81-1,355

INTERNATIONAL RUNAWAY SHOP

Why U.S. Companies Are Moving Their Plants Abroad

by Mitch Zimmerman and
the United Front Press staff

40¢

TABLE OF CONTENTS

WHAT IS THE RUNAWAY SHOP ..... p. 2
- Runaways to the South ..... p. 3
- Overseas Expansion ..... p. 5

HOW DOES THE INTERNATIONAL RUNAWAY SHOP AFFECT WORKERS IN THE UNITED STATES ..... p. 8

WHAT THE RUNAWAY SHOP MEANS FOR FOREIGN WORKERS ..... p. 11

THE U.S. GOVERNMENT – ARM OF BIG BUSINESS ..... p. 15

WHAT'S BEHIND THE RUNAWAY SHOP ..... p. 18

HOW TO BEAT THE RUNAWAY SHOP: PHONEY AND REAL SOLUTIONS ... p. 22
- Relying on the government vs. Rank-and-file action ..... p. 24
- Protectionism vs. International labor solidarity ..... p. 29
- Buy American – Will It Save Jobs ..... p. 31
- Runaway shops vs. Wars of national liberation ..... p. 39

HOW DO YOU KNOW IT'S TRUE ..... p. 48

UNITED FRONT PRESS

DECEMBER 1972

INTRODUCTION

You walk into an appliance store to buy a portable radio and suddenly you remember all you've been hearing about the need to cut down on imports, to "protect American jobs." You think about how unemployment keeps going up and the campaign to "Buy American." So you turn away from that Japanese Sony and buy a Zenith instead.

Or maybe it's a TV, car, shirt, or even a can of pineapple you're buying. And you decide to get the "American brand"; RCA, Dodge Colt, Catalina, or Dole.

You've just supported the President's campaign for protecting U.S. jobs, cutting down on imports, helping the U.S.A. . . . . Right?

Wrong.

Chances are better than 3 to 1 that the Zenith you bought was made in Taiwan. The Dodge Colt is 100% manufactured by Chrysler's Japanese affiliate, Mitsubishi Motors. Kayser-Roth makes its Catalina brand shirts in Mexico. More and more Dole pineapples are grown and canned in the low-wage Philippines, instead of on unionized Hawaiian plantations.

Although all these sell as "U.S. brands," the big corporations have moved the factories and the jobs overseas. While these companies may try to hide this from the consumer, their former U.S. workers know what's happening—they are some of the people on the unemployment lines.

They've been hit by the international runaway shop.

WHAT IS THE RUNAWAY SHOP?

RCA used to have two big T.V. plants in Cincinnati, Ohio and Memphis, Tennessee. The Memphis plant employed 4,000, mostly Black women. RCA built it only six years ago, planning to rake in big profits from the South's low wages and weak unions. But the company got a surprise when the Memphis workers brought in a union and led an 11 week strike, which the Ohio workers joined them in.

Faced with united, unionized workers, RCA closed down both plants in 1971. Over 6,000 people were thrown out of work. The company then moved its entire black and white TV production to Taiwan–where *wages are 14c an hour* and strikes are illegal under the dictatorship of Chiang Kai-shek.

The result: Unemployment for U.S. workers, slave wages and working conditions for workers on Taiwan, huge profits for RCA.

This is nothing new. The owners of capital (capital=money, machinery, and factories) have always been on the lookout for new sources of cheap labor. Today the Rockefellers, Fords, DuPonts look at their potential workforce on an international scale.

RCA plant on Taiwan.

RCA closed down this plant in Cincinnati, Ohio – 1971.

IMMIGRANT LABOR IN THE U.S.

In the 19th and early 20th century, the labor power for U.S. industry came from slaves from West Africa, poor European immigrants, contract laborers from Asia, and later immigrant workers from Mexico and Puerto Rico.

The industrialists tried to squeeze every last drop of labor out of them, for pennies an hour. If the workers rebelled or tried to organize, they were fired and the employer reached into the reserve labor force of unemployed immigrants. For over a hundred years the employers used every strong-arm device in the book to break union drives and keep white, black, latin, and Asian workers poor and divided.

DIVIDE AND CONQUER

Racism was an effective tool in the bosses' hands. Their strategy was Divide and Conquer: pit the Irish against the Italians, Italians against Slavs. But most destructively, white against non-white peoples.

Black, latin, Asian, and native American working people were kept at the bottom by across-the-board discrimination and outright military force. The employers held up non-white labor as a threat to the job security of white workers.

Despite different racial backgrounds and cultures, working people increasingly discovered that united and organized, they are actually more powerful than the bosses. In the North, the organizing efforts of workers reached a high point in the great union drives of the 1930's. Many white and black workers in the mass production industries won unions, with higher wages, shorter hours and better working conditions.

As the workers' movement started cutting into profits, corporations packed up their machines and moved to non-union areas. Many textile factories moved out of New England to the low-wage South in the 1940's. In the deep South, the factory owners, aided by state governments, local police and the Ku Klux Klan kept unions out of the factories.

They paid unorganized Southern workers one-half the wages of Northern workers. And they paid Black workers in the South even less. The lack of unions in the South and the special oppression of Black people led to lower wages for all workers

The workers in the North called them runaway shops. And industry is still moving to the nonunion areas of the South and Southwest.

After the Civil War, Black workers in Southern industries like cotton received slave wages — depressing wages for all workers.

ELECTRONICS INDUSTRY RUNAWAYS (partial list)

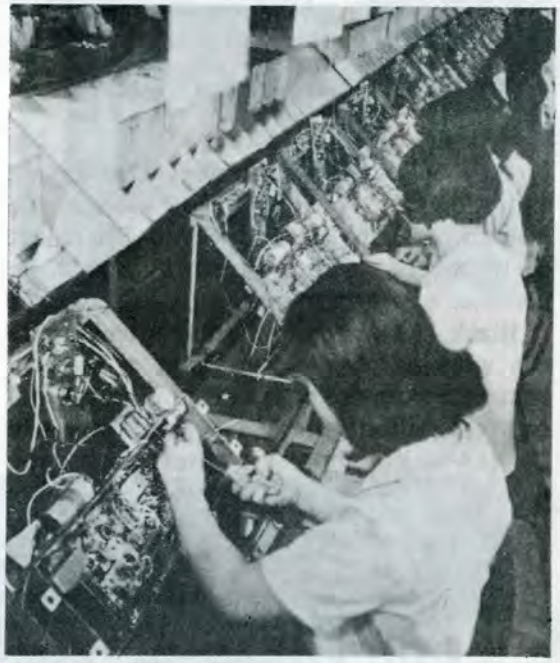
COMPANY	MOVED FROM:	PRODUCT	WORKERS LAID OFF:	RANAWAY TO:
Emerson TV & Radio	Jersey City, N.J.	TV's	1000	Taiwan
Ford-Philco	Philadelphia, Pa.		1300	Taiwan
General Electric	Ashland, Mass.	Clocks & timers	1100	Singapore
General Instruments	Rhode Island Mass.	TV tuners & components	4000	Taiwan (employs 12,000)
Kollsman Industries	Oshkosh, Wisc.	TV tuners	1100	Cd. Acuna, Mexico
RCA	Cincinnati, Ohio Memphis, Tenn.	black-and-white TV's	1100	Taiwan Cd. Juarez, Mexico
Transitron	Kansas City		50% layoff	Nuevo Laredo, Mexico
Zenith		black-and-white TV's	4000	Taiwan

OVERSEAS EXPANSION

Today, U.S. corporations have expanded world wide in their constant drive for lower wages and higher profits. With the millions of dollars they made off the labor of U.S. workers, they've built new plants overseas.

This is happening in almost every industry, but especially in labor intensive industries like electronics, garments, leather goods, and auto manufacturing. For example, 95% of radios and tape recorders, 50% of black-and-white TV's, and 95% of the baseball gloves sold under American brand names are made abroad.

Over 60,000 U.S. electronics workers have seen their plants moved to Taiwan, South Korea, and Mexico. Taiwan, especially, is a great favorite of Philco, RCA, Admiral, Motorola, Zenith, Bendix and many others.



Workers at Philco-Ford plant in Taiwan—make 14 cents an hour.

Are we getting cheaper TV's out of all of this? The answer is NO. Vincent Barraca, president of Admiral International, told Electronics News that the assembly of complete color TV sets on Taiwan "won't affect pricing stateside, but it should improve the company's profit structure. Otherwise we wouldn't be making the move." (*Electronics News,* March 2, 1970)

The same thing is happening in the auto industry. The Big Three—GM, Ford, and Chrysler—are rapidly shifting production overseas. Many cars produced abroad are sold in foreign markets, but a lot are shipped back to the U.S. for sale. And if you take a closer look at many cars "made in the U.S.A.," you'll find that they contain parts manufactured abroad. For example, the transmissions and engines of the Ford Pinto are made in England and Germany.*

Already 44% of Ford's workers are employed outside the U.S. Why? **"In South Korea, Taiwan, and Indonesia," Henry Ford II explained not long ago, "we see an attractive supply of cheap labor."**

Henry knows what he's talking about. Industrial workers in Ford's South Korea plant average $40 per month. Special labor regulations are aimed at preventing strikes at U.S. owned plants.

G.M. and Chrysler aren't far behind. In 1969, two out of every ten GM vehicles were made abroad, and three out of ten Chrysler cars and trucks.

Chrysler has gone one step further. To meet the "threat" of Japanese imports (as they explain it), Chrysler bought a 15% share in a major Japanese automaker, Mitsubishi Motors. Now Chrysler itself imports, advertises, and sells the "Dodge" Colt, made 100% by Mitsubishi. The only thing that's put on in this country is the "Buy American" sticker. Of course Chrysler gets 15% of the profits.

Around the same time, in July 1971, Chrysler shut down its Los Angeles assembly plant because it was "too old," throwing 2,000 out of their jobs. Chrysler could have produced the Colt in the L.A. plant, but it was more profitable to make it abroad.

Dodge Colt—Made in Japan.

"In South Korea, Taiwan, and Indonesia we see an attractive supply of cheap labor." —Henry Ford II (*Business Week*, Dec. 13, 1969, p. 13)

Ford ...has a better idea

* Ford is now planning to move its production of Pinto engines to Brazil and back to the U.S. (Lima, Ohio) because of increasing labor unrest in England. This is how the multinational corporations move their capital from country to country in search of the least organized working class. (S.F. Chron, Oct 3, 72)

Apparel factories account for 30% of total border production. L.A.'s Olga Co. has made $500,000 on a $40,000 investment in 3 years at its Mexicali plant.

Many other U.S. companies have shifted operations overseas. Smith-Corona makes typewriters in Italy. U.S. Plywood makes veneers in Peru, South Korea, and Nigeria. National Cash Register has plants in Taiwan and Japan. Sears Roebuck manufactures shoes in Spain. Two out of three Singer sewing machines sold in the U.S. are made abroad. H.J. Heinz makes tomato paste in Portugal and cans pineapples in Mexico.

MEXICAN BORDER CITIES

The Mexican border cities—Tijuana, Mexicali, Nogales, and Juarez—are a real runaway shop paradise for U.S. companies. Over 350 U.S.-owned plants are now on the border: Genesco and Olga make shirts, Sears and Motorola produce TV sets, Rohr Industries builds trains for the S.F.-Bay Area Rapid Transit system, and Mattel manufactures toys. With wages under $3.68 per day, no unions, and special tariff exemptions, they expect to make money hand-over-foot. (See box on U.S. Business and Mexico.)

