



*My company was founded by Paul Revere in 1801. We believe we are the oldest basic manufacturing company in the USA. Today, we ship copper and brass sheet, strip, coil, bus bar and extruded shapes to other US manufacturing companies.*

*Since the year 2000  
we have experienced that over 30%  
of the facilities we shipped product to  
in the USA have disappeared...  
they have shut down or moved  
offshore...mostly to China*



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***The Coalition for a Prosperous America  
(CPA)***

***is a coalition of farmer, ranchers,  
domestic manufacturing  
and organized labor***

***working together to represent the  
interests of anything mined, made,  
grown or serviced in the USA.***

*My name is Brian O' Shaughnessy and  
I serve as the Chairman of Revere  
& as Chief Co-Chair of CPA.*

*My presentation today is titled*

*“Myths vs. the Reality of Free Trade”*

*Before we begin today, I'd like to  
compare as a proud owner a product  
made in the USA  
to another product foreign made...*

*Harley*





Honda



*The Myths vs. The Reality*

*of*

*Free Trade*

*Myth*

*The average American*

*believes in*

*Free Trade*

*Reality*

*The average American*

*believes in*

*reciprocal Free Trade*

*Reality*

*Economists*

*believe in*

*unilateral Free Trade*

*Myth*

*Free Trade is a win-win*

*Reality*

*Free Trade is a win-lose*

*Reality*

*Mercantilist countries*

*like China*

*love*

*unilateral free trade countries*



*Reality*

*Mercantilism*

*is a national strategy to create a*

*win-lose*

*Myth*

*Americans enjoy the highest*

*standard of living*

*in the world*

# *Reality*

*The USA ranks 15th in*

*standard of living*

*in the world*

*Reality*

*Some countries win*

*and*

*Some countries lose*

*Myth*

*We just can't compete*

*so we are better off*

*importing cheap goods including food*

*Reality*

*We are importing cheap goods*

*and*

*exporting jobs*

*Myth*

*Unemployment is 9.5%*

# *Reality*

*While Bill Clinton was President*

*the definition of unemployment*

*was segmented*

*so the numbers wouldn't look so bad*



# *Reality*

*If you are out of employment long  
enough, discouraged and quit looking  
...you don't count anymore*

# *Reality*

*If you cannot find a full time job*

*and accept a part time position,*

*...you don't count*

# *Reality*

*Those two categories that are  
separated in the unemployment figures  
would double  
the unemployment figure*

# *Reality*

*The rate of*

*unemployed and under-employed*

*Americans is about*

*20%*

# *Myth*

*Improving our education will get us  
out of this mess*

# *Reality*

*Between 1973 and 2005*

*the share of US workers with a*

*college degree doubled*

*while*

*the high school dropout rate*

*declined from 29 % to 10%*

# *Reality*

*But while our education levels*

*were improving so much*

*our jobs were disappearing*

# *Myth*

*We can get out of this mess*

*by retraining our workers*



# *Reality*

*Since the job market's peak*

*in June 2007*

*there are 50% fewer job openings*

*Reality*

*Train all you want*

*but*

*if there are no jobs...there are no jobs*

# *Myth*

*We can get out of this mess*

*by producing more*

*higher technology goods*

*Reality*

*Employment*

*of US scientists & engineers  
has fallen more in recent years  
than overall employment  
as their jobs are outsourced*

*Reality*

*The USA*

*has trade deficits in*

*high tech, low tech and green tech*

# *Myth*

*We can get out of this mess by*

*doubling our exports*

*over ten years*

# *Reality*

*That's what we did  
from 1995 to 2005  
and we continued  
to lose ground and export jobs*

*Myth*

*China's economic planning*

*is done by brilliant economists*



*Reality*

*China's economic planning*

*is done by engineers and technically*

*trained personnel*

# *Reality*

*China's economy is run*

*based on reality not*

*theories of free trader economists*

# *Reality*

*The USA is run by  
unilateral free trade economists,  
politicians with law degrees  
and social workers*

*Myth*

*Our country was built on*

*Free Trade*

# *Reality*

*In 1800, the US Navy loaned*

*Paul Revere*

*\$10,000 to build a copper rolling mill*



*Thomas Jefferson*

*“Manufacturers are now  
as necessary to our independence  
as to our comfort”*

*Reality*

*So is the production*

*of our food*



*Myth*

*American farmers & ranchers*

*just aren't that creative*

*anymore*



*Myth*

*The economic strength of the USA*

*was built on Free Trade*

# *Reality*

*The period of greatest growth  
in our economy occurred  
from 1850 to 1930  
with tariffs averaging  
30 to 40%*

*Theodore Roosevelt*

*“Thank God*

*I am not a Free Trader”*

*Myth*

*We don't want to provoke*

*a global trade war*

*Reality*

*We are in*

*a global trade war*

*and we are getting our butts kicked!*

# *Myth*

*Scandinavia was built on socialism  
so it has higher taxes on everything  
than the USA*



# *Reality*

*The USA has higher taxes  
than Scandinavia on  
businesses  
&  
jobs*

*Reality*

*The USA is*

*a badly taxed country*

*because we tax jobs and investment*

*higher than almost any other country*

# *Myth*

*The USA is losing jobs to China*

*because labor costs there*

*are so cheap*

# *Reality*

*The labor cost involved to make  
a coil of steel in the USA  
is less than the shipping cost of  
a coil of steel from China*

# *Reality*

*China manipulates its currency to  
give its domestic production of  
anything  
mined, made, grown or serviced  
a 40% cost advantage*

# *Myth*

*Currency revaluation  
would make prices  
in the USA  
go up 40%*

# *Reality*

*Revaluation would occur  
over several years averaging 15%  
about half of the increased costs  
to producers in China  
would be swallowed by them  
US producers would manage prices  
to regain market share*

# *Reality*

*China uses hundreds of other mechanisms to subsidize domestic production including taxation, customs harassment, environmental regulations (including lack of enforcement), piracy of intellectual property, etc*



*Reality*

*That's mercantilism*

*and it's working*

*for China*

# *Myth*

*US manufacturing companies,  
ranches and farms  
compete with  
foreign manufacturing companies,  
ranches and farms*

# *Reality*

*US manufacturing companies,  
ranches and farms  
must compete with  
nations*

# *Reality*

*Our states compete*

*with other states for jobs*

*but our nation does not compete*

*with other nations for jobs*

# *Conclusion*

*The USA needs a national strategy  
to compete for jobs and provide for  
our national security*

*A national strategy must address*

- *Currency manipulation, taxation & all other forms of subsidies*
- *Health care & environmental issues*
- *National security*
- *Intellectual piracy*
- *Customs discrimination*
- *Technology planning*
- *Resource sourcing including energy*

# *Conclusion*

*The USA needs a national strategy  
to compete for jobs and provide for  
our national security*

*That is priority #1 for CPA*



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