

To the Iowa Fair Trade Campaign:

Dear Friends and Mr. Ploeser,

I want to thank you for your tremendous efforts to bring awareness to the unfair trade policies that are hurting working families. Your work at the Iowa Fair Trade Campaign to advocate for smarter trade policies that help America's workers, instead of just big multinational corporations, is so important.

I share without reservation your commitment to enacting trade policies that actually help workers and help our economy. For too long, Washington has passed trade deal after trade deal, like NAFTA and the WTO, that work for insiders and special interests but leave American workers in the cold.

I know first hand the impact that plant closings can have on a town, because I saw what happened when the mill that my dad worked in much of his life, and I worked in myself when I was young, closed and the jobs went somewhere else. It wasn't just devastating to our community economically – it was devastating to the pride and dignity of the people who worked hard every day trying to make a better life for their kids. Iowa has seen this effect too, with the closing of plants like Maytag in Newton.

Just since President Bush took office, more than 5 million jobs have been lost overseas, including 3.3 million manufacturing jobs and more than 1.6 million service jobs. And if U.S. manufacturers, rather than overseas companies, had captured the growth in U.S. demand for manufactured products over this period, our nation would have actually *added* more than 2 million manufacturing jobs, rather than losing millions of them.

On top of these losses, economists now say that roughly twenty percent of all the jobs in our economy today – 25 to 30 million jobs – could potentially be sent offshore over the next decade. The ripple effect this would have on our economy would leave almost no working family untouched.

And don't let anyone tell it's just manufacturing or low-skilled jobs that we'll lose – it's any job that can be done elsewhere. Radiology, accounting, software engineering, and many other jobs are right now being offshored – in fact, the educational group most vulnerable to future offshoring is those with at least a four-year college degree. And every state and every region in America will be gravely challenged, ranging from 18% of the jobs in the Northeast to 22% in the West to 26% in the Midwest to 34% in the South.

This is the brutal reality we now face as a nation: All good jobs – manufacturing, technology and white-collar, the jobs that we told our kids would offer them a chance at the American Dream – are right now either actually being offshored or put at risk.

And it doesn't end with just the jobs actually lost. American workers are now being asked to compete every day with overseas workers earning miserably low wages with no benefits, and this downward pressure on every worker's wages is a major reason why income inequality in the United States is at its worst since before the Great Depression and why wages have been stagnant for a generation.

Unfortunately, Washington now looks at every trade deal and asks only one question - is it good for corporate profits? As president, I will ask a fundamentally different question before making a trade deal - after considering the impact on jobs, wages and prices, will most families be better off?

When I am president, we will follow five principles to make sure trade and globalization work for everyone, starting right here at home.

First, our trade deals must provide clear and measurable benefits for American workers and farmers – and we must fully enforce them. Rather than foreign investor protections that promote offshoring and job loss, agreements must have at their core strong protections for the global environment and the five basic internationally-recognized core labor rights as stated in the eight fundamental International Labor Organization (ILO) conventions, such as prohibiting sweatshops and child labor and protecting the right of workers to join unions. Such provisions must be enforced with the same mechanisms provided for enforcement of other commercial provisions And our trade deals must include prohibitions against illegal subsidies and currency manipulation and other trade cheating of the sort that is in fact encouraged under most of our current arrangements, to the detriment of American farmers, workers and firms.

Second, our trade policies must be explicitly designed to lift up workers around the world. Making sure that workers around the globe are treated fairly and share in the gains of trade is the right thing to do morally, it is the right thing to do economically, and it will make us here in America safer and more secure. We can never again condone trade agreements with countries which ignore good governance, where there is violence against workers, or where workers are denied just wages and working conditions.

Third, we must understand in negotiating trade agreements that “one size does not fit all”. We need to be realistic about global differences in form of government, in the rule of law, in the relative state of countries’ economies, and in the day-to-day trade and business practices of potential trading partners. How utterly foolish is it that we treat China with its massive controlled and manipulated economy, Mexico with its porous three thousand mile-long border with the U.S., and developing countries in South America and Africa, all the same when it comes to trade? In an Edwards Administration, we will negotiate trade agreements tailored to the specific circumstances in the country with which we propose to trade.

This sense that “one size does not fit all” has particular applicability to the current Doha round of trade negotiations. Since implementation of NAFTA and the WTO, tens of thousands of American farmers have been bankrupted even as hunger increases in many poor countries, and income inequality here and around the world is soaring. Our more than decade-long experience with the WTO and its agreements evidences too many negative outcomes domestically and other nations around the world for us to agree to expand the WTO’s authority as currently proposed in the Doha Round.

The United States has considerable leverage to insist the global trade regime benefits people, not only the special interests who designed the current system. As a nation, we need to let our WTO trading partners with which we have material trade deficits know that that the current WTO constructs are simply not working. We need

to focus on fixing these rules and the protocols under which challenges are made and decisions are rendered.

Fourth, to help regular Americans get ahead and stay ahead, we need to make sure that all of our children get a quality education, we need to raise the minimum wage, we need to strengthen American unions, and, most important, we need to guarantee universal health care. I am proud to be the first major candidate to have come out with a plan for truly universal health care, and my plan remains the most comprehensive, practical and far-reaching of all the plans being discussed. My health care plan is now the standard against which all the others are being measured. Getting the American health care system right is not only a moral imperative, but it is critical to our future competitiveness.

And fifth, we need to invest resources to ensure that our country keeps its competitive edge in the world. We need to create the jobs of the future here in America and make sure our workers have the skills they need to fill them. We need to create a new clean and green energy economy, make the Research and Experimentation Tax Credit permanent, invest in life sciences and biomedical research, and strengthen math and science education.