Many garment manufacturers have a very profitable "twin plant" setup. Kayser-Roth has its Catalina brand sportswear cut in two small California plants near the border. Then they sent it just a few miles away to Mexicali, where young Mexican women are paid 55 cents per hour to sew the shirts. The tariff exemption allows Kayser-Roth to pay duty only on the 55 cent wages, not on the shirts' total value.

And every one of the runaway operations listed above, from Smith-Corona to Kayser-Roth, is producing for the U.S. market.*

* These corporations also produce in their foreign shops for overseas sales. Ford produces Mavericks in Brazil for sale to Latin American industrialists and landlords who can afford $4,000 cars. IBM and Xerox make computers in Western Europe for markets there.

U.S. BUSINESS AND MEXICAN WORKERS: 1848-1972

The runaway plant in Tijuana or Mexicali is only the latest tactic that U.S. business has developed for exploiting Mexican workers on both sides of the border.

The Mexican-U.S. War of 1848 gave U.S. industrialists and ranchers an excuse to seize over half of Mexico's territory. Over the last 100 years, the economy of the Southwest has been built on the back-breaking labor of Mexican workers–they've picked the crops, worked the mines, and built the railroads.

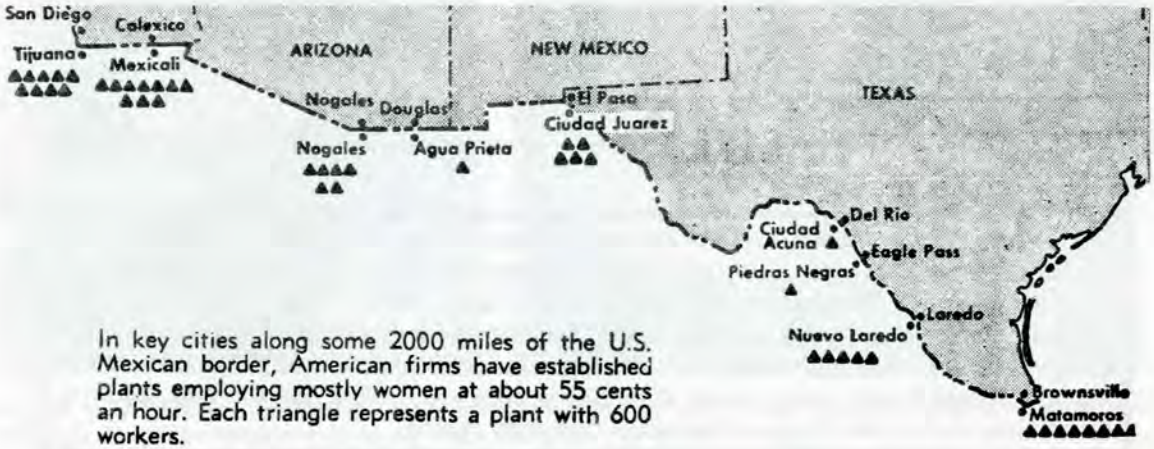
But U.S. control didn't stop at the Rio Grande. In 1914 U.S. marines were landed at Vera Cruz to protect U.S. business investments from the Mexican Revolution.

Each year U.S. monopolies take *over $200 million in profits* out of Mexico. GM, Ford, and Chrysler run the auto industry; DuPont and Union Carbide control chemicals; fruit and vegetable packing is largely in the hands of Heinz, Kraft, and Del Monte. U.S. agribusiness has bought up land left and right, forcing landless campesinos to join the ranks of the unemployed.

The result: millions of unemployed campesinos and workers have been driven north to find work in the fields and factories of the U.S. These were the "braceros"–Mexicans who worked seasonally in the fields of the Southwest and California. The big growers used them to force wages down and crush unionization drives among all farmworkers.

Yet when unemployment skyrocketed in the Depression years of the 30's, the growers and the U.S. government joined forces to deport over 100,000 Mexican workers.

In the early 1960's, the growing union movement among Chicano and Filipino farmworkers forced the growers to give up the bracero program. The main way U.S. and Mexican businessmen replaced the bracero program was with the "Border Industrialization Program," starting in 1966. The pro-business Mexican government keeps wages under 55 cents/hour and unions out of U.S.-owned plants in border cities.



In key cities along some 2000 miles of the U.S. Mexican border, American firms have established plants employing mostly women at about 55 cents an hour. Each triangle represents a plant with 600 workers.

HOW DOES THE INTERNATIONAL RUNAWAY SHOP AFFECT WORKERS IN THE U.S.?

- **Unemployment**

The total result of closing U.S. factories and setting them up abroad, according to AFL-CIO figures, has been the loss of 700,000 jobs in the U.S.

When major plants like RCA close, it causes widespread unemployment both among people who worked there, and among other workers who supplied goods and services to the idled plants.

But the effect of a factory closing doesn't stop there. Laid-off workers can't buy very much beyond their basic needs on $65 per week in unemployment benefits. So other plants have to cut production and lay off workers.

- **Unemployment from runaway shops hits black, latin, Asian, and women workers hardest.**

Because of job, education, and social discrimination, non-white and women workers are most heavily employed in labor intensive industries—the lowest paid, hardest, most dangerous jobs. And that is where the runaway shop is chopping away the most jobs. At RCA's Cincinnati and Memphis plants, most of the workers were women and black.

National Cash Register in Dayton, Ohio is laying off 2,000 workers this year, as it expands its production in the South and Asia. Most workers with less than 9 years seniority are being laid off. And NCR only started hiring Black workers 8 years ago, when the Civil Rights movement started putting on the heat.

Now most of the Black workers will be getting laid off, proving again the saying that Blacks are "the last hired, first fired."

UNEMPLOYMENT	BLACK	WHITE	YEAR
overall	9.9%	5.4%	1971
	8.2%	4.5%	1970
teenagers (16 to 19 year-olds)	31.7%	15.1%	1971
	29.1%	13.5%	1970
Vietnam Veterans (20-29 year-olds)	13.8%	7.1%	1971

Unemployment in 1971 was at the highest level in 10 years with nonwhites being the hardest hit.

In a surprisingly frank letter to former Commerce Secretary Stans, the chairman of Zenith Radio, Joseph S. Wright, said his company was going to set up a runaway shop on Taiwan. The cost: 3,000 U.S. jobs the first year and 4,000 the next. "The most tragic part of the story," he wrote, "is that the heaviest impact of our 3,000 lost jobs this year is on blacks . . . Due to seniority, 38 percent of those laid off are black." Wright's very sorry about that, but profits are profits. By the way, he says, let's blame the whole thing on the union seniority system.

• **Employers are using the threat of runaway shops to blackmail workers into accepting lower wages.**

In 1971, General Motors' Frigidaire division in Dayton, Ohio laid off 3400 workers and threatened to close down its plant and move to Japan, Taiwan, or the South—unless the workers **gave up** the pay increases negotiated in the 1970 contract (amounting to over $1 over three years).

The 12,000 IUE Local 801 members overwhelmingly rejected this step backwards in September. But Frigidaire didn't leave town.

Instead it began a scare campaign with the help of Dayton business interests. A "Save Frigidaire for the Community Committee" ran ads in the Dayton papers telling Frigidaire workers to take a wage cut for "the good of the community."

Working hand-in-hand with Frigidaire, the Local 801 leadership called a second union meeting in November, but were careful not to announce what the meeting was about. Only a quarter of the membership attended and the union officials were able to push the wage cut through.

This agreement split the formerly united local into two bargaining units. The household appliance unit had to take a **dollar an hour wage cut**, with a promise to hire back some laid off workers.

The workers got no guarantee that there won't be any more layoffs or that Frigidaire would stay in Dayton. The Frigidaire workers were hopping mad at the company and their union "leaders," but they weren't well enough organized to throw out the wage cut at that time.

Since GM-Frigidaire extorted this wage cut out of its workers last year, Chambers of Commerce in strong union towns all over Ohio have been warning workers that their cities will become ghost towns if wages don't go down.

In 1971, GM-Frigidaire in Dayton, Ohio forced workers to take a wage cut and then increased their workloads. Frigidaire workers wildcatted over speedup in October 1972 (right).

In Akron, Ohio, rubber workers facing threatened plant shutdowns have been forced to accept longer hours and pay cuts. In 1971, Firestone proposed to build a new radial tire plant in Akron if the workers would give up the six-hour day they won in the 1930's and go on the eight-hour day (amounting to a pay cut of $1.40 an hour). The Firestone local of the United Rubber Workers overwhelmingly rejected this plan.

Firestone then built the new tire plant near Nashville, Tenn. And this year, the Firestone rubber workers were forced to go back to the 8-hour day, eliminating one work shift.

The Firestone workers were vulnerable because the URW has not fought for a standard national contract. Southern rubber workers, especially, have a lower wage scale due in large part to the legacy of white supremacy.

"The only answer I see," said a long time union activist in Akron, "is going back to the position of many years ago and bringing all plants into the six-hour day, not bringing everyone down to the lowest common denominator." (*The Guardian,* March 22, 1972)

In an even more extreme case, the leadership of the International Ladies Garment Workers Union has worked openly with the garment bosses in New York to keep wages in the industry near $2.00 per hour, "to keep jobs at home."

- **The corporations use their runaway shops to break strikes.**

During the 1970-71 GE strike, General Electric was able to fill a big turbine order from Con Edison because all the parts except blades were manufactured abroad. The company's continued ability to supply its customers from foreign plants undercut the strike's effectiveness.

- **Runaway shops are used to force speedup.**

The threat of losing jobs has allowed many companies to write "productivity" clauses into contracts, often with the full backing of union officials who don't have to work on the speeded up lines. This is especially true in the auto and steel unions, where Abel and Woodcock leave production quotas up to the companies.

So that's what Big Business' runaway shop means for workers: unemployment, lower wages, tougher strikes, poorer working conditions and speedup.

In Hong Kong, Chuk Wen-yee, a 17-year-old electronics worker, is quoted in a Pacific News Service article, saying, "I have to work for two hours to earn enough to buy three pounds of rice. I live with my family in an 8 foot by 10 foot room in a tenement. We share a bathroom and kitchen with four other families. I have to work for a week and a half just to pay our monthly rent for that room."

In Holyoke, Mass. an unemployed electrical worker in a family of four is saying, "I was earning $130.80 a week for forty hours. But I had a lot of overtime, too. Now I get $75 a week from the unemployment office. We really have to make it stretch. Being out of work is not too bad on us yet. It's only been a couple of months. What scares me is thinking about being out for six months. I'm not sure what we'll do." (*The Guardian,* April 26, 1972)

WHAT RUNAWAY SHOPS MEAN FOR FOREIGN WORKERS

Workers in the countries of Asia, Africa, and Latin America are brutally exploited in the runaway shops of U.S. corporations. People have to work in these plants at extremely low wages, under sweatshop conditions.

Workers in these countries slave up to 15 hours a day, 6 days a week–producing TV's, cars, shirts, and processed foods for export–things they can't afford to buy themselves. Unions are weak or illegal, and most of the governments are corrupt dictatorships propped up by the U.S.–like south Vietnam, South Africa, Brazil, and south Korea. Here military force is openly used to keep the people in line.

