

JOBS IN CHINA

By former U.S. Sen. Fritz Hollings

JULY 8, 2011 -- Speaker John Boehner asks President Obama: "...where are the jobs?" Both know. Both are playing for contributions. Both are creating jobs in China.

Back in the '80s, I called my friend Walter in California and asked: "On your next expansion we need a plant in South Carolina." Walter replied: "We don't produce anything in the United States. It's all in China. China furnishes you the plant on a year-to-year basis. If your investment works out, you don't have to pay any corporate tax; just reinvest it for another plant and more profit. If it doesn't work out, you can walk away with no legacy costs. I send a quality controller to watch production. I check on it every day. I don't have any labor, health, safety, or environmental concerns, and have time to play a round of golf."

The bleeding of jobs off-shore started in the '80s -- now hemorrhages under Bush and Obama. Waiting for the economy to bounce back; calling this "the worst recession" is a bum rap. The reason the economy hasn't bounced back since 2008 is because the economy is being off-shored.

Last year, the Manufacturing Council told the Obama Administration: "The U. S. is not a good place to build a new factory." Already General Motors, Ford, and dozens of other U. S. companies have announced expansions this year in China. Corporate America wants to get in on the largest market in the world. But it is the duty of the President and Congress to put a tourniquet on the hemorrhage of off-shoring and hold on to our economy. As Corporate America invests where it can

make the best profit, it's the duty of the President and Congress to build and retain the nation's economy.

You would think that the people had control of their President and Congress. Not at all. The President and Congress are in the pockets of Wall Street, the big banks, and Corporate America. It's re-election time, and Wall Street, the big banks, and Corporate America furnish the money for the President and Congress to get on TV. The press and TV are pollstered for headlines and the news is totally politicized. Nobody knows that President Bush refused to pay for tax cuts, wars, and prescription drugs, adding \$5 trillion to the debt, and that President Obama has refused to pay for tax cuts, wars, prescription drugs, and stimulus, adding \$4.5 trillion to the debt. The target is \$9.5 trillion to get us back to the balanced budget that we gave President Bush in 2001. In the last ten years, tax cuts have cost \$4 trillion and the wars \$3 trillion, and it's ridiculous to think that we can get to a balance with spending cuts alone. Ask Eric Cantor to give us his \$7 trillion in spending cuts.

Worst, the President and Congress are for jobs in China -- not the United States. The President and Congress have refused to cancel the tax benefit for Corporate America to off-shore its investment and jobs. If we gave this same benefit to Corporate America to create jobs in the United States and replace it with a 6% value added tax, it would cut taxes, limit the off-shoring, provide billions to pay down the debt, and create millions of jobs. If President Obama would enforce trade laws like Presidents Kennedy, Nixon and Reagan, it would create millions of

jobs. But the President and Congress
keep the off-shoring profits flowing to

keep the contributions flowing.

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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