

# The Trans-Pacific Partnership:

# An Attack on U.S. Wages

**T**he Trans-Pacific Partnership (TPP) is on track to become the largest free trade agreement ever.

It's being negotiated in secret among 12 countries: the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. It covers 792 million people and accounts for nearly 40 percent of the world's economic activity.

TPP really isn't a trade deal. Of the 29 chapters that make up the trade agreement, just five touch on traditional trade issues. The others focus on the interests of multinational corporations.

Given what we've learned so far about TPP, it's not a surprise that U.S. trade negotiators have tried to keep most of the TPP negotiations a secret. TPP – just like most other U.S. trade agreements – would provide significant incentives to multinational corporations to off-shore even more investment and jobs to countries that pay poverty level wages or engage in forced labor.

Just three trade agreements – NAFTA, allowing China into the World Trade Organization and the U.S.-Korea Free Trade agreement – caused a net loss of more than 4 million U.S. jobs. These trade agreements – including TPP – also erode U.S. wages.

## How TPP Would Erode U.S. Wages

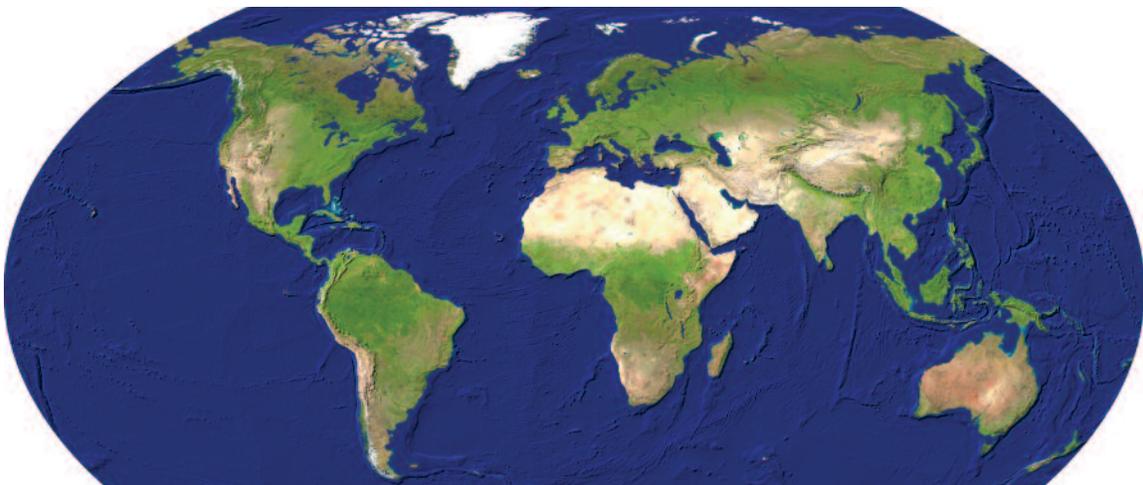
■ Manufacturers already are lining up to send jobs to Vietnam, where the minimum wage is just 52 cents an hour.

■ The average hourly wage in Vietnam (second quarter 2014) was \$1.05 per hour.

■ A recent report by the Center for Economic and Policy Research (Sept. 2013) concluded that the U.S. median wage would fall as a result of TPP. "Taking into account the unequalizing effect of trade on wages... the median wage earner will probably lose as a result of any such agreement. In fact, most workers are likely to lose..."

■ For those in tradeable jobs like manufacturing, wage competition can be as brutal as job loss.

*(Continued)*



### Hourly Country Minimum Wages

U.S	7.25
Vietnam	0.52
Mexico	0.62
China	1.94

### Unfair Trade Has Meant an Average Wage Loss of 5.5% for Most Workers, or a Total \$118 Billion a Year

■ Trade with less-developed countries has resulted in an average annual wage loss of 5.5% – or about \$1,800 – for an average full time worker without a four-year college degree (a majority of the employed workforce).

■ This total wage loss amounted to \$118 billion.

### Trade Has Made Income Inequality Even Worse

■ Almost 1 million of the workers displaced by the China trade agreement were members of minority groups, representing a disproportionately large 35% of the total jobs displaced. These minority workers suffered an annual 29.6% cut in their average wage. The total net wage loss for these workers totaled \$10.1 billion.

It's up to Congress. Reject Fast Track and negotiate a trade deal that works for all of us.