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One Wisconsin Now: Facts on Foxconn Trump proponents' protestations deal would benefit Wisconsin

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'Anyone Voting for This Historically Bad Deal Has a Lot of Explaining to Do to Their Constituents'

MADISON, Wis. — The State Assembly is scheduled to debate legislation today to implement the largest subsidy by a state to a foreign corporation in history. The deal proposed by Gov. Scott Walker to subsidize Taiwanese electronics manufacturer Foxconn locating a factory in Southeastern Wisconsin will cost state taxpayers billions, yet fails to guarantee Wisconsin tax dollars will only go to support Wisconsin jobs.

"This is a bad deal for Wisconsin. Period," commented One Wisconsin Now Executive Director Scot Ross. "Instead of investing in our public schools, our roads and our bridges and our Main Street businesses and entrepreneurs, we're being asked to write checks for hundreds of millions of dollars, every year, for fifteen years."

Amid the relentless promotional propaganda by supporters of the deal, Ross pointed to the following facts:

Massive Cost to Taxpayers

At $3 billion, the subsidy for Foxconn would be the largest award by a state to a foreign company in American history. The costs to taxpayers will be huge, even under the rosy scenario spun by proponents. The scheme would annually generate $181 million in tax revenue but at an annual cost of $250 million. The analysis of the nonpartisan Legislative Fiscal Bureau finds the deal will not pay off for a quarter century, at best. In the 2017 budget the deal is projected to cost over $15.6 million and quickly balloon in the 2019 budget to over $522 million. Over the next 15 years the deal would be a net loser of over $1 billion for state taxpayers.

No Guarantees Wisconsin Tax Dollars Will Support Wisconsin Jobs
There are no assurances in the bill that our Wisconsin tax dollars will be spent on jobs for Wisconsin taxpayers or that construction subsidies are earned by purchasing goods and services from Wisconsin businesses and contractors. The bill also fails to include the same goals for disabled veteran owned businesses that are in other state funded project agreements.

Foxconn CEO Equated Employees With Animals
According to a story in the Milwaukee Journal Sentinel, Foxconn CEO Terry Gou has expressed disturbing sentiments about his workforce — referring to them as “animals” and seeking management advice from a zoo director. These statements are even more disturbing when they come from the head of an operation at which employees threatened mass suicides over working conditions and unpaid wages, that installed “suicide nets” and that required workers to sign promises to not kill themselves.

He concluded, “Anyone voting for this historically bad deal has a lot of explaining to do to their constituents about why they want to send $3 billion of their money to a foreign corporation to locate a factory on the Illinois border with no guarantee jobs will go to Wisconsin workers.”