U.S. corporations take out *billions* of dollars in profits. This money doesn't go into the people's medical care, housing and education–into building the industries (steel, chemicals, etc.) needed to develop an independent, strong economy. It goes straight into the bank accounts of the U.S. absentee owners.

TAIWAN

For hundreds of years, the Chinese working people were forced to grant special trading privileges to European and U.S. businessmen in the industrial centers of Shanghai and Canton. All that was ended with the Chinese Revolution in 1949.

Now the Chiang Kai-shek regime on Taiwan has set up "industrial export zones." Here U.S. and Japanese companies import and export goods duty-free, pay no taxes for 5 years, and exploit Taiwanese workers with the government's backing. (see box on U.S. Business and Asian workers)

Saigon troops attack disabled veteran during a demonstration opposing Thieu's one-man election in October 1971. South Vietnamese workers on strike receive the same treatment from the U.S.-supported Thieu regime.

U.S. BUSINESS AND ASIAN WORKERS: 1870-1972

U.S. business has a long history of reaching into the countries of East Asia for a low-paid labor force. This history starts over a hundred years ago–long before RCA started setting up its runaway plants in Taiwan.

In the late 1800's, the European powers and the U.S. were jointly carving up China–Britain took Hong Kong, France took Indochina, etc. In 1898, the U.S. Army annexed the Philippines, crushing a popular Filipino independence movement. This opened up the way for U.S. investors (the forerunners of Dole pineapples).

From about 1870-1930, U.S. labor recruiters signed up (and even kidnapped) thousands of Chinese, Japanese, and Filipinos to work as "contract laborers" on the western railroads and on the sugar, pineapple and grape plantations of Hawaii and California.

Exploitation, racism, and anti-Asian "riots" forced many of the immigrants to take the worst jobs and move into Chinatowns, Japantowns, and Manilatowns in the cities. The major AFL unions at that time refused to let Asians join the unions and instead called for the deportation of "Chinamen."

Now U.S. business is finding low-paid workers in the homelands of Asians who were forced to migrate to the U.S. decades ago.

When Taiwan, Hong Kong, and the Philippines are called "free world" countries, it means that U.S. business is "free" to pay Asian workers 14 cents/hour. In fact, immigrants are still coming to the U.S. from these countries to escape poverty, unemployment, and corrupt governments. Immigrants from Taiwan and Hong Kong particularly are forced to take the worst sweatshop jobs when the arrive here, often with the threat of deportation hanging over their heads.

Now, many Asian workers–women working in the garment shops of San Francisco, New York City, and L.A. and Hawaiian plantation workers–are losing their jobs to runaway shops in East Asia.

Chinese contract laborers were brought to the U.S. to build the Western railroads.

SOUTH AFRICA

GM, Ford, and Chrysler have turned Port Elizabeth, South Africa into a "little Detroit." They pay African workers 52 cents per hour. Strikes, unions, and promotions to "white" jobs (anything over group leader) are outlawed for the country's Black majority. Firestone also has two plants in South Africa, paying Africans as little as 33 cents an hour.

The typical attitude of the U.S. manager in South Africa is, "I'm here to make profits. If the Bantus don't like it, they can work somewhere else." (*Fortune*, July 1972)

Back in the U.S. the Big 3 auto companies are trying to move plants out of Michigan's big cities, where Black workers particularly have been organizing and demanding an end to the murderous speedup and racist practices in the plants.

(Above) Section of the GM plant in South Africa.

(Left) Barracks housing for South African workers.

GM
MARK OF EXCELLENCE

PUERTO RICO

Since the 1940's many U.S. corporations, especially in textiles, electronics, and shoes, have moved plants to Puerto Rico. These companies are exempted from paying taxes for up to 17 years. Wages are 1/3 those in the U.S.

Puerto Rico is a direct colony of the U.S. There is no border for U.S. companies to cross. Led by the Rockefeller interests, U.S. capitalists now own 77% of Puerto Rico's industry and most of its land. The poverty and massive unemployment created by U.S. colonial rule has forced almost 2 million Puerto Ricans to come to the U.S. to find work.

Whether Puerto Ricans are working in U.S.-owned plants on the island or in low-paid industrial, service, or farm labor jobs on the East coast, Big Business is raking in huge profits.

Housing in Puerto Rico. U.S. corporations operate tax-free and take out huge profits.

Don't choose your next plant location site before you ask these questions.

How ample is the labor pool? How productive are the workers? Are factory sites available?

How good is the transportation between the plant site and your markets? What does the electric power cost? Is it reliable and available in large quantities?

Do you have duty-free access to the U.S. market? Is government technical and financial assistance available?

Do you get the highest return on equity?

Is complete exemption from both federal and local taxes available?

One right move can dramatically boost the earnings of your next expansion. Find out why more and more top U.S. corporations are locating in Puerto Rico. Just write or call. We will visit with you.

Department PR-1
Commonwealth of Puerto Rico
Economic Development Administration
666 Fifth Avenue, New York, N.Y. 10019
212-245-1211

Only one place has all the right answers. Puerto Rico.

In plain language, here's the corporations' formula for the runaway shop: Find a country under U.S. domination. Move your machines there. Pay rock bottom wages. Sell in the U.S., under a U.S. brand name, at inflated U.S. prices.

When the working people of these countries rise up against their dictatorial governments, when they struggle against their rotten living conditions and low wages—call in the entire arsenal of the U.S. government, from dollars to guns.

21,000 U.S. Marines were sent to the Dominican Republic to protect U.S. investments – 1965.

• In 1963 the people of the Dominican Republic elected (by a 60% majority) a government that pledged to take away the privileges of U.S. business. This government backed a new tax on sugar profits that would have cost U.S.-owned Gulf & Western $25 million. It also threatened a deal the previous government had made with Standard Oil to set up an oil refinery.

Seven months after the election, a U.S.-supported military coup installed politicians friendly to U.S. business interests. $175 million in U.S. investments quickly flowed into the Dominican Republic.

The Dominican people launched a rebellion in 1965 to restore the elected government. LBJ promptly sent in 21,000 U.S. Marines to "restore order" and "to protect the people from Communists"–in other words to save the pro-U.S. government and the big U.S. investments.

• In South Africa, U.S. corporations have over $1 billion invested in the slave labor system of apartheid–the rule of rich whites over the African majority.

U.S. corporations like International Harvester, General Motors, and Firestone pay taxes directly into the huge South African "defense budget." A former South African minister of defense explained clearly what this army is for: "Do not think we are arming to fight a foreign army, we are not. **We are arming to shoot down the Black masses.**" (*Race to Power,* Struggle for Southern Africa, Africa Research Group)

The U.S. government has directly supplied South Africa with F-86 Interceptors and Sikorsky helicopters.

One GM plant has been designed specifically to be converted to military production if necessary.

Jim Hatos, managing director of the International Harvester subsidiary in South Africa states, "I am sympathetic to what the South African government is trying to do. I don't want hundreds of Africans running around in front of my house." (*Fortune*, July 1972)

A final example: In 1960 South African police fired on a peaceful anti-apartheid demonstration of several thousand Africans in Sharpeville. Sixty-nine Black people were killed. Protest, including a highly effective general strike, was so intense that many foreign investors started withdrawing. That year, the Chase Manhattan Bank and the First National City Bank of New York together loaned the South African government $86 million—bailing it out of financial crisis.

U.S. NAPALM AND GULF OIL IN ANGOLA

Gulf Oil has invested $250 million in Angola, still a Portuguese colony. Portuguese troops protect Gulf installations from the Angolan liberation forces. In addition, the U.S. Air Force supplies napalm to Portugal, as documented by Professor John Marcum:

"By January 1962 outside observers could watch Portuguese planes bomb and strafe African villages, visit the charred remains of towns like Mbanza, M'Pangu and M'Pangala, and copy the data from 750-pound napalm bombing casings from which the Portuguese had not removed the labels marked "Property of U.S. Air Force." (Race to Power, Africa Research Group)

Sharpeville, South Africa—1960. (Top:) Adults and children run to escape police fire. (Bottom:) The scene after the shooting.

• In 1951 a nationalist government in Iran threw out the Anglo-Iranian Oil Co. (100% British-owned despite the name), and took over the country's rich oil resources. Until then Anglo-Iranian Oil had monopolized Iran's oil. U.S. oil interests had wanted a piece of the action for years. Now they saw their chance.

Direct military intervention isn't the only way to control another country. U.S. foreign aid to Iran shot up from $1 million in 1951 to $23 million in 1952-53. Using this aid as an excuse to send in "technicians" and "advisers," including CIA agents, the U.S. government organized and financed a right-wing coup in August 1953. A pro-U.S., pro-Big Oil government took over. Standard Oil, Texaco, Mobil, and Gulf got a 40% cut of Iranian oil.

Afterwards Kermit Roosevelt, the CIA chief of this operation, publicly bragged about his role in Iran. Roosevelt got his pay off. He later became vice-president of Gulf Oil Co.

Since World War II this same story of U.S. intervention to protect the corporations' overseas investments has been repeated over and over: in China (1945-49), Greece (1947), Korea (1950-54), Guatemala (1954), Lebanon (1958), Cuba (1961), and the Congo (1962-64).

The most brutal example of all is the U.S. war on Vietnam, Laos, and Cambodia since the 1950's.

U.S. troops on the Korea-Chinese border in 1950. The Chinese entered the Korean war soon thereafter.

The U.S. government has carried out saturation bombing in Vietnam.

WHAT'S BEHIND THE RUNAWAY SHOP?

Over 3 million Americans have fought in Indochina since 1954. Hundreds of thousands have come back wounded and maimed for life. Almost 60,000 Americans and more than a million Vietnamese will never come home.

And what about those who made it back?

Many Vietnam veterans were forced to leave jobs at Zenith, RCA or National Cash Register to fight for U.S. corporations' "right" to invest and do business in Asia. Now their jobs are gone. These companies have closed U.S. plants and opened up shop in Asia.

Making profits has always been the name of the game under capitalism. Nothing new about that. But today corporations like GM, Standard Oil, GE, IBM and IT&T are organized into huge monopolies that control their industries and straddle the globe with plants and investments.

Instead of just using the police and Pinkertons to break strikes at one plant or in one city, they use the entire military might of the U.S. government to subdue and control workers in whole countries.

People around the world have a name for this system of monopoly capitalism backed up by military force: imperialism.

When unemployment, wage cuts and popular dissent get particularly severe, politicians come along and say what the average person already feels: the way the whole system operates just doesn't make any sense. Promises of change and reform are made, but things lurch along from one economic or military crisis to the next.

Why?

To understand what's behind the runaway shop and to distinguish between real and phony solutions, we need to take a closer look at the inner workings of monopoly capitalism.

Despite the TV ads, banks don't lend money to extend a "helping hand" to the homeowner, small businessman or farmer. Nor do they invest money in Latin America to raise the living standards of the poor peasants or workers.

General Motors never slows down the assembly line because its workers are exhausted and bored to death after turning bolts on 60 cars per hour day after day. Nor do they announce that they are lowering prices on this year's models because the millions of dollars they made last year are enough for them.

