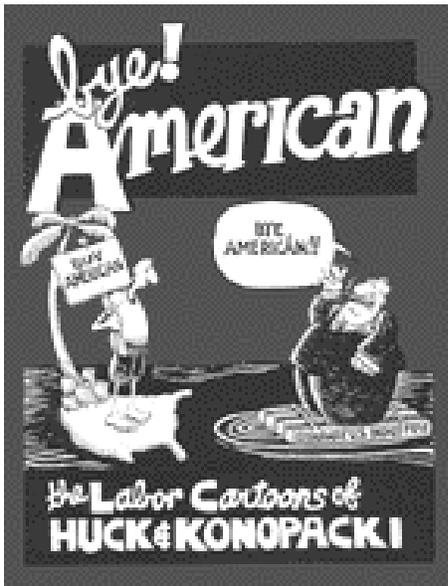


A Curriculum Packet on Economic Nationalism, Buy American and Solidarity

by Judy Ancel (University of Missouri-Kansas City)
with help from Deborah Rosenstein (Univ. of Minnesota)

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Part 1 –Icebreaker: Buy-bye that American Car and other stuff: A Survey

Purpose: To get people conscious of their unquestioned assumptions about Buy America and Buy Union and to begin to think more strategically about it.

Question 1: Buy bye that American car – 30 minutes

Have people fill out survey. Discussion of this will get people thinking about their values and priorities and to understand that it's a complicated question. Emphasize, as instructions say, that your goal is to support economic recovery and the interests of working people.

- Group 1: Big three plant or transplant, both union
- Group 2: Foreign transplant, nonunion and probably will remain such, vs. SITIAVW, the most independent and militant auto union in Mexico and member of the UNT (National Workers Union) that has broken away from government domination. It currently is opposing layoffs and taking shorter hours for all.
- Group 3: All union, not all American. Best contract in Sweden with highest density. Do Swedish or Canadian workers pull down standards? Take jobs?
- Group 4: American company in Mexico with corporatist union vs transplant in US with no union.

Sum up: what's most important?

Question 2

Discussion of this will bring out varying reasons people shun Wal-Mart or not:

- Price – is it cheaper?
- Labor law violations and union busting in America
- Foreign products, especially from China – we lose jobs, and conditions for workers and environment are deplorable
- Because there's activism to pressure WM to change (otherwise, all the above applies to Target)

Use flipchart to write down issues.

Question 3: Again remind people that your highest value is to support economic recovery and the interests of working people. Say, it's obvious that we need allies. The question is who are they and who will oppose us. Make a very general list of allies and opponents on a flipchart. Constantly refer back to previous discussion. Which list are the Big Three on? Which list are workers in other countries on?

Part 2 – History of economic nationalism

Purpose: to give an overview of three waves of Buy America campaigns and the economic interests behind them, the relation to the tariff and trade issue, and

the results, to prepare people for the critique which follows.

Resource: Summary history of Dana Frank's book *Buy American: The Untold History of Economic Nationalism*

Prepare your own lecture on this.

Part 3 – Critique of economic nationalism and Buy American

Purpose: To give people the tools to understand the current expressions of economic nationalism and how it can betray their interests as workers

Ask people for examples of Buy America campaigns or thinking. Show your own. Some examples are attached.

Summarize using handout, What's Wrong with Economic Nationalism.

On point 1 Show video and do the handout called "Getting clear on our interests" and the discussion. Be sure to point out that this is a partnership that is not aimed at consumers but at the government economic stimulus package. Still, there are many issues raised by this video which the Steelworkers union uncritically accepts. For more info on the AAM, see Mark Brenner in the May 2009 Labor Notes, p. 8.

On point 2 Show video clip on Vincent Chin. Make it clear that this is a film which depicts blue collar workers in the 1980s. We do not want to imply that all white workers today are like the guys in the film, but we think the film is really good in showing how the 1980s political climate could so easily turn to Japan bashing.

Part 4 – Reframing the issues

Purpose: Taking the critique to get people to start thinking strategically on what we need to do

Show Morristown video clip and discuss how workers come to understand the need for international solidarity. Is this possible?

Use handout called Their frame and ours.

Discuss what our alternatives are and practice responding with a labor frame. Have them reframe the Steelworker leaflet for the pipeline demonstration.

Resource: Article by Judy Ancel from May 2009 Labor Notes.

Handouts attached

1. Buy-bye that American Car and other stuff: A Survey
2. A Brief History of Economic Nationalism
3. Buy American (3 pages including flyer for rally and *St. Louis Post* article)
4. Getting clear on our interests (video link and worksheet)
5. Alternative discussion to #4
6. What's wrong with economic nationalism?
7. Their frame and ours
8. Labor Notes article by Judy Ancel, *Beyond Buy American*

Some Resources on Economic Nationalism and Buy American

Books

Dana Frank, [Buy American: The Untold Story of Economic Nationalism](#) (Beacon Press, 1999)

Deborah Barndt, [Tangled Routes: Women, Work, and Globalization on the Tomato Trail](#)

Lance Biglin, [Bye American](#), a children's book available from byeamerica.com

Videos

Morristown (good counter to blaming foreigners)

Who Killed Vincent Chin?

Alliance for American Manufacturing at

http://www.usw.org/action_center/economy/download?id=0011

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Buy-bye that American Car and other stuff: A Survey

1. You are going to buy a new car. Price is no object. You are a union member and want to support economic recovery and the interests of working people. Pick your 1st (and 2nd) preference in each group and give your reason.

