

# Bill Kaplan: How to stop Foxconn giveaway deals

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If it looks too good to be true it probably is. The Foxconn deal concocted by Trump and then Wisconsin GOP Governor Scott Walker was heralded as the “eighth wonder of the world”. They promised high-paying factory jobs to make big television flat screens. One big catch – Wisconsin taxpayers had to pony up more than \$4 billion, including direct cash payments, to Foxconn. The nonpartisan state Legislative Fiscal Bureau said it would take 25 years for taxpayers to see their hard-earned money return to Wisconsin. Bright and glittery, like fools gold.

Then Ohio GOP Governor John Kasich was more discerning. Kasich said: “We are pitching Foxconn. We hope they will make something here.” However, Kasich took a well-deserved potshot at Walker’s deal: “I’ll tell you one thing, it’s not going to take us 40 years to make back the investment we make. We don’t buy deals.” Kasich is not alone.

Former Indiana GOP Governor Mitch Daniels made a sharp criticism of Foxconn-like deals: “Nothing in public life is more dangerous to the public interest than politicians chasing ‘jobs’ with the people’s checkbook. They can buy their way into the ribbon-cutting photos knowing that if they grossly overbid, they won’t be around when the bills come due.”

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And, the press was harsh. A New York Times editorial opined: “Wisconsin’s Fire Sale for Big Business ... The Foxconn project amounts to a low-road scheme to advance big business by scapegoating environmental laws ... . (T)he robber barons would

have envied ... Governor Walker's reckless giveaway of tax subsidies and hard-won protections of the environment." The Washington Post reported: "The bundle of financial incentives Wisconsin offered to lure Taiwanese technology giant Foxconn's first major U.S. plant is larger than what New York, Virginia and Tennessee collectively offered to Amazon for far more jobs, a comparison of the two developmental projects shows."

Walker told Foxconn critics to "go suck lemons". However, the chickens have come home to roost. First, Foxconn told Reuters: "In terms of TV, we have no place in the U.S." A corporate spokesperson said Foxconn's Wisconsin development would be hiring white-collar workers (knowledge-research), rather than high-paid blue-collar workers. All on top of Foxconn's previously saying a smaller less-costly facility would be built. And, initial job promises have not been kept. Wisconsin Republicans panicked, blaming newly-elected Wisconsin Democratic Governor Tony Evers. But Trump tweeted the Foxconn deal was on, with no details offered. Just flip-flops.

Time to go down a different road. Former Delaware Democratic Governor Jack Markell opined: "Competition for jobs should not be seen to hinge on which government can write the biggest check to an employer but on ... the quality of schools, workforce development programs, the transportation grid and other infrastructure ... . Congress should institute a federal tax of 100 percent on every dollar a business receives in state or local incentives that are directed specifically to that company." Wisconsin's congressional delegation should introduce legislation to enact the tax. It would end the race to the bottom.

*-Kaplan wrote a guest column from Washington, D.C. for the Wisconsin State Journal from 1995 - 2009.*