OVERPRODUCTION CRISIS

Just the opposite. They operate for one purpose: *to make money.* They are always looking to increase their rate of profit, whether through new investments, speedup, wage cuts and freezes, automation or runaway shops. They constantly raise the prices on their goods and services.

In the meantime, unemployed workers and families whose real income falls because of inflation and wage cuts are less and less able to purchase the goods they produce.

The economists call it an "overproduction" crisis. (That's not even a very good term, because it certainly doesn't mean that everybody has what they need to live.)

When the capitalists are not able to sell most of what their workers produce, profits go down. When the crisis gets really bad, as it did in the depression of the 1930's, they are forced to close down plants and factories and create more unemployment.

OVERSEAS EXPANSION

To avoid the economic crisis they have created in the U.S., **the corporations have to expand to other countries in search of higher rates of profit,** by exploiting cheaper labor and selling in new markets. **The yearly profits of $10 billion corporations currently get from these overseas operations are vital to keep their system above water.** Many of the biggest U.S. companies, Standard Oil (New Jersey), IBM, Dow Chemical and the giant food combine CPC all make about 50% of their profits from overseas investments.

The fact that the big corporations are forced to expand abroad brings about the system of imperialism.

But it is not just a matter of finding new markets, resources and cheap labor. The corporations have to protect them. That's why billions of dollars have been spent on the war in Vietnam and millions of Americans have been forced to fight in Indochina. And that's why hundreds of thousands of young working class men are stationed at U.S. bases all around the world.

THE OIL COMPANIES & S.E. ASIA

Major oil companies have staked out the waters of S.E. Asia for exploitation. Vietnam's location is strategic.

THE BIGGEST MULTINATIONALS

By one definition, a multinational company is one with sales above $100 million, operations in at least six countries and overseas subsidiaries accounting for at least 20 per cent of its assets. Some 4,000 companies qualify, accounting for 15 per cent of the gross world product. The twenty biggest:

Company	Base	World Sales*	Company	Base	World Sales*
General Motors	U.S.	$28.3	ITT	U.S.	$7.3
Exxon	U.S.	18.7	Gulf Oil	U.S.	5.9
Ford Motor	U.S.	16.4	British Petroleum	Britain	5.2
Royal Dutch/Shell	Britain-Netherlands	12.7	Philips	Netherlands	5.2
General Electric	U.S.	9.4	Volkswagen	Germany	5.0
IBM	U.S.	8.3	Westinghouse Electric	U.S.	4.6
Mobil Oil	U.S.	8.2	Du Pont	U.S.	3.8
Chrysler	U.S.	8.0	Siemens	Germany	3.8
Texaco	U.S.	7.5	Imperial Chemical	Britain	3.7
Unilever	Britain-Netherlands	7.5	RCA	U.S.	3.7

*In billions

The viciousness of the U.S. military attacks shows how necessary control of these countries is for the corporations. **That's why Vietnam cannot be just described as a tragedy or a mistake.** That's why to fail there is a real setback for American capitalists.

These military expenditures prop up the U.S. economy in another way. Since American workers are unable to consume much of what they produce, the corporations intensify military production and the government buys the products. So the whole economy is tied to foreign investment and military production.

In the short run, U.S. military expenditures, like the $30 billion a year in Vietnam temporarily create some jobs at home. But it is workers and the poor who are forced into the army to fight and die. It is working people who pay for the war with their taxes.

As we have seen with the Vietnam war, these military expenditures cause inflation and deepen the economic crisis.*

Inflation in the U.S. means that American corporations are faced with tougher foreign competition, and smaller profits. What's their solution? Wage freezes, layoffs, and more runaway shops. Sound familiar? So the cycle begins all over. Each time the hole is dug deeper.

The corporations are driven to tougher measures to increase profits. Working people in the U.S. face more attacks on their jobs and working conditions. Workers in foreign countries have a double burden to shake off: the economic domination of U.S. corporations and the armed intervention of the U.S. government.

* The billions of dollars printed by the government to pay for military production go into circulation. The corporations use this opportunity to demand more for all the goods they market. So prices zoom up. Some American workers may get more dollars in wages, but they are worth less. The inflated prices (not the wages) also make American goods more expensive in foreign markets and this increases the competition from capitalists in other countries.

HOW TO BEAT THE RUNAWAY SHOP: PHONY AND REAL SOLUTIONS

As thousands of jobs have been hacked away by the runaway shop, the AFL-CIO leadership has proposed a plan to stop it. But the solutions they've come up with don't really get at the root of the problem: U.S. bankers and industrialists, in their drive for new investments and increased profits, dominate workers in foreign countries, exploiting their labor and natural resources. Secondly, the AFL-CIO fails to recognize that U.S. corporations insure and maintain this domination by the use of the U.S. government and its military forces.

Basically, the solutions of the AFL-CIO officials make 3 mistakes:

1. **Instead of mobilizing the millions of U.S. workers, employed and unemployed, who are effected by the runaway shop, the AFL-CIO appeals to the U.S. government and military to "stop helping" the big corporations.**

2. **Instead of working to develop international labor solidarity and joint action to stop runaway shops, the AFL-CIO leadership is actively joining some of the big corporations in lobbying for protectionist policies (quotas and higher tariffs) that will only result in increased unemployment among foreign workers.**

3. **Instead of supporting the efforts of workers in the countries of Asia, Africa and Latin America to organize unions, raise their wages, and end foreign domination (as the Vietnamese people are doing now), the AFL-CIO leadership has generally supported the use of U.S. government and military to protect U.S. corporations overseas.**

The next section will analyze the AFL-CIO solutions and the direction we think real solutions should take.

The national leadership of the AFL-CIO has a "Five Point Plan" which they claim will stop runaway shops:

"1. The government should *tax runaway firms* sufficiently to make it less attractive for them to go overseas . . .

"2. The government should regulate, supervise and *curb large outflows of American capital* for investment by U.S. companies in foreign operations.

"3. The government should regulate the foreign license and patent arrangements of U.S. companies to curb the export of American technology . . .

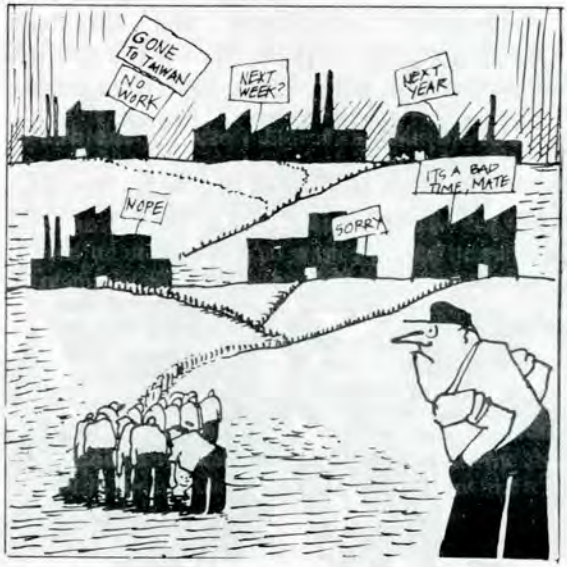
"4. The government should press for *international fair-labor standards* in world trade.

"5. The government should set up an orderly system to *regulate the flow of imports* into the U.S. . . ." (August 2, 1971 memo from COPE—our emphasis)

Finally, the AFL-CIO and other unions have promoted a "Buy American" campaign to build sentiment against imports.

This program has been written into legislation proposed to congress, the Burke-Hartke bill. Parts of the bill seem like they might stop runaway shops—like increasing taxes on corporations' foreign profits, and repealing Sections 807 and 806.3 of the Tariff Code which allow companies like RCA and Kayser-Roth to assemble products overseas and import them nearly tax-free.

However, Burke-Hartke has almost no chance of passing. For one thing, the big multinational corporations, led by the National Association of Manufacturers, are fighting the bill tooth-and-nail. And the U.S. government is not very likely to restrict the corporations' overseas operations as the next section will explain.



"In a nutshell, organized labor is not going to allow cheap foreign imports to destroy the American standard of living." —George Meany (remarks at AFL-CIO "Conference on Jobs," July 1971)

MISTAKE NO. 1: The entire AFL-CIO program is geared to asking the U.S. government to stop the corporations' runaway shops for us.

With profits of over $10 billion per year from the labor of foreign workers, the big corporations make sure the government DOESN'T tax profits from their runaway shops and DOESN'T curb overseas investment.

When you come right down to it, the U.S. government is Wall Street's trusty right arm. It's no accident that 4 out of the last 5 Secretaries of State used to work for the Rockefellers.*

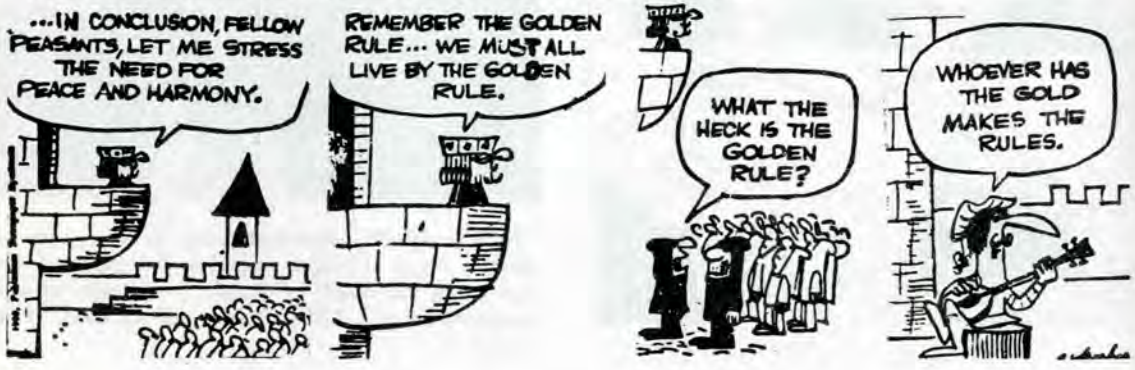
Point 4 of the AFL-CIO program says "the government should press for international fair labor standards . . ." This is like calling on the head fox to demand locks on chicken coops. **The U.S. government itself is the No. 1 obstacle to improving workers' wages and working conditions abroad,** because it props up undemocratic, anti-labor regimes all over the world, from South Africa to south Vietnam.

Another part of the Burke-Hartke bill is an even clearer example of how "relying on the U.S. government" works against us. It calls for setting up a tariff commission (like the Pay Board) with business, "labor," and "public sector" representatives.

If your wages are in the deep freeze, if you've been laid off or speeded-up because of management-labor-government "productivity boards"—you know these government commissions are just another way the Rockefellers, Fords, and DuPonts get what they want from the working class.

We supposedly have a say-so on these government commissions. The Pay Board shows what a hoax this is. And the role of the government becomes even clearer when you look at the barrage of injunctions, compulsory arbitration, and anti-strike legislation that workers all over the country have been hit with. These have been pushed by *both* Republicans and Democrats, like the bill forcing West Coast longshoremen back to work in the fall of 1971.

* Dean Rusk, Christian Herter, John Foster Dulles, and Dean Acheson.



We can't rely on lobbyists to persuade our "friends in Washington" to help us. These so-called friends are more loyal to their rich corporation contributors. They know which side their bread is buttered on.