#	Make/model	Where made	Union	Your reasons
Group 1				
	Ford F-150 pickup truck	Claycomo, MO	UAW	
	Toyota Tacoma pickup truck	Fremont, California NUMMI plant	UAW	
Group 2				
	Volkswagen Beetle	Puebla Mexico	SITIAVW – (militant)) Independent Union of Volkswagen Workers	
	Volkswagen sedan	Chattanooga, Tennessee	New plant, no union (yet)	
Group 3				
	Chevrolet Malibu	Kansas City, KS	UAW	
	Ford Crown Victoria	St. Thomas, Ontario	CAW	
	Volvo S60	Sweden	Swedish Metal Workers Union, Confederation for Salaried Employees, and the Confederation for Professional Associations (engineers)	
Group 4				
	Ford Fusion (49/36 mpg)	Hermosillo, Sonora, Mexico	CTM, (corporatist) Confederation of Mexican Workers	
	Toyota Camry Hybrid (33/34mpg)	Georgetown, Tennessee	No union	

Now taking your 1st choices from all four groups, which would you buy and why?

2. Do you shop at Wal-Mart? Why or why not?
3. Can American unions, with only 12% of the workforce organized, turn around the corporate agenda on our own or do we need help from others? If so, who can help us? Who will oppose us?

A Brief History of Economic Nationalism

drawn from Dana Frank's 1999 book *Buy American: The Untold Story of Economic Nationalism*

Buy America campaigns have appeared periodically in our history: before Independence, during the Great Depression, and from the 1970s into the 1990s. Economic nationalism is the doctrine that we will prosper with policies that focus on protecting domestic consumption, labor, and capital formation first and (often) exclusively. Nationalist shopping is the popular expression of it, and often a reaction to unpopular trade policies.

Revolution: shopping and patriotism forever wed

The U.S. Constitution set the rules for the economic nation: there was to be free movement of goods and people within it. It was the national government that got exclusive power to regulate trade and immigration between the U.S. and foreign countries. Immediately, conflicting economic interests emerged. The trade debate was largely the debate over the tariff: would we protect American manufacturing against England or would let goods flow in and out freely so that exporters (like the cotton-exporting slave south) would not face retaliatory barriers in the countries they sold to. To this day, the debate has been framed as one between free traders and protectionists. The protectionists dominated from the Civil War to the Great Depression; then the free traders took over.

But before the Constitution, there was the struggle for Independence against the British Empire which dictated what we could produce, what we could import, and how much we would pay in taxes. The non-importation movement against British goods attracted colonial merchants, like John Hancock, who hated British restrictions and taxes as well as sailors opposed to impressments on British ships, artisans who manufactured goods in competition with British imports, southern planters who wanted to export tobacco to Britain's European rivals, and consumers, including small farmers, who hated paying taxes and inflated prices on imports. They united and built a non-importation movement to boycott British imports.

They organized local committees to enforce non-importation, publicly shaming violators and at times vandalizing their property. Wearing homespun became a sign of patriotism; gaudy dress fell from fashion. However, adhering to this colonial version of Buy America was even tougher than today; many things were simply unavailable. The biggest violators were the wealthy who proclaimed their nationalism but secretly ordered from England what they couldn't live without. Some inflated prices on scarce goods. It was the working people who enforced the boycott and demanded price controls. The boycott also stimulated domestic manufacturing, but here too there were contradictions. Some put their capital to work by hiring poor women to spin and weave for a pittance in a kind of colonial era workfare program, while others put their slaves to work for nothing.

Thus the Revolutionary era Buy America movement activated and organized working people to struggle for their concepts of economic justice and democracy, but they were allied with merchants, lawyers, and slave owners whose concept of the economic nation in the end prevailed, institutionalizing elite power and privilege. The struggle between them would continue.

Protectionism for whom? 19th century trade policy

There were no Buy America campaigns in the expansionist economy of the 19th century, but there were unending debates about the tariff which one historian called a smokescreen for competing class interests. The Democrats and Republicans divided on the tariff. Neither side, however, represented labor's interests, although the emerging unions took sides. From Alexander Hamilton's project to support manufacturing to President William McKinley's view that all imports deprived us of American jobs, protectionist politicians carried the water for the nation's emerging industrial monopolists. The opposition to protectionism wanted to reduce tariffs and used free market arguments to represent different interests: exporters and industrialists who depended on cheap imports of raw materials. By late century they were expansionists who favored development of American markets abroad.

The debate was over which group of capitalists would prevail. In the 1870s we began exporting more than we imported. Twenty years later the US was a mature industrial power, and the debate changed to one of how the US economy could keep growing, how we would acquire an empire. We had conquered the continent, now we needed foreign markets, territory and cheap raw materials. We negotiated our first trade deals.

Frank points out that neither side in this debate favored labor unions. Both used the tariff as a diversion from the exploding class tensions of the late 19th century that gave rise to massive strikes and violent repression as well as the Populist upsurge of farmers forced into bankruptcy by the trusts.

Where was labor in the tariff debate? They split. From the 1880s on, the emerging craft unions, largely made up of skilled, native-born white men favored the tariff and protectionism. They simultaneously organized, bargained and struck while declaring their common interests with employers on the tariff and partnering with them to protect American jobs from both imports and "the importation of the cheapest and most servile labor" (Sam Gompers, founder of the AFL). Frank says they drew the line of "Them" vs "Us" to be American workers and employers on one side and foreign products and workers on the other.

