

## FRUSTRATED

*Former U.S. Sen. Ernest F. "Fritz" Hollings (D-SC)*

MAY 12, 2009 -- I'll never forget. Forty-nine years ago then Senator John F. Kennedy promised Governor Hollings to help the textile industry from losing production and jobs. Kennedy admonished: "As President there must be a determination that textiles is important to our national security before I can act." We had hearings before a Cabinet Committee and a finding that textiles, next to steel, was the second most important to our national security. And President Kennedy acted with his 7-point program for textiles. Now textiles along with steel, electronics, computers, specialty metals, machine tools, advanced technology, and dozens of other items of production listed by the Secretary of Commerce as important to our national security must be imported. All of this mouthing in Congress about defending Taiwan -- we'll have to get China to send us the equipment first.

It's bizarre. Two years ago, Allen Blinder, the Princeton economist, estimated that the U. S. would lose thirty to forty million jobs to outsourcing in ten years. At four million a year, losing five hundred thousand jobs last month we are ahead of schedule -- and, surprisingly, feel good about only losing five hundred thousand. Ever since Ronald Reagan we have been waiting for tax cuts to work, as the national debt soars. Now we wait for the stimulus to work knowing that we're losing more jobs to offshoring than possibly can be created by stimulus. There is very little critical economy left to stimulate.

Foremost in the Washington mind is the campaign for reelection and not the needs

of the country. Both the President and Congress go along with offshoring the economy amidst a charade of "free trade" in order to get the money for the campaign. Washington welcomes the economists cover for the campaign with their nonsense of "protectionism," "free trade," and "starting a trade war." In 1632, the Mother Country started a trade war by requiring all imports from the Colony to be carried in English bottoms. Later, the Townsend Act with the protectionist tariffs on tea and the Boston Tea Party triggered the Revolution. Protectionism started the United States of America and built it into an industrial giant.

After World War II productivity in the economists' lexicon as the comparative advantage in international trade went out of the window. Government took over as Japan closed its market, subsidized its production, and sold its export near cost, making up the profit in its closed market. Now with government control by China of every phase of production and trade there is no chance of the United States surviving as an industrial power depending just on education and productivity. As the old saying goes: "Our companies can compete with any company in the world, but not with any country." The United States government must protect its economy and trade in globalization if we are to survive.

Our forefathers knew that in order to become a nation state we had to protect our trade from England. That's why they provided in Article I, Section 8, of the Constitution authorization for Congress to regulate foreign commerce. And after

adopting the National Seal, the first Act of Congress in its history was the adoption of a 50% protectionist tariff on July 4, 1789. We financed and built the United States with tariff protectionism. We didn't pass the income tax until 1913.

Congress is not going to plug the hole of offshoring in the economy boat until we limit spending in campaigns. Congress did just this in 1971 and 1973 by a good bipartisan majority limiting spending to so much per registered voters in a state. But in a distorted five-to-four *Buckley vs. Valeo* decision, the Supreme Court with money restrictions limited the contributors' speech, but not the candidates. *Ergo*, the contributor can't buy the office, but the candidate can. As the record of the debate will show this finding was against the intent of Congress. We were intent that neither the contributor nor the candidate could buy the office. I proposed a Constitutional Amendment authorizing the Congress to regulate or control spending in Federal elections twenty-five years ago. Over the years, we received five votes on a Joint Resolution, once with a bipartisan majority, but not the two-thirds vote required for a Joint Resolution. Phil Gramm said it best: "We Republicans are not going to give up the money until you Democrats give up labor." But in globalization, labor has given up its influence whereas money by both parties has taken control in campaigns.

A candidate seeking to run for the United States Senate in the next campaign has just sought my advice. I told him from

being elected seven times as a Democrat in a Republican state that the National Republican Party irrespective of Senator DeMint's record or other issues will put fifteen million dollars into the race to keep the seat. And any candidate in opposition will first have to have fifteen million in order to compete. This is ridiculous. My idea is to not only limit the money but forbid any fundraising in Washington. At least half of the candidates fundraising should be in-state. New York or California shouldn't be able to buy South Carolina's seat. A Senator should reflect the views of his state. Some recommend public financing, but it's not necessary for the public to finance politics. Besides, all plans for public finance allow the rich to buy the office. I tried everything to get a vote the last two sessions of Congress. But the leadership on both sides of the aisle refused to call a Joint Resolution for fear of the Hollings/Specter amendment limiting campaign spending.

Equating the most expensive device in politics – TV – as free speech measures speech with money. James Madison never thought that his First Amendment to the Constitution of free speech would ever be measured by money. As the Court finally reversed *Plessey vs. Ferguson* with *Brown vs. the Board of Education*, restoring equality of race as hailed in the Declaration of Independence, our Congress must reverse *Buckley vs. Valeo* with a Constitutional Amendment restoring free speech as Congress provided in 1971 and 1973. To save our economy we must first save Congress from the money chase.

*Senator Hollings of South Carolina served 38 years in the United States Senate, and for many years was Chairman of the Commerce, Space, Science & Transportation Committee. He is the author of the newly published book, [Making Government Work](#) (University of South Carolina Press, 2008).*