



Written by [Steve Byas](#) on April 14, 2016

New Balance Fights TPP

President Barack Obama's proposed Trans Pacific Partnership (TPP) deal is already so unpopular that its consideration by Congress has been put off until after the election. Now, American shoe manufacturer New Balance has handed the proposed trade deal another blow, by publicly opposing it.

The TPP deal would permit U.S. companies to import manufactured products from Pacific Rim countries, without paying any tariffs. This would, of course, lead even more American companies to move their factories to low-wage factories found in Asia, such as in Vietnam, where many shoes are already made and exported to America.



Matt LeBretton, vice president of public affairs for New Balance explained the company's opposition to TPP. "We swallowed the poison pill that is TPP so we could have a chance to bid on these [Department of Defense] contracts."

It appears that the Defense Department led New Balance to believe that they would be given serious consideration for a contract to provide athletic shoes to recruits. "We were assured this would be a top-down approach at the Department of Defense if we agreed to either support or remain neutral on TPP," LeBretton said. But LeBretton explained that "the chances of the Department of Defense buying shoes that are made in the USA are slim to none while Obama is president."

Last year, when the debate on TPP was particularly intense, New Balance was silent on its thoughts about the trade agreement sought by Obama. This seemed odd, since the trade deal would gradually phase out tariffs on shoes made in Vietnam. Seventy-five percent of New Balance's shoes are made out of the country, but it is one of the few shoe companies that still make any shoes inside the United States.

New Balance employs almost 1,500 workers in five factories in Maine and Massachusetts.

Apparently, the Pentagon held out the carrot of obtaining a lucrative Defense contract in exchange for New Balance's agreement to refrain from publicly opposing TPP. But no such contract has been forthcoming, and New Balance has charged that the Obama Defense Department is deliberately putting off following through on awarding any military contract to New Balance.

The U.S. Trade Office dismissed the actions of New Balance, telling the *Boston Globe*, "It is unfortunate that, despite a strong outcome in TPP that advances the interest of US footwear workers, New Balance now appears to be changing its position on TPP in response to the Pentagon's separate procurement process."

Politics and other less-than-honorable considerations in the awarding of defense contracts is certainly nothing new. Such decisions were made during the Civil War, for example, and Senator Harry Truman headed up a committee of the Senate in the midst of World War II that uncovered several examples of



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questionable awarding of defense contracts.

A federal statute, known as the Berry Amendment, requires that products used by military personnel be manufactured, in some cases, inside the United States. There has been an exemption for the importation of athletic shoes, and New Balance had hopes that their silence on TPP would eliminate that exemption. Since most of New Balance's competitors only manufacture their shoes in foreign factories, this would be a huge victory for New Balance.

This is yet another illustration of the underhanded tactics often used by powerful corporate interests to obtain passage of trade deals.

When the General Agreement on Tariffs and Trade was passed in the 1990s, creating the World Trade Organization (WTO), political commentator Pat Buchanan charged that the passage of that deal required bribery on a scale that it would be many months before the stench of such would leave the Capitol.

Buchanan wrote in his book *The Great Betrayal* that Republican House members were summoned to a midnight conference by the speaker of the house. There, they were confronted by a number of corporate lobbyists demanding the support of "fast track." (Fast Track is when Congress agrees to vote, without any amendments, on the completed trade deal after the president has negotiated it. It is clearly a delegation of congressional authority to the executive, which violates at least the spirit of separation of powers).

The very term "free trade" is a misnomer. Instead, under these various so-called free trade agreements, we get bureaucratically managed trade. Much like calling the bill that decreased the civil liberties of Americans the "PATRIOT Act," using the term "free trade" is a marketing scheme. Many Americans thus buy into "free" trade, because they believe it is somehow just another example of free enterprise. Unfortunately, many conservatives and libertarians fall for this subterfuge.

TPP is an example of a multilateral trade deal that destroys American manufacturing. As LeBretton of New Balance explained, "We make a lot fewer shoes in the U.S. than we do overseas, but the point is we're trying to make more [shoes] here, not less. When agreements like this go into place, what that says to us is that our president and our trade negotiators, they don't want us to make more products here."

As Buchanan noted in *The Great Betrayal*, "In the name of 'free trade' we let foreign companies — abetted by the regimes that own them — collude and kill U.S. companies, using tactics that would have brought criminal indictments if done by such a conspiracy in the United States."

These multilateral trade agreements also require a multilateral government to enforce them, and this, of necessity, leads to a dilution of American national sovereignty. If Americans are presently disgusted with an overbearing federal bureaucracy and federal judges imposing their will on the states, local communities, and individuals, they will be ill about the power our new bosses at a super-national body created to enforce "trade rules" will be afforded to make edicts. And those Americans concerned about the deleterious effects of uncontrolled immigration should be aware that "the free movement of labor across international borders" is a cardinal principle of far too many of these "free trade" fanatics.

Sadly, everything is offered up on the altar of so-called free trade — even the continued sovereignty and independence of the United States of America.

Hopefully, many more companies will follow the path of New Balance, and fight back against the push



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for globalization.

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