The rival labor organization, the Knights of Labor, was anti-protectionist. They saw the tariff as a bloodsucking tax on workers which only profited the rich. They and other anti-monopolists drew the line differently. "Them" were oppressive capitalists and their protectionist allies against "Us" meaning working people, but they excluded the Chinese and often other foreign labor that employers used to undercut American workers.

Depression, buy American, and the yellow peril

As America proceeded to build its empire, the tariff issue moved to the background, but it resurfaced right after the crash when the US passed the very protectionist 1930 Smoot Hawley tariff. Other nations did the same. This was followed by Herbert Hoover's last act in office: signing the Buy American Act of 1933. Just as today, the Depression was fertile soil for a re-emergent economic nationalism.

Stepping up to cheerlead for a Buy American campaign was William Randolph Hearst and his chain of 26 newspapers. Like many founding fathers, Hearst and industry leaders behind the campaign stood to benefit financially, but they formed Made in America Clubs to make it look like a popular movement. They advocated high tariffs and Buy America as the patriotic solution that would create jobs. Leaders of AFL unions joined in. In 1938 The Union Label Trades Department added American-made to its union-made campaigns.

Hearst called the "product of foreign labor" a "menace" which, "if we buy it is just as ruinous a competitor with our workman . . . as if we permitted the alien in person to pass our immigration barriers." (San Francisco Examiner 12/28/33) Hearst's xenophobia centered on the "Yellow Peril." Many union leaders joined in demanding that jobs only go to American born workers. Between 1930 and 35 raids against Mexican immigrant workers led to the deportation of half a million and set the stage for the roundup of Japanese-Americans at the beginning of World War II.

Frank says, "The Hearst campaign was premised upon an alleged virtuous circle, or 'economic train.' The notion was that you, the American consumer, would buy an American product from an American merchant and that that merchant would buy from an American producer, resulting in good jobs here at home." Hearst, like the leaders of the revolutionary period, didn't practice what he preached and filled his castle at San Simeon with loot from medieval Europe.

Despite Hearst and his imitators' popularity, both the New Deal and the upsurge of the working class brought other visions of how to save the nation. The "Don't buy where you can't work" and "Buy American – Hire American" campaigns of African Americans revealed a distinctly different view of the problem, although no more charitable than Hearst about foreign (mainly Asian) workers. Conversely Chinese Americans, responding to the Japanese invasion of Manchuria and then China, organized a broad international solidarity movement to boycott Japanese goods. Even movie stars shunned silk stockings. This movement had a parallel as Jews around the world organized boycotts of products from Nazi Germany.

New Dealers and labor saw redistribution of wealth downwards as key to recovery, not economic nationalism, and FDR's trade policy by the mid-1930s began to slash tariffs. By 1945 he had negotiated twenty-nine treaties to expand international commerce. Frank says corporate pressure to expand the empire from exporters like International Harvester and Zenith, those who wanted to invest abroad like United Fruit Company, and banking interests who wanted to lend to all of them convinced FDR this would help get us out of the Depression.

Frank sees the Buy America movement of the 1930s and its anti-foreign cast as another clever attempt at diverting frustrated Americans, angry at corporate power and inequality. The AFL (unlike the CIO) "took the bait and blamed 'aliens.' But most working people didn't. They chose the unsafe route: pointing the finger upward and organizing trade unions through which they sought democratic control of the economy."

Pax Americana: Imperialism, free trade and the deal with the devil

From World War II to the early 1970s American corporations dominated the capitalist world. They set the terms of trade. The dollar ruled. Cold War policies kept the U.S. military well funded and active. American labor – both AFL and CIO, stung by the passage of the Taft Hartley Act and cleansed of its left wing by McCarthyite witch hunts, embraced this agenda. Labor abandoned economic nationalism and partnered with the State Department and CIA to convert or crush foreign labor unions with a different vision. AFL-CIO President George Meany, a militant anti-communist, saw expansion of “free” markets abroad as a sacred mission. Exports to the world meant jobs for American workers. As long as the balance of trade was in our favor, we were net winners.

Labor’s support of US imperialism was part of a deal which cut union workers into a social contract that gave them a limited voice in domestic policy and part of the bounteous fruits of an expanding empire. The deal had two sides: one was free trade to open foreign markets to our exports, which many CIO members in particular produced. The other opened the U.S. market to imports from our shattered but reconstructing allies in the Cold War and to raw materials from Third World countries we were saving from the threat of communism. The AFL-CIO embraced the Cold War frame and enthusiastically endorsed free trade.

However, lingering anti-Japanese sentiment left over from the 1930s and 40s plus increasing foreign imports gave rise to a growing undercurrent of Buy American sentiment from the late 1950s on. It came from unions in industries displaced by imports, like ceramic and smoking pipe workers and an increasing number of textile workers, steel workers, and even local branches of the AFL-CIO Union Label Trades Department who were alarmed at the increase of foreign imports. Frank says that by 1961 all the elements were in place for a crisis: multinational corporations investing heartily abroad, high military spending which sapped investment for modernizing US industry, military intervention to keep Third World wages low and unions on the run, and emerging competition from reconstructed Japan and Germany. Why didn’t they see it coming, she asks? Because the AFL-CIO leadership was asleep-at-the-wheel, lulled by dreams of partnership in the corporate-led agenda of global empire.

