

IAM Statement regarding Proposed U.S.-South Korea Free Trade Agreement

The International Association of Machinists and Aerospace Workers (IAM), strongly opposes the trade deal announced last Friday concerning the United States and South Korea. The agreement, which must be approved by Congress, fails to meet the many concerns we have raised with respect to NAFTA-style trade agreements and could not come at a worse moment for the millions of unemployed workers in the United States. It is our firm belief that the last thing U.S. workers and our nation's economy needs is another flawed trade agreement built on the disastrous framework of NAFTA. This agreement raises serious concerns for our members who produce a variety of manufactured products, including those related to aerospace.

The IAM maintains this agreement could have represented an opportunity to demonstrate real and meaningful change when it comes to building a fresh, new trade agenda. Sadly, it will further empower the same old trans-national business interests that are all too eager to shift more U.S. production jobs to countries like South Korea, China, and Mexico.

The current deal falls woefully short of addressing fundamental objections that have been repeatedly raised by the IAM. Among other things, the labor chapter fails to make any improvements on the inadequate Bush labor standards which were implemented in the Peru agreement over three years ago. It also preserves objectionable language regarding the investor to state dispute mechanism and contains troubling language concerning government procurement that could result in even more offshoring of U.S. jobs.

The agreement also contains inadequate provisions regarding the rule of origin which could allow for 65 percent of foreign content in autos that are eligible for the lower tariff treatment, higher even than the percentage permitted under the EU-Korea agreement. The deal also fails to address currency manipulation and raises concerns over the possibility that goods made in the Kaesong Industrial Complex, the North Korea Free Trade Zone, could gain future access to the U.S. market.

Not surprisingly, the same corporations that shipped thousands of U.S. jobs to other countries are now spinning Alice-in-Wonderland tales about how this agreement will create jobs here at home. Given our past experience with NAFTA and other trade agreements and the current state of the U.S. economy, the nation can hardly afford to fall for this ruse again.

The IAM, which led the peaceful WTO protests in Seattle over ten years ago, is no stranger to fighting for fair trade. The IAM will never back away from our commitment to ensure that all trade agreements work for U.S. workers, our communities and for workers all over the world.

The American public understands the terrible toll our failed trade policies have taken on our economy. Now it is up to Congress to reject this NAFTA-styled trade agreement. We congratulate those in Congress who have already spoken out against this agreement and we encourage others to work with them to defeat implementing legislation.