Now let me tell you what, as president, I will do and not do to put these five principles into practice:

When I am president, I will tie both unilateral trade preferences and bilateral and multilateral trade agreements, as well as, I would note, future presidential Trade Negotiating Authority, to measurable progress on labor rights in the involved countries. All of our trade partners will have to meet basic labor standards, we will not trade with countries where being a trade-unionist means putting your life at stake, and we will be sure that the gains from trade flow to workers and not to those who exploit them. When I am president, the first step I would undertake is a careful assessment of our existing agreements, so that we can ensure we do not repeat past mistakes and identify if and how our existing agreements require modification.

In addition, I should note that there is no aspect of your trade agreement prerequisites 2.a through 2.i to which I take notable exception, and my administration would be committed to pursuing each of them in our future trade agreements and in the renegotiation of existing agreements. Implicit in my general embrace of these several principals, we need as a nation to specifically, and urgently for immediate health and safety reasons, eliminate both the unreasonable limitations on border inspections of imports and the ceilings on safety standards which are now present in many of our trade agreements.

The existing Fast Track trade agreement negotiating system has not resulted in agreements that are working for most Americans. I believe we need a new way to negotiate trade agreements that ensure they do not overstep into imposing one-size-fits all constraints which limit the domestic health care, education, environmental, safety and other policies that are essential to ensuring our nation's future. This new trade negotiating system must provide more opportunities for diverse public input in contrast to our current system which relatively advantages business interests while largely excluding non-commercial interests.

I will not tolerate seeing competitive American factories move overseas. When I am president, I will use government resources to provide legal inducements to those corporations, domestic and foreign, that want to provide good jobs to Americans so they can sell their goods into the biggest, most advanced market in the world for their goods. I will also ensure that our government procurement policies strengthen, rather than compete against, the interests of our domestic businesses and that they help create jobs for American workers, and I am prepared to make changes to our current trade agreements to support such policies. It is a worrisome symptom indeed of the overreach of our current trade agreements that our domestic prevailing wage, recycled content, renewable energy and other procurement requirements could be challenged under trade agreements.

I will insist that new trade agreements include strong rules on environmental protection. As the world's biggest customer, our trade deals can be vital tools to ensure that progress is made in addressing the threat of global climate change. They can also be tools to ensure that poor environmental practices do not create unfair competitive advantages, and that those who are willing to destroy the planet do not profit from their irresponsibility. And trade agreements should not be allowed to override the multilateral environmental agreements that represent the global consensus of sovereign nations about vital environmental measures.

I will insist that our trade deals be fairly and fully administered. For free trade to be fair, it must be based on rules, and then those rules must be followed. The men and women from the USTR who negotiate trade agreements should not be responsible for enforcing them. Instead, I will make enforcing our trade deals a key priority of the top prosecutors at the Department of Justice.

I will eliminate the tax incentives that encourage American companies to invest overseas rather than here at home. We must fix our own tax code so that corporations aren't rewarded for closing plants and shipping jobs to countries like China. One of the starkest examples of the fact that our economy works best for big business instead of for regular Americans is that right now we actually give tax incentives to companies to invest overseas.

Uniquely among the candidates, I will also protect national security-related manufacturing. Currently, the United States has a \$55 billion annual trade deficit with China alone for what are called "Advanced Technology Products", many of which are essential to our nation's high-tech weaponry and national defense. Advanced Technology Products include such products as semiconductors, microchips, biotech medicines, fiber optics, and satellite technology. In addition to losing high-value manufacturing jobs overseas, America is fast becoming over-reliant, from a national security perspective, on foreign countries for these and other vital products. When I am president, I will work with Congress to pass legislation requiring that before the manufacturing of items which, according to the Department of Defense, are either on the "Militarily Critical Technologies List (MCTL)" or have national or homeland security implications is sent overseas, such offshoring of technology and jobs be subject first to a "national security impact statement".

When I am president, restoring fair and balanced trade with China will be a particular priority. China's massive manipulation of the Yuan has continued for years, giving it an unfair advantage against U.S. manufacturers, and its labor and

intellectual property and environmental protections are grossly inadequate. We need to insist that China abide by the rules that govern the conduct of responsible nations. We will do business with China, but we will not be pushed around or talked to death while they manipulate their currency to unfairly flood the world with their goods.

Finally, I will be sure that those who are harmed by trade are dealt with in a fair and just way. I am strongly in favor of two bills which the United States Senate is now considering to reform and improve Trade Adjustment

Assistance or TAA. One bill wisely extends TAA to the service sector workers and provides much needed financial assistance for communities adversely affected by trade, since TAA now only helps manufacturing workers at plant closings. The other bill makes important improvements to the Health Coverage Tax Credit to address the loss of health care for displaced workers. **And I will also create a broad new "Training Works" program that ties retraining to real jobs across the economy.**

In closing, I want you to know that I absolutely believe in fair free trade, and I always will, since fair free trade creates jobs for Americans and fairness in the global economy. But like you, I don't believe in trade that only helps large global corporations and hurts American workers and America. And like you I do not subscribe to the view that our government is incapable of ensuring that Americans are not unfairly harmed by globalization.

Protecting Americans' wellbeing, my friends, in the honest and open ways I have described is nothing more and nothing less than basic fairness, and it is absolutely not protectionism. It is instead one of the greatest ethical responsibilities of the president of the United States. And when I am president, I will fight ceaselessly to ensure that we create rules for the global economy which harness its benefits for all.

With these smart trade policies and fair rules for the global economy, we can protect the interests of American workers, farmers and firms and grow our economy. We can create good jobs and make sure American workers compete on a level playing field by bringing up standards worldwide. And we can create a new future where workers, farmers and their families have a chance to achieve the American Dream.

In solidarity as well,
John Edwards
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