The third wave of Buy American

The post-war boom ended in the early 1970s on the heels of Vietnam era inflation, OPEC, and economic stagnation which produced a profit crisis. All of this led to a radical restructuring of the American strategy for global domination and the domestic deal with labor. The new “neo-liberal” plan began during the 1970s and crystallized with the election of Ronald Reagan in the Washington Consensus. It abandoned any pretense of partnership with American labor. The faith that union leaders and members had that American manufacturers would loyally continue to operate in the U.S. went up in smoke as they shifted out of manufacturing or moved jobs abroad, eliminating 900,000 manufacturing jobs a year from the mid 1970s into the early 1980s. As in the 1930s, unions reacted with economic nationalism, seeing foreign imports and workers as the enemy and partnering with “U.S.” corporations.

The unions in the garment industry – ILGWU and ACTWU – and the AFL-CIO sought legislative solutions to limit imports. They all failed. The ILGWU mobilized members who struck and demonstrated against imports and launched a public relations campaign inviting consumers to join by fusing Buy Union with Buy American. As Frank says, they wrapped the union label in the American flag. They also played the race card with a poster showing the American flag with caption, “Made in Japan.” Other posters added Taiwan and Hong Kong. There were immediate protests by Asian-Americans and an expanding number of union and civil rights advocates. A picket line demonstrated at the ILGWU’s New York headquarters.

Ironically, the ILGWU paid for its campaign with a contractual provision for manufacturers to pay a penalty they called the “union tariff” for outsourcing jobs overseas. It was worth the price to them, and as union jobs decreased, it brought diminishing returns to the union. Not only did the scheme bypass the members, it didn’t work as a deterrent. Nor did the consumer campaign.

But there were larger forces at work. US trade policy from the 1960s had traded away the domestic garment industry for strategic Cold War priorities aimed at keeping and winning allies and discouraging popular movements in Central America, Southeast Asia and ultimately China. The jobs that didn’t go offshore went nonunion, especially after the Reagan administration deregulated domestic homework. The union was unwilling to invest enough to follow the work in an increasingly hostile climate for organizing. They didn’t cross borders to organize either. Frank concludes that while the union embraced economic nationalism in its public campaign, it continued to support US Cold War policy abroad, mistrusting militant unions and organizers with whom they could have made common cause against the garment companies and their subcontractors.

By the time Jay Mazur ascended to the Presidency, the failure of the nationalist solution was overwhelmingly apparent. Mazur became a vocal advocate for the rights of undocumented immigrants. In addition a new generation of immigrant union staff voiced a more internationalist perspective, and the ILGWU abandoned opposition to imports and began advocating for global fair labor standards in trade agreements and building international solidarity.

Hungry? Eat your import!

The foreign car invasion of the U.S. began with the VW bug in the 1960s, but strong union reaction arose in the 80s with the flood of Japanese imports. The UAW leadership began preaching buy American in 1975. Over the next few years it placed ads, printed bumper stickers and caps, and posted a notice barring foreign cars from the Solidarity House parking lot. It also gave massive

concessions to a bankrupt Chrysler in 1979 which led to a wave of concessions at GM and Ford as well as in many other industries. In 1981 it pushed trade protection in a domestic content law which failed in the Senate, and it called for industrial policy just like other industrialized countries had. Frank says that after 1983, the UAW's only response was to push partnership with the auto companies to help them become competitive. Team concept and jointness would substitute for other strategies like fighting concessions with rank and file mobilization or engaging in community struggles to keep plants open and jobs in the U.S.

Frank thinks that the failure of the leadership to find meaningful strategies in the face of massive job loss contributed to the upsurge of economic nationalism among the rank and file. It began with the Buy America bumper stickers and escalated to Toyota smashing parties. Racial stereotypes from Hearst's yellow peril and World War II propaganda surfaced and targeted Asians and Asian Americans culminating in the 1982 murder in Detroit of Vincent Chin, a Chinese-American engineer by Ronald Ebens, a laid off auto supervisor, and his stepson who blamed Chin for the job losses.

Those who rejected economic nationalism argued that Japanese workers were union members and it was the corporations and the government that set up the situation to pit workers against each other. Others argued that it was wrong to blame consumers for buying imports. It alienated allies and blamed the wrong party. Those who offered other strategies were pushed out by a defensive leadership afraid of their own members. Instead, the union helped the auto companies get "lean and mean" as one leader Frank quotes put it. In the end, she says, "As the UAW leadership chanted 'teamwork' in the name of U.S. competitiveness and the rank-and-file chanted 'Buy American,' the Big Three auto companies were, in fact, fleeing overseas as fast as they could. They directly invested in the exact foreign auto corporations with whom they were ostensibly competing." While the corporations went international, the UAW went nationalist. ". . . they stuck to the 'we' of economic nationalism in thrall to the corporations."

Meanwhile starting in 1972 and continuing through the 1980s, the AFL-CIO, lobbied for protectionist legislation while it continued to take government money to help the State Department undermine democratic trade unionism in the same countries where corporate America was setting up shop. "True solidarity stopped at the U.S. border." In 1981 the Union Label Department again added "Buy American" to all its materials promoting the union label. As local unions around the country jumped into the parade, there were few dissenting voices. One was the United Electrical Workers which was also bleeding jobs. They rejected blaming foreign workers or imports called for a shorter workweek, controls on capital flight, and began developing international solidarity ties. Instead of "Buy America," the UE embraced the slogan, "Foreign competition: made in the USA."

