

KEY VOTE NO ON RENEWING THE GENERALIZED SYSTEM OF PREFERENCES AND TRADE ADJUSTMENT ASSISTANCE

10/11/11

Dear FreedomWorks member,

As one of our million-plus FreedomWorks members nationwide, I urge you to contact your representative and ask him or her to vote NO on H.R. 2832, a bill to extend the Generalized System of Preferences (GSP). Introduced by Rep. Dave Camp (R-Mich.), the bill picks favorites among trading partners and disrupts the price system. The biggest problem is that a Senate amendment that would extend Trade Adjustment Assistance (TAA) at the current, higher post-stimulus levels is attached to the bill. It is simply not a free trade bill.

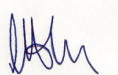
The Generalized System of Preferences grants preferences for certain imports from developing economies. By unilaterally preferring certain products over others, the GSP can alter these poor nations' economic development by causing them to allocate production to the preferred products instead of letting free markets work. Compliance with GSP creates bureaucracies in those countries which further misallocate resources that could be used elsewhere. The GSP should not be renewed in its present form.

While the GSP alone is problematic, the Senate has also amended this bill to include a renewal of Trade Adjustment Assistance. Supporters of TAA say its government-funded employment and job training programs are necessary. However, the Government Accountability Office (GAO) has released a report showing that in fiscal year 2009 nine federal agencies spent approximately \$18 billion to administer 47 separate employment and job training programs, all but three of which are duplicative. With a \$14.8 trillion national debt, any reasonable observer should be able to agree that decreasing the funding for one of these duplicative programs is just a modest step in the right direction.

Beyond being duplicative, study after study has shown that, even by government standards, this government program has failed. Many of these programs were dramatically expanded by the \$787 billion Obama Stimulus bill. Our preference would be to end TAA. At a minimum, Congress should take this opportunity to reduce it by letting the expiring "stimulus" expansions expire. This would get these bloated programs back to pre-bailout, pre-stimulus levels. This would also be a very small step toward a more dynamic, growing economy—the ultimate protection for displaced workers.

I urge you to call your representatives and ask them to vote NO on H.R. 2832, a bill to extend the Generalized System of Preferences (GSP). We will count their vote as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2011. The Economic Freedom Scorecard is used to determine eligibility for the Jefferson Award, which recognizes members of Congress with voting records that support economic freedom.

Sincerely,



Matt Kibbe
President and CEO



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