• **The first step for working people in stopping the runaway shop is relying on our own strength: The organized power of millions of rank-and-file workers.** The U.S. government won't even begin to meet our needs unless we *force* it, just as we have to use strikes and slowdowns to force management to give us better wages and working conditions.

A good example is the organizing that was done in many states in the 1950's against the "right-to-work" laws that would have outlawed union shops.

A more recent example is the nationwide organizing drive of the United Farmworkers' Union. While they've centered on organizing farmworkers and winning union contracts, they've also brought boycott campaigns and the fight against anti-union legislation directly to working people in the cities.

• A real campaign against runaway shops should begin with workers in the hardest hit industries. They have to mobilize the millions of workers, organized and unorganized, to bring the facts on the runaway shop directly to the people.

• A real campaign should **force anti-runaway shop clauses into contracts.** Tackle the problem at its source. A newspaper from runaway shop plagued Dayton, Ohio, the *Dayton Workers' Voice* recently suggested:

> "During contract negotiations, we can fight to get a long-term agreement (5-10 years) that says no leaving town, or if the plant moves out, all employees must be paid severance pay equal to a full year's wages. Or an agreement that if the shop moves out, the contract goes with it. No plant is going to want to leave Dayton if it has to pay its new workforce the same benefits and wages it pays here."

This won't be easy, because rank-and-file union members will frequently have to fight their own International leadership as well as the company on this issue.

The United Farmworkers Union has mobilized millions of people to support their organizing drives.

SUGAR WORKERS TAKE ON THE RUNAWAY SHOP

In March 1971, Castle & Cooke Co. announced it was going to close down its largest Hawaiian sugar plantation at Kohala–leaving 520 sugar workers and the plantation community of 3,500 out in the cold. Castle & Cooke–one of Hawaii's "Big Five" companies–has opened up sugar plantations in the Philippines, where strikes are now illegal and wages are pennies an hour.

ILWU Local 142–an industrial union with sugar, pineapple, construction, and longshore members–took the stand "An Injury to One is an Injury to All." Sugar workers and other union members knew that more runaway shops, layoffs, speedup and lowered wages would follow if C&C could get away with closing down Kohala on its own terms.

Shortly after the company announced its plans, a rank-and-file meeting was held in a local theatre. The union stated, "We serve notice that we intend to take no backward step in wages, hours, and working conditions . . . C&C can't just pick up their marbles and go away and wreck this community."

Sugar workers discussed the issues thoroughly for months before contract negotiations started. They called stop work meetings frequently. Some meetings even had company officials present for questioning. And they broadcast the "Save Kohala" campaign all over the islands, with radio spots and community speaking engagements.

By the time negotiation time rolled around, Castle and Cooke knew the sugar workers and Local 142 were ready to back up their demand to "Save Kohala" with action. In April, 1972, the company caved in to the union's basic demands:

1) **Kohala workers will get contract benefits for 3 years, whether or not they're working.**
2) **A union-management committee will work on job placements. Kohala workers don't have to take jobs with lower wages and fringes. A new job must also meet the worker's experience and physical shape.**
3) **The company has to pay into the pension funds of the new employers of Kohala workers.**
4) **The company has to pay mortgage payments on the workers' homes.**
5) **No other plantation can be closed during the 22 month contract. The closing of Kohala will be spaced over an extra year.**
6) **The workers' unity also forced the state legislature and the company to give up plans for rezoning the land for tourist hotels–and instead open up agricultural alternatives to sugar which can produce jobs for the laid off Kohala workers. Feed grain growing, ranching, and meat packing have all been talked about.**

This settlement made it very expensive for Castle and Cooke to close down Kohala. Beyond that, the union's main goal wasn't just getting a lump sum of severance pay. It was to protect jobs and maintain Kohala as a solid agricultural community. The ILWU placed the burden on the company–right where it belongs.

This settlement was won only because the entire sugar industry–9,000 workers strong–stuck together. A well informed rank-and-file and a democratic union–100 workers were on the negotiating committee–helped pave the way for victory. By relying on their own efforts, the sugar workers were able to rally thousands of other Hawaiian working people behind them.

The Kohala workers also understood that the stand they took would strengthen other workers faced with runaways–like Dole's cannery workers, who are losing work as Dole (also owned by Castle & Cooke) moves its pineapple operations to the Philippines.

Kohala sugar workers discussing strategy to counter plantation closing.

When striking workers at the Rohr plant in San Diego tried to write a clause into their contract forbidding the company from moving to Mexico, it was taken out by the IAM leadership. While hundreds of Rohr workers are losing their jobs as the company moves its machinery to Mexicali, IAM leaders are still assuring them that they're fighting runaway shops on the "national level" (lobbying for Burke-Hartke).

But there are some good examples of unions relying on the rank-and-file and forcing anti-runaway shop clauses into contracts. Hawaiian sugar workers in Local 142 of the ILWU (International Longshoremen and Warehousemen's Union) recently won an important victory in the runaway shop issue. (see box)

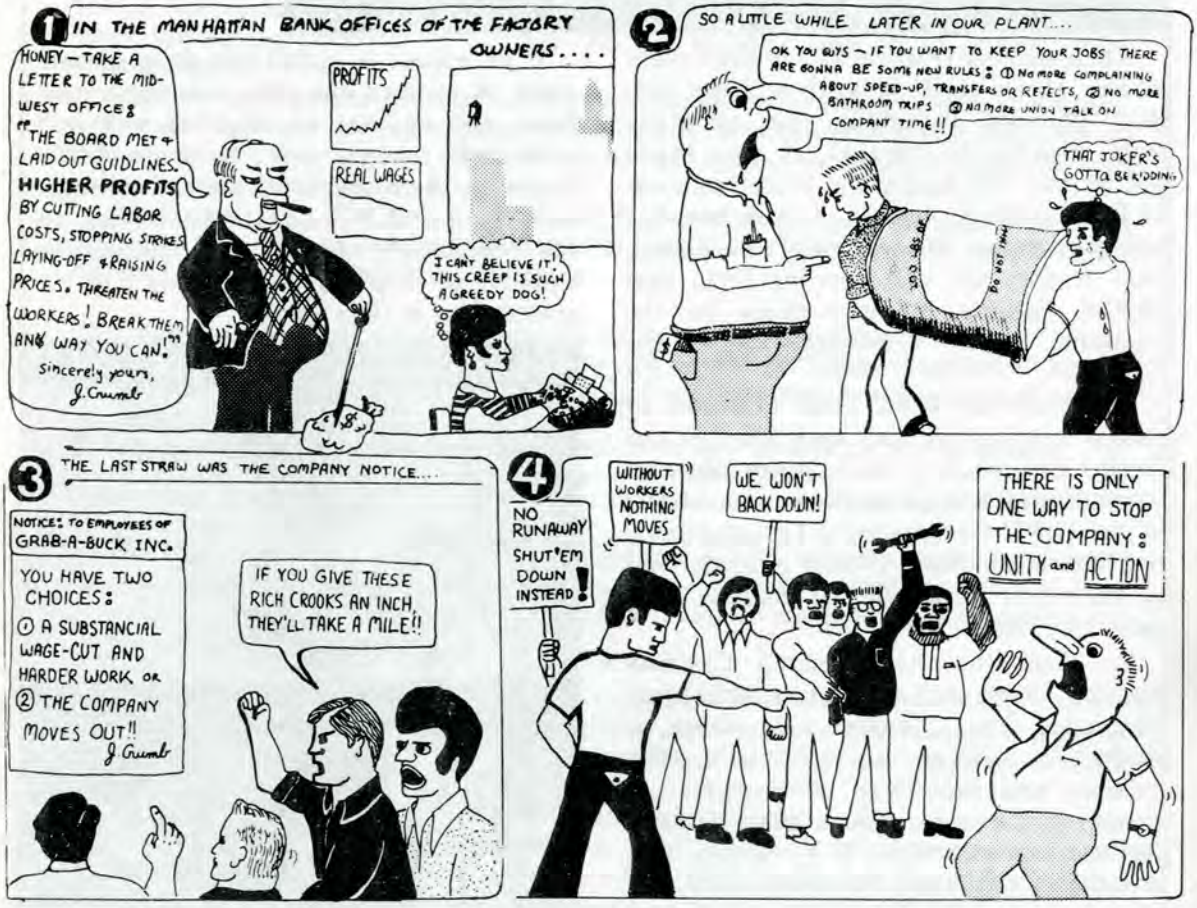
In 1960 the Amalgamated Clothing Workers Union had a contract forbidding companies from moving their plants or production without union consent. The contract also prohibited companies from setting up non-union plants. When Hickory Clothes Inc. closed its N.Y. factory and moved to a non-union Mississippi plant, the union enforced the contract through arbitration. Hickory Clothes had to pay lost wages and reopen a factory of comparable size in the city.

(New York Times, July 14, 1960)

If we expect so called friends in government to protect our jobs, working conditions, and unions, we might as well wait until hell freezes over. We'd do better following the example of the Kohala sugar workers and ILWU Local 142—relying on the organized power of rank-and-file workers to stop the corporations and the government in their tracks.

This Mexican welder makes 85 cents an hour in Rohr's subassembly plant in Mexicali.

"GRAB-A-BUCK INC. THREATENS TO LEAVE TOWN"



Credit: Dayton Workers' Voice

MISTAKE NO. 2: Instead of working to develop international labor solidarity and joint action to stop runaway shops, the AFL-CIO leadership is actively joining some of the big corporations in lobbying for protectionist trade policies that pit workers in the U.S. against workers in other countries.

"Foreign Competition" is a phrase used nowadays like it was the bubonic plague. Business and labor leaders alike use "cheap imports" to explain almost everything that's wrong with the economy.

The built-in weaknesses of the U.S. economy—overproduction, inflation and the constant need for military spending—do sharpen the competition from foreign capitalists. **But the solutions of both business and the AFL-CIO leadership distort the problem: the competition is between the capitalists for more profit, not between the workers.**

MULTINATIONAL CORPORATIONS

The huge multinational corporations, like RCA, GM, Chrysler and IBM say that foreign competition forces them to set up plants overseas for cheaper labor and better access to markets. If they don't, they say, someone else will.

The same argument is used to explain management's demands for speedup, wage cuts, compulsory arbitration and anti-strike legislation. Japanese, English and West German corporations use the same arguments against their workers.

STEEL & TEXTILES

Other corporations, mainly those with their production plants located in the U.S. (e.g. steel and textiles) are shouting that "Cheaper foreign products are stealing our business. They are forcing us to cut production and lay off workers." If the U.S. doesn't want its steel plants to look like abandoned, rusty warehouses and its textile factories to turn into giant dust bins, they warn, the government better limit the import of foreign goods.

"Before we demand that Congress protect our industry against cheap foreign imports manufactured at slave-labor wages, I'd like to remind you, sir, that we own 87 percent of those foreign factories!"

TAKE YOUR BUSINESS ELSEWHERE.

CHASE MANHATTAN INTERNATIONAL BANKING CORPORATION

AFL-CIO

The AFL-CIO leadership's response has two thrusts: against U.S. owned runaway shops importing their goods back here and to other countries, and against foreign manufacturers' imports into the U.S.

