, the monthly U.S. goods trade deficit with Korea topped \$3 billion - the highest level on record.

The administration has tried to deflect attention from the failure of its Korea FTA by claiming that its poor performance has been caused by economic stagnation in Korea. However, Korea's economy [has grown](#) during each year of the Korea FTA, while U.S. exports to Korea have not.

Despite those figures and the collapse of the U.S. manufacturing sector in the age of neoliberal globalization, the repeated line from TPP supporters is that these deals are 'job creators.' As the letter from the billionaire elites to the New York Congressional Delegation stated, "TPP would be a catalyst for creating new jobs in the United States, attracting more foreign investment to this country, and benefitting American workers in a broad range of industries."

But that's simply not what the evidence from past FTAs shows, said Lori Wallach, director of Public Citizen's Global Trade Watch, in a statement on Tuesday.

"Who's going to buy the argument about Fast Track and the TPP creating 'more exports, more jobs' when Obama's only major trade deal, used as the TPP template, was sold under that very slogan and yet has done the opposite?"

And Dave Johnson, from the Campaign for America's Future, explained in a Tuesday post how none of this "just happened" by accident, but that corporate-friendly trade policies

have created these 'job-killing' conditions:

Globalization is not some kind of inevitable natural process of history that has caught up with us. This was and is the result of intentional policy choices, designed to force deindustrialization, break unions, drive down wages and benefits and increase inequality as that pay differential is pocketed by a few. This is the result of the "free market, free trade" ideology that rose up in the late 70s. Free trade policy was and is designed to give a few plutocrats and their giant corporations — "the 1 percent" — increased power over governments.

Dean Baker, in "[Globalization Was Policy, Not Something That Happened](#)," explained, "... inequality, like the path of globalization, is not something that happened. It was and is the result of conscious policy. We won't be able to deal with it effectively until we acknowledge this simple fact."

In his reporting for *Huffington Post*, Carter makes it clear that it wasn't only billionaires who signed the letter urging for Fast Track and TPP approval. Some, he told his readers, were "merely millionaire CEOs" like Goldman Sach's Lloyd Blankfein, Kenneth Chenault of American Express, and JP Morgan's Jamie Dimon.

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