

Labor by Marianna Wertz

Why complain about imports?

The unions may raise howls about foreign competition, but the cause of industrial collapse is Kirkland's friend Paul Volcker.

The headline of the Sept. 7 *AFL-CIO News* is "Trade, Job Deficit Posing Dire Threat to U.S. Industries." Citing the record \$81.2 billion trade deficit for the first seven months of 1985, the AFL-CIO paper warns, "Some domestic industries already have become extinct and others are threatened." The article points particularly to the "decimated" shoe and textile industries.

Blaming the "tidal wave of imports," AFL-CIO President Lane Kirkland brought the same message to radio and television stations across America on Labor Day. And the same week, the Teamsters kicked off a protectionist "Buy American" campaign in a full-page ad taken out in major newspapers across the country. "What will Labor Day be like without labor?" it asked. "We may soon find out, because industrial America is dying." Picturing an American flag flying at half mast, the ad warned: "The U.S. industrial worker is a vanishing breed of American." The *International Teamster* magazine for September sports blaring headlines: "Stop Imports—Buy American!"

Organized labor, such as it is, is the principal muscle behind the protectionist legislation before this session of Congress, with substantial backing from both parties. Opposing the protectionist storm is the Reagan administration—arguing from the discredited standpoint of "free enterprise"—and Federal Reserve chairman Paul Volcker.

Vice-President Bush, speaking before the San Francisco Common-

wealth Club on Sept. 11, warned, "I've been in public life for almost a quarter century, and I have never seen such protectionist fever on Capitol Hill. We had better think long and hard before we pass even one of them."

That same day, Volcker told the Senate Banking Committee that any correction in the trade imbalance should be gradually phased in because the U.S. economy cannot handle substantial losses of foreign goods and capital. "Jump on it with protectionist measures and you're going to get more trouble than you bargained for."

Who is right? And why are two members of the Trilateral Commission, Kirkland and Volcker, on seemingly opposite sides?

According to a recent poll taken by CBS News in conjunction with the *New York Times* and the Tokyo Broadcasting Company, 56% of the American people believe that the anti-Japanese trade-bashing coming out of Washington and labor officialdom is a ploy to divert Americans' attention from the fact that the U.S. economy has collapsed.

The poll reflects the fact that the decline of the American economy can no longer be covered up with sugary claims of a "recovery." It is the culprits behind this collapse—Volcker, Kirkland, and their Trilateral Commission/banking establishment cronies—whose guilt Americans will never read about in the pages of the *AFL-CIO News* or the *International Teamster*.

In its April 1985 *Quarterly Economic Report*, "The Recovery That

Never Was," *EIR* documented the decline of the industrial labor force in America—the key indicator of the health of an industrial economy—from 30.8% of the total employed in 1972 to 25.8% in 1984. In the same period, the Soviet industrial workforce grew from an estimated 38.0% to an estimated 45% of the total employed.

To replace the dwindling real labor force, the United States has increasingly relied on cheap imports—as Volcker slyly notes. What he doesn't say is that he created that dependency, which is actually a looting policy toward the exporting nations.

Fifteen percent of the American economy as a whole, and far larger proportions in such key sectors as textiles, electronics, and apparel, is subsidized by imports. The subsidy is created by the inflated value of the dollar, which, since 1980, has appreciated by as much as 500% relative to developing-sector economies. This is the work of Kirkland's friend Volcker, whose policy is dictated to him by the International Monetary Fund.

When Teamster President Jackie Presser told a meeting of American businessmen at the American Chamber of Commerce in Rome on Sept. 11 that "there is nothing strong in a dollar that is provoking the collapse of our industries and is creating thousands of unemployed," he was telling the truth—but not the whole truth. He didn't say that Paul Volcker created this depression on purpose, and that it is Volcker's intention—on behalf of his controllers at Chase Manhattan and the Trilateral Commission—to loot the rest of the world with the American dollar, while turning the United States into a post-industrial bankers' playground.

This is the truth behind the "protectionist battle" that President Reagan, too, does not want to face.