Their solution to stop runaway shops by raising corporate taxes and curbing the export of capital and technology is unrealistic. (See pg. 24) The U.S. government spends billions of dollars of tax money every year protecting these overseas investments. Tax laws are written to encourage corporations' overseas expansion.

Even those companies calling for quotas against foreign competition are 100% against any efforts to restrict business' foreign expansion and profits. In fact, some of the same textile companies that are calling the loudest for protectionism are moving their plants abroad and automating at home. So much for their "concern" for our jobs. (see box)

Further, the AFL-CIO program is not just aimed at the multinational corporations' runaway shops. It is directed at cutting down and eventually stopping imports in certain categories, whether from Japanese, European or U.S. corporations.

This is the same policy of protectionism advocated by sections of U.S. business.

"Says Tilford Gaines, a vice president at Manufacturers Hanover Trust, who is a director of United Merchants, a large textile company, 'As a company, United Merchants stands shoulder to shoulder with the textile industry in asking for quotas on imports. But in actual fact it doesn't give a damn. For one thing, a substantial part of the company's earnings comes from overseas investments . . .'" (Fortune Magazine, August 1971, p. 109)

"BUY AMERICAN"—WILL IT SAVE JOBS?

Will a campaign to "Buy American" solve the problem of runaway shops? Does it protect American jobs to buy a Gremlin or Vega instead of a Toyota or VW?

- Does "Buy American" mean buy American brand names? It certainly doesn't protect U.S. jobs to buy a Dodge Colt rather than a Toyota, since both cars are 100% Japanese made. Zenith, RCA, Catalina and Dole are all American brand names, but the products are manufactured or processed in other countries.
- "Buy American" is the publicity campaign that goes hand in hand with legal efforts to keep foreign made products out of U.S. markets. But if we make it harder for foreign corporations to sell in the U.S. they will be forced to retaliate. They will buy fewer goods from the U.S. and workers here will be out of jobs. What would happen if workers in other countries started a "Buy British" or "Buy Japanese" campaign?
- "Buy American" means "buy products made by American labor, not 'cheap' foreign labor." The slogan paints workers in other countries as the enemy. It's like implying that workers in Alabama are the enemy of workers in the North because Wallace and business keep wages low, outlaw union shops, and give huge tax breaks to corporations moving plants to that state. The answer is not to force all industry out of the South, a "Buy North" campaign.
- American business does not "Buy American" when it comes to labor. They buy labor for the cheapest wages they can pay. And they do all they can to keep those wages low. Billions are spent on military hardware to insure safety for U.S. investments and keep wages low in American dominated foreign countries. The inflation caused by this military spending is a major factor in raising the prices of American goods and making them less competitive on the U.S. and foreign markets.
- **"Buy American" is the wrong approach to the problem of the loss of U.S. jobs. It pushes a false and self-defeating idea of patriotism that divides working people rather than unites them to solve common problems. The real problem is the competition between U.S. business and capitalists in other countries.** American business would certainly like U.S. workers to buy American brand names, whether those products are manufactured here or not.

"Buy American" does not get at the roots of the problem. As long as inflation keeps U.S. prices up and U.S. domination keeps wages in many foreign countries down, U.S. goods will be less competitive. Basic pocketbook economics will force working people to buy the less expensive product.

★ ★ ★

Buy American
Buy Union Label

AFL-CIO UL&STD

IUDTW

PROTECTIONISM INCREASES THE PRESSURE ON WORKERS

In a nutshell, a protectionist policy hits directly at the job security and working conditions of workers in other countries. And before long, it comes right back to take away even more U.S. jobs.

Here's how it works (or doesn't work):

- When U.S. tariffs and import quotas keep Japanese or British imports out of this country, those companies are forced to cut production, lay off workers, cut wages, and take other anti-labor actions to protect their own profits. It's the same story as in the U.S.
- Secondly, the competition for higher profits drives the Japanese, British or German capitalists to set up their own runaway shops in the underdeveloped countries for the cheaper labor. They step up their military and economic pressure to control these countries.

The biggest Japanese textile-garment manufacturers for example, Toray and Teijin, are farming out their labor-intensive garment work to low wage countries like South Korea, Thailand and Taiwan. In effect, the various capitalist countries start competing for control of the underdeveloped countries.

- Finally, foreign capitalists are not going to just sit there and be cut out of U.S. markets. They retaliate by throwing up tariffs to stop the import of U.S. goods into their countries. We hear a lot about Japanese imports into the U.S., but in 1970 the U.S. sent $4.8 billion worth of goods to Japan. **So if the U.S. clamps down on the entry of Japanese textiles, Japan could throw up restrictions on the import of U.S. machinery or the $400 million worth of U.S. coal they import every year.**

That means fewer U.S. jobs.

For example, Denmark imported some $338 million worth of goods from the United States in 1970, mainly machinery, foodstuffs, oilseeds and chemicals. But when Nixon announced the 10% surcharge tax on foreign imports that year (as part of his New Economic Policy), Denmark gave tit for tat. They imposed a 10% tax on U.S. goods entering Denmark. This meant that the American workers who make the electrical machinery or chemicals sent to Denmark get fewer orders, and more layoffs.

What protectionism means, whether in the limited form pushed by big multinational corporations or the straight-out demand for quotas and tariffs called for by the AFL-CIO, is that working people all over the world have to pay the price for the bosses' competition for higher profits.

The jobs of many workers, like these U.S. coal miners, depend on exports.

PROTECTIONISM AND THE WAGE FREEZE

Protectionism, the wage freeze, and increased productivity through speedup are all part of the New Economic Policy announced by Nixon in 1971.

All big business interests are in favor of protectionist measures that will give them the upper hand against foreign competition. But they are aware that this could spark retaliation from other countries and start a trade war. U.S. business and the government see an international trade war as a last ditch, drastic maneuver, and they certainly won't start it unless they think they can win.

At this point most American capitalists are united around a more flexible protectionist policy that uses various forms of economic blackmail to force foreign capitalists to knuckle under.

The temporary 10% surcharge imposed by Nixon's New Economic Policy in 1971 was an effort to threaten and blackjack foreign business to accept 'voluntary measures' to improve the profits of U.S. corporations.

These measures included the acceptance of 'voluntary quotas' on some of the goods imported in to the U.S. (e.g. Japanese textiles) and an agreement to revalue their currencies at rates favorable to the U.S.

Basically, U.S. business shifted tactics from a trade war to a *currency war.* The devaluation of the dollar in 1971 meant that the Japanese and Germans were forced to raise the value of the yen and the mark by over 10% as compared to the dollar. The result: one Japanese yen can now buy more American goods, favoring U.S. exports to Japan. And one U.S. dollar can buy less Japanese or German goods, which cuts down on their exports to the U.S.

Even this "limited" protectionist policy has the effect of dumping the whole burden of the economic crisis on the backs of working people in all the other capitalist countries.

The Wage Freeze was also tied to this protectionist policy. The government wanted to make sure that the better profit picture for U.S. business against foreign competition was not hurt in any way by increased wages for U.S. workers. It all makes sense if you believe the old saying "What's good for General Motors is good for the U.S.A." (the old saying of a former president of General Motors, and Secretary of Defense, Charles Wilson).

HOW PROTECTIONISM AND TRADE WAR CAN LEAD TO WORLD WAR

Protectionism has been tried before, and it does not work. In 1930 as the Depression got under way in the U.S., Congress passed the Smoot-Hawley Tariff, aimed at "protecting" U.S. industries. But a trade war followed as country after country retaliated and the economic crisis spread over the rest of the world.

Eventually the struggle for markets that came out of this trade war led to World War II. The chart below shows how this worked with the U.S. and Japan.

Japanese Exports Before and After the Smoot-Hawley Tariff:

	Japanese Sales to the U.S.A.	Japanese Sales to all of Asia	Total Japanese Sales to the world
Average Year 1926-1929	$412 million	$600 million	$1,147 million
Average Year 1934-1936	$148 million	$590 million	$932 million

In the late 1920's, Japan sold more than one-third of her total exports to the U.S.But after the Great Depression hit, the U.S. government moved to "Protect U.S. industry" by excluding most made in Japan goods. By the mid-1930's the Japanese were hurting badly. Japan turned to China and other countries of Asia to make up the difference. But this brought them into conflict with other big powers that already dominated parts of China and held the rest of Asia as colonies: The French in Indochina, the Dutch in Indonesia, the British in Malaya and Singapore, the U.S. in the Philippines, and everyone in different parts of China.

Japanese ruling circles turned to fascism and militarism as the answer: Japan, by military power, would seize the Asian colonies of the Western imperialist Powers, and then would sell more of her goods to these countries. First they invaded China in 1931, then they attacked the French and English and finally the U.S. World War II was on.

By the end of 1970 Japan had again reached the point where about one third of her exports were sent to the U.S. And again, protectionist forces are blaming Japan for our troubles, and pressing to exclude various Japanese exports. In the last twenty-five years most of the wars in the world have been fought between the big capitalist countries and the small colonial countries seeking self-determination. But the competition between the capitalist countries for profits and markets goes on and could heat up to another World War.

"Buy American," say clothing workers picketing Philadelphia tailor.

"CHEAP LABOR"

Another major mistake in the AFL-CIO leadership's campaign to cut off "cheap foreign imports" and promote "Buy American" is that it takes the heat off the big multinational corporations as the enemy and focuses on foreign workers. Their "cheap labor" becomes the target.

At times the propaganda efforts of some unions have a downright racist appeal, like the Amalgamated Clothing Workers' boycott of Hong Kong suits, because "they'll give you the Hong Kong flu." (The union's leaflets don't say anything about supporting Hong Kong workers' struggles for unions, better wages, and working conditions.)

In August 1972, the International Ladies Garment Workers Union started a similar campaign–placing ads in newspapers and putting up posters in New York City subways. (see graphic) The message: Asian workers are supposedly taking away the jobs of U.S. garment workers.

The ILGWU leadership has not focused their attacks on the U.S. corporations that are the real source of unemployment for garment workers. These are companies like Levi Strauss and the manufacturers of Van Heusen shirts, who have set up runaway shops in Asia and Mexico, and big department stores like Macy's, Korvette's, and the Emporium who make huge profits selling clothes made by Hong Kong or South Korean workers for ten cents an hour.

Instead, the ILGWU has fought to *keep wages down* among the predominantly Black, Puerto Rican, and Asian garment workers in New York City–"to keep jobs at home." (In 1959, the ILGWU opposed a measure for a minimum wage in the city of $1.50 an hour!)

And now the ILGWU leadership is trying to make scapegoats out of Asian workers–turning American workers' anger away from the U.S. companies and the union's own pro-employer policies.

ILGWU poster implying Japanese workers are to blame for rising unemployment among U.S. garment workers.

INTERNATIONAL SOLIDARITY

At present, one of the biggest roadblocks to developing solidarity between U.S. workers and workers in other countries is the "Buy American" campaign of the protectionist corporations and the AFL-CIO leaders.

In New York City, a growing coalition of groups led by Asian-Americans for Action have launched one of the first organized efforts to combat the "Buy American" campaign. The ILGWU's subway posters provoked a recent demonstration of over 100 people—Japanese-American, Chinese-American, Black, Puerto Rican, and white—outside the New York headquarters of the ILGWU.

