



Written by [Jack Kenny](#) on May 8, 2015

Fair Trade Advocates Pan Obama's Nike Visit

President Obama has picked what appears to be an odd venue for a speech today promoting a pending trade agreement, the Trans-Pacific Partnership. The president will preach the alleged virtues of the TPP at the Beaverton, Oregon, headquarters of Nike, the leading manufacturer of sports shoes and other athletic apparel that is also famous for shipping jobs to overseas sweatshops and establishing post office-box subsidiaries in foreign tax havens to avoid paying U.S. taxes. The president's case for free trade as a promoter of prosperity at home as well as abroad will no doubt be well received by Nike executives, but the rest of America might scratch our heads and wonder.



For decades Nike has been cited as a classic case of a company that has prospered by shipping its jobs overseas, where workers are employed in unsafe conditions at subsistence-level wages, far below the pay required by American workers. The company has long been at pains to repair a company image damaged over the years by revelations of wage violations and dangerous conditions for its overseas workers, as well as those employed by the company's suppliers. A [Wall Street Journal](#) report of a year ago said the company's "effort to clean up its act in the developing world, which began about 20 years ago, remains a work in progress." The Worker Rights Consortium, a nonprofit group partially funded by universities that monitors factories producing college-athletic gear, has published reports on 16 of Nike's suppliers since 2006 alleging violations of overtime and worker abuse. In August 2003, the group sent an e-mail to Nike asking why it did not take action after it was told one of its suppliers in Bangalore, India, didn't raise wages for its 10,000 workers after a government-mandated increase. A Nike spokeswoman confirmed the factory failed to comply with wage rules and said workers later were compensated, the *Journal* reported.

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Nike is, of course, far from being the only shoe and apparel company doing the lion's share of its manufacturing overseas, but it has been a pioneer of the outsourcing trend. The company was founded in 1964 when only four percent of U.S. footwear was imported, [wrote](#) Dave Johnson for Campaign for America's Future. Today, the figure is 98 percent. Nike founder Phil Knight, now worth an estimated \$23 billion, founded the company with the vision of producing quality footwear at low cost by using cheap foreign labor, an idea he developed as a student at Stanford Business School, Johnson wrote.

Only 26,000 of the company's more than one million workers are employed in the United States, [the New York Times reported](#), though Nike officials claim the tariff relief promised by the proposed Trans-Pacific Partnership would result in 10,000 new manufacturing jobs with the company here in the United States, due to accelerated development of advanced manufacturing methods and a domestic supply



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chain to support its U.S.-based manufacturing. Opponents of the trade deal aren't buying that promise, and Public Citizen, a liberal advocacy group, questioned the appropriateness of paying Nike the honor of a presidential visit.

"As Obama tries to sell a pact that many believe would lead to more U.S. job offshoring and lower wages, why would he honor a firm that has grown and profited not by creating U.S. jobs but by producing in offshore sweatshops with rock-bottom wages and terrible labor conditions?" the group asked in a statement released Thursday night.

Oregon protesters greeted Obama when he arrived in Portland at a Democratic National Committee fundraiser Thursday night. Several hundred people picketed outside the Sentinel Hotel, where the president addressed some 300 supporters, some of whom paid as much as \$33,400 for the privilege, the *New York Times* reported. Picketers were waving signs with messages like "No Fast Track to Hell." Obama has asked congressional leaders to place the trade deal on a "fast track," meaning that Congress would be able only to vote for or against the pact, without amending it. The fast track, or Trade Promotion Authority, is an abandonment of part of Congress's legislative powers under the Constitution.

A group called the Oregon Fair Trade Campaign plans a "Rally for Oregon Jobs" outside Nike headquarters when Obama visits the Beaverton site Friday. The Fair Trade Campaign will use the occasion to highlight opposition to the Trans-Pacific Partnership and the fast-track authority the president seeks.

"With less than 1 percent of its more than 1 million production jobs located in the United States, Nike perfectly depicts America's lost-jobs and low-wage future under the TPP," according to a statement issued by the group. "Join us to tell the President, No to Fast Track and the TPP!"



Photo of protestors outside the Sentinel Hotel in Portland, Oregon, on May 7: AP Images



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