Conclusion

There's a section in the book on corporate sponsored Buy American campaigns in the 1980s and 90s. Textile billionaire Roger Milliken's Crafted with Pride in the US campaign was supported by both the unions as well as Coca Cola and Wal-Mart. Wal-Mart launched its Buy America scam in 1985. They were joined by New Balance who saw Buy America as a clever marketing strategy as they off-shored and outsourced production. All of them were taking profits from US sales and investing abroad. There's another section on populist Buy America programs which leave labor rights in the dust. Frank says, "Buy America" trumped "Buy Union." In the end all these Buy America campaigns were drowned in a wave of global production which surged after the initiation of NAFTA and the WTO.

Frank ends on a more hopeful note, looking to the changes in the AFL-CIO in the mid-1990s and the upsurge of the grassroots cross-border solidarity movement.

summary by Judy Ancel

Buy American Examples

(a popular email)

Kansas City Star
Letters to the Editor
Jan. 24, 2009

Buy American

Wake up America: Whatever happened to "Be American, buy American?" Think about this when you are driving around in your foreign brand automobile. Where do you think the profits go?

I am proud to drive my Chevy Tahoe which is a great vehicle, and will continue to avoid buying products from foreign-owned companies. Be patriotic and buy Made in the USA.

Ed Linton
Independence

NB: Some Tahoes were made in Silao, Mexico

John Smith started the day early, having set his alarm clock_(MADE IN JAPAN) for 6 am.
 While his coffeepot_(MADE IN CHINA) was perking, he shaved with his electric razor_(MADE IN HONG KONG).
 He put on a dress shirt (MADE IN SRI LANKA), designer jeans_(MADE IN SINGAPORE) and tennis shoes_(MADE IN KOREA)
 After cooking his breakfast in his new electric skillet_(MADE IN INDIA) he sat down with his calculator_(MADE IN MEXICO) to see how much he could spend today.
 After setting his watch_(MADE IN TAIWAN) to the radio_(MADE IN INDIA) he got in his car_(MADE IN GERMANY) filled it with gas_(FROM SAUDI ARABIA) and continued his search for a good paying AMERICAN JOB.
 At the end of yet another discouraging and fruitless day checking his Computer (MADE IN MALAYSIA), John decided to relax for a while. He put on his sandals (MADE IN BRAZIL) poured himself a glass of wine (MADE IN FRANCE) and turned on his TV (MADE IN INDONESIA), and then wondered why he can't find a good paying job in AMERICA
Y'all gotta keep this one circulating, please!

From Union Label Trades Department, AFL-CIO

LA BELFLASH

Uncle Sam
wants you
to buy
American!

Be an Economic Patriot

Your Government is Pledged To
 "Buy American"

You Can Do the Same!

With unemployment continuing to grow, everybody is watching their spending. But, don't be penny-wise and pound foolish. If and when you buy anything, look for union-made-in-the-USA. It's the patriotic thing to do.



"Rally to

Restore

Label Flash is brought to you by the
 Union Label & Service Trades Department (AFL-CIO).
 Phone: (202) 546-1700. Information to reprint is gladly
 provided. Please credit: Union Label Department, AFL-CIO.

Manufacturing in America

Tues., April 7, 2009, 11:00 AM, Port Authority at River's Edge

Illinois Highway 3 and Neidringhaus Avenue, Granite City, IL 62040

(Formerly Granite City Army Depot/Melvin Price Support Center: Enter the River's Edge from Highway 3, make immediate left turn, and follow the signs)

Pipe made in India intended for use in the two thousand mile Keystone Pipeline being built from the oil fields of Alberta, Canada to Wood River, Illinois is being unloaded from railroad cars at the Port Authority in Granite City, Illinois. This location will be the site of a Rally at 11:00 a.m. on Tuesday, April 7, 2009. The Rally is organized by the United Steelworkers and other labor and community groups.

The purpose of the Rally is to give a voice to the outrage felt by laid off steelworkers and residents who have witnessed hundreds of railroad cars loaded with pipe produced off-shore coming into a community that has been devastated by the lay-offs of over two thousand workers at the United States Steel Corporation plant in Granite City, Illinois.

Those attending the Rally will demand a change to the public policy of the past thirty years that has led to the hollowing out of the American manufacturing base and the accompanying loss of millions of family-supporting jobs. Specifically, the call will be made for further "Buy American" provisions in urgently needed infrastructure improvements in our communities and the development of new energy technologies.

Speakers at the Rally will include Jim Robinson, Director of District 7 of the United Steelworkers; Scott Paul, President of the Alliance For American Manufacturing; Marty St. Peters, President of the Greater Madison County Federation of Labor; Darrin Gilley, President of Local 1760 United Automobile Workers (Chrysler, Fenton, MO); and Pastor Myron Taylor of the United Congregations of Metro East.

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“Buy American” sounds patriotic, but reality is not so simple

St. Louis Post Dispatch 04.07.2009 9:01 pm By: [Gilbert Bailon](#)

The 2,000 steelworkers idled at U.S. Steel’s Granite City Works since late last year have become the face of the decline of U.S. manufacturing.

Hundreds of them rallied Tuesday on a blustery morning at the Port Authority at the River’s Edge in Granite City. The backdrop: Steel pipe imported from India for TransCanada’s pipeline bringing crude oil from Alberta to the Wood River refinery complex. The message: “Buy American.”

The plight of U.S. workers employed in manufacturing jobs is real and wrenching to many families, particularly in places like Granite City, where economies are defined by the footprint of big employers.

Since 2000, nearly one in four manufacturing jobs in the United States has disappeared; about 1.5 million manufacturing jobs have vanished since the recession began in December 2007.

