

# Mr. President, you're dead wrong on TPP

*From Dan DiMicco, retired chairman and CEO of Nucor Corporation, in response to "TPP will spark more jobs, higher salaries in N.C." (Oct. 18 column by President Obama):*

Mr. President, you are dead wrong on the Trans-Pacific Partnership.

While your comment about past trade agreements "not living up to their promise" is accurate, TPP will be anything but a net job creator or a net positive for trade. It will



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be just like all the others, a net failure! Fact: the "Free Trade" era (since 1990) has given us an

accumulated goods net trade deficit of over \$12 trillion, a shrinking middle class, more than 5 million lost manufacturing jobs and greatly weakened our national security.

Tariffs are gone under TPP. Yes, but over years, decades, but not now! The honest way to think about the "18,000 tariffs cut" claim is that, at best, it does not matter.

Tariffs are a small part of the deal. The TPP is mostly about global re-regulation outside the scope of national legislatures and parliaments. Copyright, pharmaceutical, financial services, food safety and many other laws are taken from Congress' hands, unless they kill TPP now, which they must!

The U.S. International Trade Commission (USITC) is tasked with projecting the future economic impact of trade

agreements. The Commission's reports are usually wrong on an astounding scale. In a report on the future impact of the South Korea trade agreement, which was implemented in 2012, the USITC projected a substantial benefit for U.S. exports which exceeded any increased exports. Instead, our trade deficit with South Korea has grown more than 70 percent. Ditto all the previous deals!

The TPP offers no avenue to stop currency manipulation, which is worse than tariffs. Also, they all have a separate VAT Tax system which does not go away. In fact after previous trade agreements, they have been put in to replace tariffs that were just eliminated, and we have done nothing! These VATs gets rebated by their government when they export, at a rate of 17-20 percent, and it gets added to the costs of our goods coming into their country. The former results in our goods being undercut here by the same 17-20 percent. Tariff reduction misleading? Absolutely!

Your comment, "95% of the world's consumers live outside our borders" ... True but over 80 percent of them earn less than \$1 per hour! Misleading? Again: Absolutely!

Your comment about jobs creation is also only half true. Why? Because we are still 10-12 million jobs behind in job creation when compared to the '74, '82 and '90 recoveries! Mr. President, TPP will not be better where it counts - and the economy has never been your top priority.