

JOBS CZAR

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FEB. 10, 2011 -- President Teddy Roosevelt put in the anti-trust laws regulating domestic trade and ensuing Congress's adopted laws to protect the nation's manufacture and foreign trade. For example, President John F. Kennedy enforced the War Production Act of 1950 to save the textile industry. President Nixon in 1971 instituted a 10% import surcharge to repair our devastating trade deficits, and President Reagan used Section 201 of the Trade Act to save Harley-Davidson and obtain voluntary restraint agreements from Japan on steel, automobiles, computers, and machine tools.

Born in a trade war, the United States became an industrial power in the 19th century with manufacture; Rosie the Riveter won World War II in the last century, and on the day President George W. Bush was elected President, the United States had the strongest economy with 3.9% unemployment. President Clinton gave President Bush a budget "with surpluses as far as the eye can see." Now President Obama's job czar, Jeffrey Immelt, says "those who advocate increasing domestic manufacturing jobs by erecting trade barriers have it exactly wrong." Immelt wants the President not to enforce the trade laws. Immelt warns against protectionism and starting a trade war.

Ferdinand Magellan started globalization in 1519. Today, globalization is nothing more than a trade war with production looking for a cheaper country to produce. At the end of World War II, Japan had no automobile production. But Japan closed its market, subsidized auto production, sold auto exports at cost, and made up the

profit in the closed market. After fifty years, Japan put General Motors in bankruptcy with Toyota #1. Those thinking we are not in a trade war should know that GM today is producing more cars in China than in the United States.

Those thinking we are not in a trade war should realize that Germany, paying higher wages than the United States, is producing green jobs in Charleston, S. C., 15% cheaper than any U. S. production by using its 19% VAT. And Nissan, producing the battery in Smyrna, Tennessee, produces the electric car in Mississippi cheaper than any U. S. production. The Chinese have bought IBM Big Blue computers, Alcatel has bought Bell Labs with all its patents, Toshiba has bought Westinghouse Nuclear with all of its patents, and Russia has bought Sparrow Point, the Bethlehem steel plant that provided the steel for World War II. Fiat has bought Chrysler that produced the tanks for World War II, and now the Germans are in the process of buying the New York Stock Exchange. I suppose if Immelt can get the Chinese to buy the Pentagon, the country will be saved.

Immelt is doing his best to get rid of the best jobs we have – Boeing's Dreamliner. In order to get an interest in the Chinese aircraft trade, Immelt is giving China GE's avionics package used in the Dreamliner. In a few years, China will be producing its "Dreamliner" cheaper than the United States and all we'll be selling China is waste paper and scrap iron. We already have a \$100 million trade deficit in advanced technology with China. China takes this technology, alters it slightly, patents it, and with its vast market China's

production becomes the article in trade. In a few short years, China will need that minority portion of foreign production to bring along the rest of its population, and Corporate America will return home with nothing to produce.

This morning's *Christian Science Monitor* reports China manufacturing of \$2.05 trillion has already surpassed U.S. manufacturing of \$1.78 trillion. In the last ten years, we have suffered \$6 trillion in trade deficits. In the last ten years, 42,000 United States manufacturing factories have closed their doors. Nobody can find a job. The United States is going out of business. Yesterday, Ben Bernanke, Chairman of the Federal Reserve, stated: "It will be several years before the unemployment rate has returned to a more normal level. Until we see a sustained period of stronger job creation, we cannot consider the recovery to be truly established." But Immelt opposes creating jobs in the United States.

The recession has been over for a year and a half. We're losing jobs from the trade war. The Princeton economist, Alan

Blinder, estimated in February 2007 that for ten years the United States will be losing three to four million jobs a year to off-shoring. President Obama and his job czar keep bailing the sinking economy boat with stimuli, innovation and education, and do nothing to plug the off-shore hole in the bottom.

We could immediately compete in globalization or the trade war by eliminating the corporate income tax and replacing it with a 5% VAT. This would produce more revenues, pay down the debt, promote exports, free up a trillion dollars in off-shore profits for Corporate America to come home and produce millions of jobs. The jobs czar, Immelt, knows how to compete in China, but opposes the United States competing in the trade war. His primary interest is keeping his stock up with China profits and creating jobs in China. President Obama brought Bill Daley back to put the white tent on the White House lawn like President Clinton for the Fortune 500 to contribute. But two more years of this nonsense, the Fortune 500 doesn't have enough money to re-elect anybody.

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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