Global competition is cutthroat. It is driven by the lowest possible costs using cheap labor and subsidies from foreign governments, including in India and China. U.S.-made steel is high quality, but factory owners here must pay higher U.S. wages and compete without government subsidies.

Trade in a global market for steel and other manufacturing materials defies simple analysis. Connecting the dots is harder than it looks.

Take TransCanada’s Keystone oil pipeline for example. It’s a three-year, \$5.2 billion project with ConocoPhillips that eventually will run 2,150 miles from oil fields in Alberta to a facility in Patoka, Ill., in Marion County.

The U.S. Steel Granite City Works doesn’t produce the 30-inch diameter pipe that TransCanada is using. So no jobs there.

Meanwhile, the pipeline job is employing 1,300 construction workers in 10 Missouri counties and four Illinois counties. Most of that construction will be done by union labor.

Also, TransCanada is using 12 pipe suppliers, four from the United States and two from Canada. The orders were made three years ago, when the U.S. steel industry was near capacity and the world economy was growing.

President Barack Obama recently criticized protectionism and countries trying to make it alone, a disunity that fueled economic collapse during the Great Depression. In 1930, Congress adopted the Smoot-Hawley Tariff Act, which increased duties on imported goods to protect American jobs. It backfired, helping to bring on the Great Depression.

Still, the “Buy American” slogan is popular with a whip-sawed and disoriented American work force. The idea has merit for individual shoppers. What products and brands we choose to buy can make a difference, even in macro world. But government regulation of private enterprises in a global market is a very slippery slope.

Job growth is central to restoring America’s economic stability. Yet Congress must resist pure protectionism that would provoke other countries to block U.S. products in retaliation. When the United States denied Mexican commercial trucks from being driven on U.S. soil, the Mexican government increased tariffs on American products.

The United States is the world’s biggest exporter. Private U.S. manufacturers, however, face many disadvantages in a global market in which low costs triumph.

The Granite City plant closed for the first time in 130 years, and it must reopen for the city to recover. But “Buy American” restrictions on TransCanada’s pipeline would not have solved its problem. Simplistic solutions to complex problems rarely work and serve only to raise false hope.

Getting Clear on Our Interests The Stimulus and Buy American

Watch the video of the Alliance for American Manufacturing at the United Steelworkers Make Our Future Work 'Buy American' Resolution Tool Kit web page at

http://www.usw.org/action_center/economy/download?id=0011 or
http://www.youtube.com/watch?v=xgMd_Rrkkkw&feature=channel_page

The video has a number of quotes from unidentified people called “everyday Americans,” all in the same setting that looks like a lobby of a hotel, perhaps at a conference. For each quote decide whether you agree or disagree. Circle red flag or green flag if you strongly disagree or strongly agree.

- | | |
|---|---|
| <input type="checkbox"/> Disagree
<input type="checkbox"/> Agree | 1. (older white man) “If we’re not going to buy American then we’ll be buying foreign goods again and that will not build our manufacturing base or our servicing base to provide services for Americans.” |
| <input type="checkbox"/> Disagree
<input type="checkbox"/> Agree | 2. (younger black man) “We’re trying to create jobs in America. We’re trying to get this economy going so that’s what stimulus is. It means to stimulate.” |
| <input type="checkbox"/> Disagree
<input type="checkbox"/> Agree | 3. (younger white man) “The reason why our country is in the situation that it is now is because we no longer spend enough of it in our own country, and the manufacturing base is disappearing because of that.” |
| <input type="checkbox"/> Disagree
<input type="checkbox"/> Agree | 4. (middle age black woman) “We’re the ones making the sacrifices to make sure that we can rebuild the middle class, rebuild America. I have five grandchildren, and I want America to still be here as my grandchildren grow old.” |
| <input type="checkbox"/> Disagree
<input type="checkbox"/> Agree | 5. (middle age white man) “When we spend money in our communities, that money circulates through our communities. It helps pay to redo the roads that aren’t part of the stimulus package. It helps pay for teachers; it pays for city and county and state services and that’s why we need to keep this money in the United States. I think the Buy America provision in the stimulus package is crucial. It has to be a part of the rebuilding and stimulus in this country.” |
| <input type="checkbox"/> Disagree
<input type="checkbox"/> Agree | 6. (young white man with beard) “Our infrastructure and everything we want to build. If we can use our construction companies to do this stuff and create the jobs here, that’s gonna help our economy. We don’t want to stimulate China’s economy or Japan’s economy or anywhere else. We want to stimulate our economy. We need to stimulate our economy. We need to buy here and keep the jobs here.” |
| <input type="checkbox"/> Disagree
<input type="checkbox"/> Agree | 7. (young white woman with beads) “I think that for a long time America has felt like we have to save the rest of the world and perhaps it’s time we just save ourselves.” |

- Disagree
 - Agree
8. (older white man with beard) "The American economy is the engine that drives the world, and the Buy America provision is the fuel that will run that engine."

Discussion

1. Which ones do you agree with and which do you disagree with? Discuss why.

2. According to this video, on the issue of jobs who is on the same side?
 - a. Alliance for American Manufacturing
 - b. American workers
 - c. American government
 - d. Japanese workers
 - e. Chinese workers

3. Is trade bad?
Is importing steel always a bad thing?
How about bananas?

4. When is trade a good thing?

5. Is there a difference between supporting Buy America for government procurement as part of the stimulus and supporting Buy America for consumers in their shopping?

