

PERFECT DESERTION

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OCT. 29, 2009 -- The perfect desertion is forming to take the nation down. The politics of the President and the Congress, influenced by the politics of the financial community, brews into the perfect desertion.

The people don't realize it or else they would force change. They know something is wrong. But their belief in free enterprise and market forces is so strong that they don't realize that in globalization the economy of the United States is being decimated in a Trade War. Globalization is nothing more than a trade war with production looking for a country cheaper to produce. Japan started this Trade War after World War II by closing its domestic market, subsidizing its manufacture, and exporting its production at or near cost, making up the profit in its closed market. Later, China not only closed its market, but took total control of its financing, investment, production, labor, trade – now the internet. In response, Corporate America off-shores our country's production, jobs, and economy.

The bailout and bonus crowd call for "free trade;" "don't start a Trade War" to make sure that nothing is done to slow the off-shoring. "Free trade," like world peace, is a desirable goal. Of "free trade," Henry Clay said in the United States Senate in 1832: "It never existed ... it never will exist." Calling for "free trade" in this Trade War is like calling for world peace in a "hot" war. China control makes it the superpower in the Trade War and expecting "free trade" in globalization is ludicrous. The loss of jobs results not nearly so much from the recession, but overwhelmingly from the Trade War.

People waiting for the recession to end to find a job will have to wait for the United States to jump into the Trade War and protect its jobs and economy.

Like a Southern Governor, China offers every inducement for foreign investment, technology and production. China retains 51% control, and is so successful in its drive for industrial development that it has now attracted the research and production of Intel and Microsoft. The bailout and bonus crowd say the reason for off-shoring jobs is our lack of education and innovation. But the best of innovation is off-shored and, if I remember correctly, Bill Gates never graduated.

The Council on Foreign Relations gives credibility to the off-shoring by also calling for "free trade." The CFR hopes that "free trade" will cause capitalism and democracy to take over communism in China. But there's no chance of a country of 1 billion, 300 million population going to one-man/one-vote democracy. Communist control will continue for China to stay together as a country.

The U. S. must control its trade and protect its economy. Already China alters its acquired technology and moves to patent it. When the patented article is introduced in the vast China market, it will become the leader in international trade. In a few short years when China needs to take back the foreigners' 49% investment to prosper the rest of its people, Corporate America will return to the United States with nothing to produce. In fact, the China price rules today. The banks won't make a loan to produce in the United States any article

that's traded in globalization unless it meets the China price – the price of a competitive Chinese import. The cheaper import would put the lender out of business and cause the loan to default.

The bailout and bonus crowd have no idea of creating jobs in the United States. CEOs of large corporations foresee China's hegemony in the Trade War and could care less about the corporation's future. CEOs are only interested in making millions in China to enhance their pay and retirement. Acting as a Fifth Column, they oppose our country competing in the Trade War, for production would resume in the United States causing them labor troubles and less profits. Thus, Corporate America fights every attempt in Congress to regulate trade and compete in the Trade War.

Introduce a bill in Congress to enforce our trade agreements and coming down on your head crying “free trade” will be Wall Street, the big banks, investment houses like Goldman-Sachs, think tanks like the Peterson Group, the Trilateral Commission, the Council on Foreign Relations, the National Association of Manufacturers, the Business Roundtable, the National Retail Federation, and the United States Chamber of Commerce. This is the crowd that furnishes the contributions for the campaigns, so Congress avoids its Constitutional authority to regulate trade.

In globalization, Corporate America can no longer produce for a profit in America. The people fail to realize this. The people refuse to believe that the National Association of Manufacturers is not for manufacture in the U.S. but in China. People can't believe that the United States Chamber of Commerce is not for Main Street, Peoria, but Main Street, Shanghai.

People believe the morning newspaper editorial for “free trade,” not realizing that it's a handout from the local retailer who makes more money on Chinese imports and whose advertising provides most of the newspaper's profits. People can't believe that the President, spending trillions to create jobs, could, at no cost, immediately save industries and create far more jobs by taking advantage of the trade laws on the books. “Free trade” is the neutron bomb in the Trade War.

Larry Summers is President Obama's Commander-in-Chief for the Trade War, who acts like he invented “free trade.” David Axelrod and Rahm Emmanuel make sure the President keeps campaigning and ignores the Trade War so the President can get contributions for the campaign. The President's inexperience on trade is understandable. Under the Constitution, trade measures must originate in the House of Representatives. And when a trade measure reaches the Senate it is controlled in the Finance Committee, and when considered on the floor of the Senate, fast track forbids amendments. President Obama never had a chance in the Senate to learn about the Trade War and does what Summers, the economists, the financial crowd, and the Council on Foreign Relations tell him. Critical policy to protect the United States' production, jobs and economy goes wanting. The U. S. heads for a downfall.

To engage in globalization; to trade; to stop the off-shoring of production and jobs; and for the economy to make a quick recovery, we can cancel the corporate tax and make up the lost revenues with a 3% value added tax. The average corporate tax is 27% and China has a 17% VAT, which is rebated. Thus, the 44% incentive to off-shore to China is eliminated. Millions of jobs are saved.

Then enforce the provision in law that allows quotas and tariffs to be imposed on imports so the nation can have a ready production of items needed for our national security. Millions of jobs are created. Another 1% would pay for health care reform, and another 1% would

start paying down the debt – for a total 5% VAT.

But “free trade” politics cause the President, the Congress, and the people to ignore the Trade War, allowing the perfect desertion to destroy our economy.

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 recently published book, [Making Government Work](#) (University of South Carolina Press, 2008).

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