



AMERICANS FOR LIMITED GOVERNMENT

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June 6, 2016

Donald J. Trump
675 N. Washington St.
Alexandria, VA, 22314

Dear Mr. Trump,

Thank you for your leadership on the international trade issue by giving voice to the reality that the deals negotiated by our leaders are anything but free trade or good for America.

President Obama's recent trip to Vietnam highlighted one such aspect of his Trans-Pacific Partnership (TPP). A McClatchy article headlined, "Trade pitch turns Obama into salesman for Vietnam shoes,"¹ tells the story about the impact of TPP.

Author Anita Kumar's fawning pro-TPP puff piece makes its case writing, "The deal would allow Vietnam's manufacturing industry — already booming because of low labor costs — to export more products to the United States, primarily clothes, textiles and shoes."

Here is what neither Kumar nor the President told the American public. The average Vietnamese worker makes \$150 a month, virtual slave wages. But the average Vietnamese textile worker who makes shoes earns even less, in fact, about 30 percent less down to \$100 a month according to Vietnamonline.com.² While this is good for Nike, which doesn't actually make any of its hundred dollar plus tennis shoes here in America, it is bad for their competitor, New Balance, which employs 900 Americans in Massachusetts and Maine making footwear.

Perhaps that is why President Obama made an appearance at Nike headquarters in Oregon last year to promote fast tracking his trade agenda rather than showing his face to American workers on the other coast.

It is hard for most people to remember when Presidents at least gave lip service to the idea of promoting American jobs, but rarely has anyone thrown American workers under the bus as flagrantly as President Obama did in his Vietnam trip. Yet no one in the media has called him out.

Another egregious example of American policy being out of whack is the area of agricultural subsidies and trade. A specific example is the much maligned U.S. sugar policy, which is in place to offset massive sugar subsidization by producers like Brazil, Thailand and India. These countries' subsidies and trade-distorting policies have wrecked the world sugar market and could drive the U.S. industry out of business.

Europe found this out the hard way when it unilaterally reformed its sugar policy in 2006 and became more dependent on subsidized imports. Foreign sugar drove much of its sugar industry out of business, costing thousands of Europeans their jobs. Then, when imports predictably slowed, massive shortages materialized, burning consumers with high prices. Only recently has the European market

¹ <http://www.mcclatchydc.com/news/politics-government/white-house/article79428407.html>

² <http://www.vietnamonline.com/az/average-salary.html>

started to stabilize, but not before the EU began subsidizing again to help support domestic producers – a move that ironically makes the global market less free and fair.

However, there is a solution for someone with a hard-nosed desire to get the best deal for the American people and end agriculture subsidies. U.S. Rep. Ted Yoho (R-Fla.) has introduced legislation that would end the U.S. sugar program when the U.S. gets other nations to do the same through the World Trade Organization. Yoho's approach, making the end of our sugar policy contingent upon our competitors eliminating their subsidies, too, gives the President a powerful tool to use as a cudgel over world-wide agricultural competitor's heads, because Congress would have already done its work.

Another obvious area where you have hit the nail on the head on the cause of trade imbalance is the practice of currency manipulation used by the Chinese, Japanese and South Koreans that effectively prevents the sale of American made automobiles to these countries, while lowering their cost to sell their vehicles in America.

Dealing with the currency manipulation de facto tariff through bi-lateral negotiations with these nations rather than ignoring the issue in multi-lateral trade deals like the TPP, which allows both South Korea and China to dock into later is the best solution to meeting this problem head on and opening these major markets to American made vehicles.

Fixing our nation's bi-partisan failed trade policies is just one part of getting America's economy out of its downward spiral. The GDP hasn't grown by more than 4 percent in the 21st century, with the normative 3 percent growth rate not met for the past decade, the slowest growth since the Great Depression. Rebuilding a robust domestic manufacturing sector is important to restoring America's economic leadership in the world, and in doing so, providing hope to our nation that tomorrow will once again be better than today.

Thank you for tackling this important issue.

Sincerely,

A handwritten signature in black ink that reads "Rick Manning". The signature is written in a cursive, slightly slanted style with a large, sweeping flourish at the end.

Rick Manning
President
Americans for Limited Government