6. Do you agree with the woman who said, "I think that for a long time America has felt like we have to save the rest of the world and perhaps it's time we just save ourselves."

7. Does America play the role of saving the rest of the world? What does thinking like that lead to? Can we just save ourselves?

8. What are the dangers of aligning workers' interests with the steel industry's interests as is done within the Alliance for American Manufacturers?

Alternative Discussion

Jane Slaughter of Labor Notes tells this story:

The president of metro Detroit AFL-CIO spoke at the USW rally I went to yesterday [March 30] on the 'idling' of the US Steel mill. She said it was up to individuals to make the right choices and she read a little story about "John was waked up by his Japanese alarm clock and put on his Italian shirt and drove off in his German car to look for a job. As he sipped his French wine at the end of the day, he wondered why he couldn't find a job." You may have seen this going around on email.

Then the president of USW local 1299 kind of corrected her and said, "Part of the problem is there's not enough manufacturing in America. That's why the organizers of this event that asked us to put this Buy America rally together insisted that we call it a Buy America, *Manufacture America*. It really is about corporations choosing to manufacture products here in this country to give us a wider choice. I'm sure you all buy American products as much as you can, the ones that we can find."

I want us to divide into three groups. Each of you will get a slogan, and I want each of you to take that slogan and project how it will contribute to improving the lives of American workers and reversing the decline in working class power. Ask yourselves, if you succeed in implementing your slogan, will it solve the problem?

Slogans:

1. Buy American
2. Manufacture American
3. Buy global union
4. Take wages out of competition
5. Globalize worker rights
6. What else?

What's wrong with Economic Nationalism?

Partnership with multinational corporations

- Economic nationalism defines our allies as “American” corporations and our enemies as “foreign” products, companies and workers.
- These same corporations partner with unions while they invest overseas and export jobs. Many of these same corporations bust unions and oppose us on health care reform.
- It gives workers and union members a false idea of the problem and their own interests.

Hatred and racism

The history of the Yellow Peril, Japan- and China-bashing, and blaming Mexicans and other workers in poor countries is an ugly one. Nationalism often asserts American superiority and brings to the surface racist stereotypes which divert us from the real issues. It spills over onto immigrants and often leads to violence.

Blaming the consumer

Buy America campaigns blame the wrong party. They alienate the same American workers we need to organize. Low-wage workers, whose wages have been declining for 30 years, buy cheap foreign products.

It doesn't work

- Many domestically produced products are now simply unavailable.
- Buy America campaigns in an era of globalization have failed miserably. Despite 30 years of garment worker and autoworker campaigns, imports have won.
- It may make you feel good to Buy American, but unless consumer action is part of a broader international solidarity campaign in which workers are organizing and unions or solidarity organizations are targeting a brand or multinational, just buying American has no strategic purpose.
- The only exception to this is in the area of government procurement (including college purchasing under pressure from organizations like United Students Against Sweatshops). The Buy America provisions of the stimulus package have the purpose of directly creating jobs in the U.S. That's a different matter. The consumer is the government.

Their frames and ours

Free trade frame

Corporate-led globalization

Classical economics theory of *comparative advantage* teaches that the more nations eliminate barriers to trade, the more all will prosper. They argue that every nation should specialize in and produce what it does best so that the volume of trade will be higher than if every nation produces for itself (autarky), and consumers will pay the lowest prices.

This can be very profitable for multinational corporations, but for workers and citizens it means multinationals roam the world looking for cheap labor and the lowest taxes and health and environmental regulations.

Protectionist nationalism frame

The policy of managing trade between states with tariffs and quotas on imported goods and a variety of other regulations or subsidies designed to discourage imports, and prevent foreign takeover of local markets and companies.

Protectionists argue that American jobs must be protected against foreign businesses which engage in unfair competition and currency manipulation, but the reality is that the same multinationals use appeals to patriotism to distract workers and divide us from other workers, while they bust unions and still export jobs.

Union frame

American workers need a new frame for good jobs for all. Our standard of living rose when we organized whole industries or the relevant labor market and took wages out of competition. In today's global economy, wages are again in competition. The only solution is to organize along global chains of production, build ties for global solidarity, and demand good jobs for all.

What demands and actions should we raise to make this more than a pipedream?

Beyond “Buy American” and Economic Nationalism

To be published in Labor Notes, May 2009

by Judy Ancel

A union rep discussing the possible strike at AT&T said the work of his members came and went from locations all over the world. The production chain was so extensive that the union couldn't track it. He then said, sadly, “In this time of high unemployment, the company could be a leader and bring those jobs back here and be patriotic.”

AT&T patriotic? They dropped “American” from their name a long time ago.

A UAW local president explained that buying American cars meant buying cars from the Big 3 automakers, because the transplants shipped their profits overseas, so we should shun even union-made cars of Toyota and Mitsubishi.

Does that mean that if Fiat buys Chrysler, we shouldn't buy their cars anymore?

On April 7 Steelworkers in Granite City, Illinois, held a Rally to Restore American Manufacturing, to protest the use of pipe from India on a mammoth oil pipeline from Alberta to Illinois. Two thousand workers at US Steel's Granite City plant, which could make the hot-rolled steel for such pipes, are laid off. The rally was sponsored by the union and the Alliance for American Manufacturing, a partnership between the Steelworkers, US Steel, and Allegheny Technologies.

But US Steel and Allegheny Technologies also produce metals in England, Canada, China, Mexico, Slovakia, Serbia, and Brazil.