A spokesman for the group picketing ILGWU headquarters, Dr. Michio Kaku, said, "Japanese-Americans have been insulted and abused because of the ads. Some woman went up to a Japanese girl sitting in the subway under one of these posters and said, 'You dirty Jap.' "

Dr. Kaku said the union is directing its fire at the wrong party. "American businesses are firing workers in this country and setting up businesses elsewhere to rip off the American people. This is something ILGWU has not pointed out. Unemployment is not made in Japan; it's made in America. The union should fight bosses for the workers, not play on racism and nationalism." (*New York Times*, October 26, 1972)

Asian-Americans lead demonstration at ILGWU headquarters in New York City.

A Japanese-American Speaks Out

Glenn Omatsu writes in the West Coast Japanese-American paper *Hokubei Mainichi* (August 23, 1972), "Like the Japan of the 1930s, the Japan of today is a nation controlled by a small handful of rich industrialists who are making huge profits at the expense of the great majority of Japanese people and poor people around the world.

"It is not in our interest to identify with these individuals, just as it was not in our community's interest to identify with the big Japanese industrialists of the 1930s.

"In short, we should not fight the "buy American" campaign with a "buy Japan" campaign. Neither benefits the great majority of Japanese-Americans nor the great majority of the people of the world."

REAL SOLUTIONS

The obvious alternative to pitting worker against worker as a way to stop runaway shops is to base a strategy on the international solidarity of all workers. Instead of asking the government to push for "fair labor standards in international trade," the only way workers are going to get anything close to "fair labor standards," national or international, is to unite with workers in other countries and fight for them with their collective strength.

There are some recent examples we can look to of workers in Europe moving in this direction.

- Dunlop-Pirelli is a giant rubber products company with factories in several countries. Recently Dunlop laid off 8,000 workers in its British plants and 1,000 in its Italian plants due to speedup and other "productivity increasing" tactics.

The workers answered by forming a joint council of shop stewards from both countries—and then called a strike at both plants to protest the layoffs. Despite the difficulties of coordinating such an international strike, 80% of the Italian and 30% of the British workers stayed off the job. According to the joint stewards committee, the action was successful enough to encourage plans for similar work stoppages. Dunlop-Pirelli has plants in Ireland, Germany and France.

This kind of solidarity could make it a lot tougher for the corporations to rake in huge profits at the expense of layoffs and unemployment in one country and speedup and lower wages in another. (See the *Boston Globe*, June 15, 1972.)

- In June, 1971 unions of the Michelin Rubber Corporation in 12 countries formed a permanent World Michelin Council to deal with the company's attacks.

For example, most of Michelin's tires are produced in Italy. But Michelin recently opened two highly automated plants in Nova Scotia that will produce a large number of radial tires for the U.S. and Canadian markets. The company intended to keep these plants non-union. Meanwhile, the Italian workers are out in the cold.

The response of the Italian workers was

Salinas farmworkers came to San Francisco to support striking longshoremen—Fall '71.

not to condemn "cheap Canadian labor." Instead, according to *Business Week* (July 24, 1971), "European rubber unions are mustering support for an organizing drive by the U.S. United Rubber Workers and a Canadian affiliate at the new plants, against Michelin opposition."

The Michelin workers' council also considered an international boycott of overtime in all Michelin plants if the company blocked the organizing efforts in Nova Scotia.

In contrast, George Meany and the AFL-CIO leadership has continued to block and undermine international labor solidarity, even on an official level. After World War II the AFL split from the World Federation of Trade Unions because of communist leadership in many of these unions. The AFL then set up a new anti-communist union federation, the International Confederation of "Free" Trade Unions. But by the mid-sixties many of the Western European members of the ICFTU saw the real enemy was not "international communism" but international corporations. So George Meany took the AFL-CIO out of the ICFTU.

The efforts of the workers at Dunlop-Pirelli and Michelin may not have been 100% effective. **But they are clear examples that solidarity with the working class in other countries and unified attacks on the multi-national corporations is the only solution to the runaway shop.**

The solution does *not* lie in tailing behind the corporations' protectionist policies—which only turns us against workers in other countries.

MISTAKE NO. 3: The AFL-CIO leadership has supported the use of the U.S. government and military to protect the corporations' overseas investments and runaway shops.

Why are RCA, GM, Zenith, National Cash Register, and the others shipping their factories out of the U.S. in the first place? The answer—and the root of the problem—is that people in Asia, Africa, and Latin America are poor and miserably exploited. Their dictatorial governments, in league with U.S. government and business, prevent them from organizing to get out from under.

In the early days of union organizing in the U.S., working people faced a similar problem. When only one part of an industry was organized, the employers moved their plants to non-union areas. The solution was to *organize the unorganized.* Workers in the North had to support the organizing drives of Southern workers. Labor in the South is still largely unorganized, and this remains one of the most important tasks for progressive unions.

Today, the United Farmworkers Union is forcing the agriculture industry, from Florida to California, to sign union contracts. Other unions have stood shoulder-to-shoulder with them. Longshoremen all over the world refused to handle scab grapes during the successful 1965-1970 Grape Strike.

Gastonia, North Carolina—1929. Textile workers struck for a union and to raise their $10/week wages. The governor, a textile mill owner, called out the National Guard, labelling the strike a "Communist conspiracy."

In 1972, unions all over the country are cooperating in a boycott of Farah's slacks, an important boost to 3,500 striking Chicanas at Farah's factories in Texas and New Mexico. The Farah strike for union recognition is important to garment workers in the Northern cities–where more and more garment manufacturers are shutting down union shops and moving to the Southwest. In this area, only 15% of the workers have unions.

This same kind of working class solidarity is needed to stop the international runaway shop.

In Hawaii, the Kohala sugar workers know they can't permanently stop Castle and Cooke from moving its sugar and pineapple operations to the Philippines without allies among workers in the Philippines. The stronger the Filipino workers' movement is, the higher wages and better working conditions they can force from their bosses. And the less profit Castle & Cooke can make from its runaway shop operations.

Right now in the Philippines, the corrupt Marcos government won't allow strikes on C&C's plantations. International working class solidarity means supporting the struggle of Filipino workers, farmers and students to overthrow the Marcos dictatorship and set up a government run in the interests of the Filipino people, instead of a handful of U.S. corporations and privileged Filipinos.

Farah strike supporters at a rally in San Francisco–1972.

Legal minimum wage for Filipino sugar workers is 4 pesos per day (60 cents). But actual pay averages *15-20 cents per day* **on most plantations. (From Arsenio Jesena, S.J. in August 1971** *Kalayaan* **)**

NATIONAL LIBERATION STRUGGLES

Since World War II, struggles for national liberation have spread like a prairie fire across Asia, Africa, and Latin America. The people of these countries are demanding freedom, an end to foreign control, and a decent life. But wherever the flames have shot up, the U.S. government has moved in to put them out. The struggle is raging most fiercely now in Vietnam, Laos, and Cambodia.

Despite 25 years of united resistance by the Indochinese people—against the Japanese, French, and now the U.S.—U.S. corporations still haven't given up hopes of doing "business as usual" in Vietnam:

"Some Major American business firms—most notably Ford Motor Company—are showing definite interest in making long-term investments," reported the S.F. Chronicle (May 3, 1971) from Saigon. ". . . Various proposals have been made to the Saigon government by such firms as General Electric, Union Carbide, Bristol Myers, Coca-Cola, Kaiser Cement, Wyeth Laboratories and others."

When the Vietnamese people free themselves from the rule of U.S. big business, it will be a powerful encouragement to liberation struggles throughout Asia, Africa, and Latin America. This will also be a victory for the working people of the U.S. We will no longer have to pay for the war with our lives and taxes. And south Vietnam will no longer be a haven for U.S. companies to set up their runaway shops.

Bank of America's windowless, "high security" office in Saigon. U.S. bankers and industrialists see great profit in S.E. Asia.

THE SOCIALIST COUNTRIES OF ASIA

In three Asian countries–the People's Republic of China, north Vietnam, and north Korea–the people have run out foreign profiteers and runaway shops. With the billions in profits and natural resources that used to be stolen from them by foreign imperialists, they are now building schools, hospitals, new housing, and a stronger industrial base for the benefit of everyone.

U.S. businessmen and the government say that workers in the socialist countries are "slaves," that they don't have the good life enjoyed by workers in the "free world" countries of Asia–like Taiwan, south Vietnam, and south Korea. What the "free world" really means is countries where U.S. corporations have the freedom to set up runaway shops, to pay south Vietnamese or south Korean workers pennies an hour.

But countries like the People's Republic of China show us what working people can do when they run the factories and government. And you can bet they aren't about to let RCA or GM set up runaway shops on their territory.

NLF forces enter Quang Tri after routing Saigon troops.
Vietnamese resistance has kept Henry Ford and friends from getting their "attractive supply of cheap labor" in Indochina.

What has the AFL-CIO leadership done? Led by George Meany, they have consistently supported the U.S. government's military interventions to protect business investments abroad—from Korea and the Dominican Republic to the war in Vietnam. *It's the same as union leaders endorsing a union-busting governor who had just called out the troops and cops to break a strike.*

But increasingly the AFL-CIO's reactionary stand on Vietnam and other U.S. military interventions is being challenged by millions of workers, especially Black workers.

U.S. WORKERS—INTERNATIONALISM

• Due to the growing anti-war pressure from rank-and-file union members, nearly 1,000 delegates from 35 unions met in St. Louis in June 1972 to form Labor for Peace. Their policy statement demanded "the immediate withdrawal from Indochina of every American soldier, every gun, every plane, every tank, every warship, and every dollar . . ." At this point, Labor for Peace hasn't gone beyond statements, especially in taking up ideas for direct action, such as nationwide work stoppages against the war. But it's a step forward against the anti-labor, anti-Vietnamese stand of the AFL-CIO leadership.

Members of the American Federation of State, County and Municipal Workers (AFL-CIO) at anti-war rally.

• In 1971, the Polaroid Revolutionary Workers Movement was formed in the company's Cambridge, Mass., plant. This caucus of Black workers demanded that Polaroid stop selling the South African government an instant ID system which the military used to make pass-book photos for the country's blacks. The racist South African government uses these "pass books" to control the movements of the African majority and maintain apartheid.

Even though Polaroid continued its sales, the nationwide publicity generated by the Polaroid workers exposed the operations of many U.S. corporations in South Africa—the same companies who brag about their "equal opportunity employment" programs in the U.S.

Black and colored South Africans are forced to carry identity cards made by Polaroid.

• In April 1972, Black longshoremen in Burnside, Louisiana refused to unload chromium ore off a ship from white minority-ruled Zimbabwe (Rhodesia). This ore was being sent in violation of a U.N. embargo. They were joined by other union members, seamen, and a demonstration of over 300 Black students from nearby Southern University.

The example of these Black longshoremen and students quickly spread to other ports. On August 1, Baltimore longshoremen refused to unload nickel from Zimbabwe. They joined their brothers in Louisiana in saying, "Racism abroad, like racism at home, must be resisted with all the power and strength that we have . . . Black Americans will not tolerate a Vietnam in Africa." (from Sept. 1972 issue of *On the Line,* a Baltimore, Md. workers' newspaper)

Workers in the U.S.–black, latin, Asian, and white–are increasingly learning that "An injury to one is an injury to all." That by supporting the struggles of people in Vietnam, Zimbabwe, or Puerto Rico, they are fighting for working people all over the world.

