

CHINESE LABOR IN THE AMERICAN FUTURE

The economic world is nervous. American currency has never been so weak in the modern era and never in the history of the world has there been so fast and dramatic a transfer of wealth from one nation to another. The American debt owned by China and other countries is so staggering that foreigners virtually control our economy today.

Many people say the Chinese would never stop buying American debt instruments because our economy would then fail and there would be no one to buy Chinese goods. That is no longer true. The Chinese are not only expanding to other buyers, thus making America irrelevant, but more important there are over a billion potential consumers in China itself. We should not forget that in this country we survived on our own consumers for a substantial period of time when we instituted protective tariffs.

I wrote my Juris Doctor thesis on the oil import policy of the United States. For fifty (50) years, until the Nixon administration, the United States restricted the amount of oil imported into the United States so that we would not be dependent on foreign powers, so that our economy would not be disrupted by international events and so that our own industry would be strengthened. The oil industry convinced the Nixon administration to abandon the policy with a promise of lower oil prices, more abundant energy and faster economic growth.

The only ones who have benefited by the destruction of the United States oil import policy are the international corporations, especially the oil industry and its shareholders. Our economy has grown chiefly because of the development of the United States service industry, cheap labor supplied through immigrants and a robust international market. The United States is one of the few industrialized developed wealthy nations that has encouraged immigration, chiefly by our business community, in order to have a cheap pull of labor who would eventually become consumers as well. The undocumented immigration problem in our country today has been driven largely by Big Business.

The question is how to get our economy on a more sound footing without outright protectionism. At one time the agenda of Big Business was to have high tariffs and import quotas in order to serve as an "incubator" to American industry. The real reason for protectionist policies was to keep prices up in the United States so that foreign imports could not compete.

Lowering trade barriers in order to lower prices to consumers rather than enriching domestic producers was a good thing. The one ingredient that our national policy makers forgot when selling us on free trade is that cheap labor abroad would

undercut U.S. labor and foster poverty abroad. Consider the fact that Asian workers making a few pennies a day live under horrible squalid sweatshop conditions. American workers have to compete against foreign workers who are mistreated, underpaid and unrepresented. That scenario keeps down wages in the United States but more importantly promotes abuses abroad.

It is not protectionism for the United States to develop a policy of wage parity for those countries and companies that want to import into the United States. For countries and companies that do not pay a living wage, even based upon a local economy, the import should not be allowed or an appropriate import duty should be imposed. Many people will cry that this is unfair to Big Business which has invested heavily abroad. Others say that such a program would be difficult to administer. Many international organizations have good data on appropriate "living wages" in other nations. To set such a scale, even based upon local conditions, would not be difficult. Likewise, multinational corporations that rip off people in other countries should have to play on a level playing field just like American workers must do every day.

When Presidents Clinton and Bush toured the nation selling us on free trade, their motives were that what is good for business will ultimately be good for American workers and consumers. To some extent they have been correct but the various trade treaties and regulations imposed have created problems that require immediate, direct and creative solutions.

Social Security, Medicare costs and perpetual war are taking their toll on the American spirit and most importantly they are sapping the American future. Hopefully our next president will be someone whose abilities will be more important than whether they appear to be the kind of person we would like to have a beer with. We need problem solvers not people who have learned the art of looking good and mouthing clever expressions.

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