This “us or them” approach to jobs is happening everywhere. The rampage of job-killing is creating desperation among workers and their unions. They are being seduced by “Buy American” and steering toward economic nationalism--the doctrine that we will prosper with policies that focus on protecting domestic consumption, labor and capital formation first and exclusively.

But Buy American is a giant distraction. It targets consumers rather than the corporations and governments who've made the decisions that are killing our jobs.

CAN CONSUMERS SAVE JOBS?

Have Buy American campaigns saved jobs? Perhaps in a few niches like uniforms and work shoes. While some of us relish sporting U.S.-made New Balance tennis shoes or finding the last pocket folder made in America, most people split their consumer and worker selves in two.

They want good American jobs, but as wages go down, many say, “I can't afford not to shop at Wal-Mart.”

In January Ed Linton from Independence, Missouri, wrote the *Kansas City Star*, “Wake up America: Whatever happened to ‘Be American, buy American’? Think about this when you are driving around in your foreign brand automobile. Where do you think the profits go? I am proud to drive my Chevy Tahoe.”

Aside from the fact that some Tahoes are made in Mexico, Ed is blaming the wrong people for our economic mess. Consumers don't make decisions to move jobs, corporations do, and elected officials fix the rules and incentives on their behalf.

When unions side with nationalism they confuse workers about who our allies are, who our enemies are, and what will advance our own interests. Without alternative strategies economic nationalism seems logical, but our history suggests it will take us onto the rocks. Why?

HATRED AND VIOLENCE

Back in the 1970s and 1980s, when we were first starting to hemorrhage manufacturing jobs and corporations were going global, labor reacted by advocating trade protections and Buy American. Toyota-bashing parties and blaming Mexican workers for stealing our jobs were commonplace.

Vincent Chin, a Chinese-American engineer in Detroit, was beaten to death by a laid-off auto plant supervisor, who thought Chin was Japanese. He got probation.

Further back, during the Depression, newspaper mogul William Randolph Hearst and industry leaders who stood to benefit backed the Buy America Act and formed Made in America Clubs to make it look like a popular movement. In 1938 the AFL's Union Label Trades Department added American-made to its union-made campaigns.

But the foreigner-bashing spilled over onto immigrants. Many union leaders joined in demanding that jobs go only to American-born workers. Between 1930 and 1935 government raids against Mexican immigrant workers led to the deportation of half a million.

Today, despite a sea change in organized labor's views on foreign workers, we hear some disturbing echoes of the 1930s in the enthusiastic embrace of Lou Dobbs by a number of unions as a champion of the middle class, fair trade, and made-in-America. This is despite Dobbs' obsession with keeping immigrants out.

WRONG BEDFELLOWS

Buy America campaigns often partner unions with corporations, as in the United Steelworkers' "Support American Manufacturing" initiative. But steel is a global industry, and sourcing decisions are not made on the basis of patriotism. Unions end up allying with the same companies that are attacking workers on every other front.

Dave Dowling, the USW leader who organized the Granite City rally, says the partnership is tactical. His members have no illusions about US Steel. "Members understand why we do these things," Dowling said. "They know the company would sell us down the river if it suited their needs...."

"Shouldn't we be able to talk about the decline of American manufacturing capacity and the loss of jobs without being called protectionist?"

Besides, like your AT&T phone service, very few things are exclusively made in America.

Buy America campaigns aimed at consumers are different from the economic stimulus bill aimed at job creation. It seems reasonable that taxpayer money to stimulate the economy should be used to create jobs in the U.S.

--Judy Ancel

WRONG DEBATE

This is the wrong debate, where the alternatives are either corporate-led globalization, with multinationals roaming the world for cheap labor, or protectionist nationalism, with these same multinationals distracting us with a phony show of patriotism to divide us from other workers.

So how should labor frame the discussion? How do we support good jobs without playing workers against each other at home and globally?

Unions gained leverage in the U.S. when we could take wages out of competition by organizing entire industries. In today's global labor market wages are again in competition, and it's still our job to equalize wages so that corporations can't whipsaw us.

Some unions have made first steps. The Steelworkers' campaign for locals to adopt 3,000 families of striking Mexican workers at the Cananea copper mines brings tangible solidarity to the embattled workers and constructs worker-to-worker relationships as well.

Contrast that to the Teamsters' campaign against NAFTA rules that allowed Mexican trucks to drive across the border. It played well on the talk shows, many of which made no distinction between unsafe trucks and their drivers, but it did nothing to build ties with Mexican truckers, many of whom work for the same companies as the Teamsters, or to raise the real issue of quality jobs for truckers.

In the short run, the Teamsters were successful, but our challenge in a global economy is to organize along such production chains because our power is based on solidarity, not competition.

At the very least, unions can build worker-to-worker ties and give members the tools to critique the economic nationalists like Lou Dobbs.

Finally, a movement for good jobs around the world must allow nations to make comprehensive plans shaped to fit each country's needs and structured so that workers are not pitted against each other. In the U.S., at the least, we need a comprehensive and sustainable policy of investment in manufacturing, education, training, national health care, and reconstruction of a social safety net, and we need trade and development policies which reverse the race to the bottom by protecting workers' rights to organize for safe jobs which raise their standard of living, by strengthening environmental standards, and by fostering just and democratic decision-making on economic development. For workers, neither bailouts nor Buy American will fix our broken system.

[Judy Ancel is a labor educator at The University of Missouri-Kansas City. She is active in cross-border solidarity and immigrant rights issues and is organizing co-chair of Kansas City Jobs with Justice.]