Capital (money and machines) is fluid and international. A capitalist can convert his factories into dollars, convert his dollars into pesos, and buy factories in Mexico. His goods and profits can then flow back into the U.S.

Workers cannot move around so easily. It's hard enough when we are forced to move from one part of the country to another part to follow a job. But we cannot just pick up our families and possessions and move to another country to suit the changing profit picture of the bosses.

To deal with international corporations successfully, our action and solidarity must be international too. We cannot limit our support, or our friends, to those within the U.S. Who are our enemies? Who are our friends? These questions are the key to solving our problems.

Our enemies are the imperialists—the bankers and businessmen with world-wide interests—and the governments that serve them. Our enemies are the men who exploit our labor, who throw us out of work to "cure" inflation, who call out the cops and courts to break our strikes. They are the men who profit from forcing black, latin, and Asian working people into the worst jobs and housing. They are the men who force us into the army and send us to fight and die overseas for their interests and profits.

Southern U. students supported Louisiana longshoremen's refusal to unload Rhodesian ships—1972.

Our strongest friends are working people at home and abroad—and that means there's a whole lot more of us than there are of them. If we are trying to stop a plant in Michigan from running away, our friends are workers who are launching union drives in Alabama or New Mexico—workers who are fighting to organize a union in Taiwan or Mexico.

Our friends are South Africans and Angolans fighting for freedom and majority-rule—Puerto Ricans demanding independence from U.S. big business—Vietnamese National Liberation Front soldiers and their families, who are fighting for independence and self-determination.

When you get right down to it, there's only one way to stop the runaway shop, speedups, wagecuts, or anything else Big Business throws at us: *Reliance on the great strength of the working class, and actively building solidarity among workers of all nations.*

El Paso, Texas—1972.

Rally in Puerto Rico.

African Liberation Day march in San Francisco—May 1972.

This pamphlet has not tried to spell out a detailed program for stopping runaway shops. We have tried to lay out the basic direction of a real solution, as opposed to the false solutions of business and some labor "leaders":

1. RELIANCE ON THE POWER OF THE ORGANIZED WORKING CLASS, NOT ON THE LEGISLATIVE EFFORTS OF LOBBYISTS OR A FEW "FRIENDS" IN CONGRESS.

2. INTERNATIONAL LABOR SOLIDARITY AND JOINT ACTION TO SUPPORT WORKERS' ORGANIZING EFFORTS IN OTHER COUNTRIES—NOT SELF-DEFEATING PROTECTIONIST POLICIES.

3. SUPPORT THE NATIONAL LIBERATION STRUGGLES OF THE VIETNAMESE AND OTHER PEOPLES FIGHTING TO INSURE THAT U.S. CAPITALISTS HAVE NO PLACE TO RUN WITH THEIR SHOPS IN SEARCH OF LOW WAGES AND AN OPPRESSED WORKING CLASS.

HOW DO YOU KNOW IT'S SO?

There are a lot of facts in this pamphlet, but how do you know they really are facts? This section tells you just where we got our information, and where to go if you want to dig deeper. Many of our sources are news items that have appeared in the U.S. business press or in progressive newspapers oriented towards the struggles of working people.

p. 2 **RCA plant closings:** July 1971 issue of *Movin' On Up,* a workers' paper in Cincinnati, Ohio.
Taiwan–Strikes Illegal: *Oriental Economist,* July 1971, p. 32.
Wages 14c per hour: U.S. Tariff Commission Report, *Comercio Exterior de Mexico* (May 1971, p. 2).

p. 4 **U.S. Electronics on Taiwan:** *Business Week,* July 6, 1968 and July 11, 1970. *Fortune* , Nov. 1971.
U.S. Electronics Runaways: *COPE Memo,* August 2, 1971. *Community Press Service,* May 1972.

p. 5 **South Korean wages:** *U.S. News and World Report,* April 19, 1971. **Anti-strike laws:** *Business Asia,* Dec. 11, 1970, p. 55. **Chrysler-Mitsubishi deal:** *Business Week,* June 19, 1971.

p. 6 **U.S. Companies and Wages in Mexican Border Cities:** *U.S. News,* July 1, 1968 and March 27, 1972 *Bus Week,* Jan 22, 1972. **Singer overseas:** *U.S. News,* Nov. 20, 1972.

p. 8 **700,000 jobs lost:** *Memo from COPE,* August 2, 1971.
NCR layoffs: August 1972 issue of *Dayton Workers' Voice.*
Wright quote: from Zenith Radio Corp. brochure "U.S. Trade Policy," June 1971.

p. 9 **Frigidaire wagecut:** December 1971 issue of *Dayton Workers' Voice.* **Frigidaire wildcat:** Nov. 1972 issue of same.

p. 13 **U.S. companies in South Africa:** *Fortune,* July 1972. *Race to Power,* Africa Research Group, 1971.

p. 14 **Puerto Rico, U.S. Colony:** *Latin America Report,* NACLA, May 1972.

p. 15 **Dominican Republic intervention:** *Intervention and Revolution,* Richard Barnet, p. 153-158.

p. 17 **Iran intervention:** *The Politics of Oil,* Robert Engler, p. 202-212.
Korean intervention: "The Korean War: Its Origins and Aftermath" (carried by UFP).

p. 18 **Overview of importance of overseas expansion for the U.S. economy:** *Age of Imperialism,* Harry Magdoff, Monthly Review Press

p. 20 **U.S. profits abroad of $9.6 billion in 1970:** *Cleveland Federal Reserve Economic Review* March 1971.
Profits on foreign investments: (12.7% Latin America, 16.3% Africa, 34% Asia) *Bus Week,* Jan 24,70.
U.S. companies making over 50% of their profits overseas: *Forbes Magazine,* Nov 15, 1971, p. 77.
Multinationals list: *U.S. News,* Nov. 20, 1972.

p. 23 **AFL-CIO and Burke-Hartke bill:** "Statements of AFL-CIO Executive Council," May 2, 1971. *Bus Week,* Feb. 12, 1972. *AFL-CIO Federationist,* June and August 1971.

p. 26 **Kohala sugar workers:** *Voice of the ILWU* (Local 142 paper), March 1971 and April 1972.
Castle & Cooke in the Philippines: *C&C Annual Report,* 1970.

p. 27 **Rohr moving to Mexico:** Internal Rohr memorandum ordering plant equipment shipped to Mexico, reprinted in San Diego *Wildcat,* June 1972.

p. 30 **AFL-CIO protectionist positions:** *Journal of Commerce,* July 14, 1971. (see p. 23 references)
Position of multinational companies: *Fortune,* July 1972, "How to Tell Where the U.S. is Competitive" **Position of textile companies:** *Fortune,* August 1971.

p. 31 **Buy American:** shopping bags, bumper stickers can be obtained at any AFL-CIO Union Label department.

p. 32 **Denmark-U.S. trade:** U.S. Dep't of Commerce, *Market Report on Denmark,* O BR71–009.
Japan-U.S. trade: U.S. Japan Trade Council, *Council Report No. 6* (Feb. 3, 1971) and No. 20 (March 26, 1971).

p. 33 **Currency revaluation and effects of NEP on trade:** *Fortune,* Nov. 1971 "Our Strange New Hard Line on Trade" and numerous articles in the *Wall Street Journal* since August 1971.

p. 34 **U.S. trade quotas/emerging trade war:** *Pacific Basin Reports* (S.F.) 1970, p. 35-37, 67-69: 1971, p. 79-90, 156-164.

p. 35 **Amalgamated Clothing picket line picture:** *Bus Week,* July 26, 1972. **Amalgamated "Buy American" leaflets:** see ACW Union Label Newsletter from N.Y.C.

ILGWU poster campaign and information on the union: speech of Dr. Michio Kaku of Princeton's Physics Department: "ILGWU–The Union the Fights for Lower Wages, Especially for Third World People," reprinted in Fall 1972 issue of Asian Americans for Action newsletter in N.Y.C.

p. 40 **Farah strike and boycott information**: Nov. and Dec. 1972 issues of *Bay Area Worker (El Obrero del Area de la Bahia).*

p.38 **AFL-CIO and the international labor movement**: *American Labor and U.S. Foreign Policy*, Ronald Radosh.

p. 44 **La. longshoremen and students**: *Southern Patriot*, Louisville, Kentucky, April 1972.

WHAT IS UNITED FRONT PRESS?

United Front Press is a non-profit publishing and distribution center.

Our aim is to make available, and circulate widely, accurate information on the true history and current struggles of the American people.

Tremendous social upheavals have gripped our country in the last decade and a half. There is insurgency at the grass roots among many sections of our people, demanding basic changes in society and its power relationships. The working people of America–black, latin, white, Asian, and native American–who are the majority of the people, want a determining voice in running this country.

These changes can only come about through the effective organization of this American majority, armed with an understanding of their history and role in society.

For the most part, the established media have always served the interests of big business. Newspapers, magazines, radio and television are almost all owned by the very rich, and controlled through advertising by the large corporations. News and information are filtered and public opinion manipulated to serve the interests of the wealthy few.

Ideas for our pamphlets spring out of the concrete struggles of the people, or in response to questions of mass concern. Most of what we produce is developed with the participation of local organizers–in the community and on the job. And it is in the communities and workplaces that the pamphlets are mainly distributed.

If you are involved in an organizing project, community group or union caucus, we can assist you in two ways: first, by spreading the word to others about what you are doing, or the conditions you are working to correct; second, by providing information or research you need to move your work forward. In turn, we expect your help in developing and distributing these pamphlets. Contact us.

UNITED FRONT PRESS
P.O. Box 40099
San Francisco, CA 94140

Send for our free catalogue.

YOUR COMMENTS on Runaway Shop

Because United Front Press is a new publishing center for pamphlets that relate to the struggles of working people, we are relying on your criticisms to help us develop more useful, readable future publications. This form, we hope, will help you send your comments to us. Please do not feel limited to the space on this page, use the back or another page.

Name _____

Address _____

_____ Zip _____

Work/School (or other) _____

▪ Where did you get your copy of International Runaway Shop?
Did you read the whole pamphlet? _____ part of it? _____ Only look at the pictures? _____

Content: ___comprehensive ___too many facts ___too few facts ___incomplete
___vague generalizations ___examples well-illustrate points ___examples lead to conclusions

▪ In the three sections of the pamphlet: a) what runaway shop is and examples, pp. 1-14
b) runaway shop as an aspect of U.S. imperialism, pp. 15-21
c) phony and real solutions, pp. 22-47
We would like to know how each section influenced you and what points were unclear in each part.

▪ Was the economic analysis in the section on protectionism: ___unclear ___understandable
___distracted from main flow ___clarified points being made ___necessary to understand runaway shop

Graphics: ___too many ___too few ___carried sense of the text ___distracted from text
___interesting in themselves ___some pages too jammed with pictures and boxes

Style: ___sentences too long ___bogged down ___lively ___too intellectual ___readable

General Questions:

▪ Would you show this pamphlet to many of your friends? why or why not?

▪ What other pamphlets would you like us to develop?

▪ Are there other people who would like to get our catalogue or the International Runaway Shop?

RUNAWAYS

UNITED
FRONT
PRESS