

Coalition Chronicle

Report to the National Industrial Base Workforce Coalition

Special Edition

April 2020

Buy American

THE GLOBAL ECONOMY – A Workforce Perspective

Following World War II, America rebuilt the economies of both our allies and our enemies in Europe and in the South Pacific. We also became the world's policeman to protect our allies from returning to the constant wars that plagued nation states for centuries. Our armies provided the peaceful atmosphere for the rest of the world to rebuild their industrial base with modern forges and steel mills – and other components of an industrial economy – that competed with our 75-year-old industrial base. In this atmosphere, we traded with the rest of the world. “Free Trade” was the worldwide rallying cry.

Sometime after World War II, the governments of many of our allies began to subsidize the design and manufacture of capital goods. In their zeal to gain market share, they engaged in tactics that placed American products at a disadvantage. For example, American commercial shipping companies had to borrow capital at market rates and pay the cost of wages and health care. At the same time, foreign countries provided capital below world market rates and subsidized the wages of the crews; they also covered health care costs under the socialized medicine provided by their countries. Free trade economists repeatedly argued that the wages of American crews were too high. Yet, even if American seamen had sailed without compensation at all, the United States still would not have been able to compete with the subsidized industries in other countries.

By the 1970s free trade was no longer fair trade. The most prominent example of this fact is the creation of Airbus by a consortium of five European countries that subsidized the engineering and manufacturing that lowered the cost sufficient to undermine US aerospace companies. By contrast, American commercial aviation manufacturers had to borrow money at market rates and

pay the wages and health care costs of their engineers and technical workers with no subsidies. What is more, the consortium of countries that created Airbus then offered landing rights to airlines that purchased Airbus aircraft. One can see why Airbus has 50 percent of the world's market share in sales. It is obvious how free trade was not fair trade and has brought the United States to where we are today.

The New Reality

Throughout the last half-century, American workers were told by both political parties that free trade and globalism were the new economic order. In fact, free trade was not fair trade and

outsourcing of American jobs worldwide in the name of globalism was undermining US economic and national security. No one listened to the voice of the American workers who were marginalized at best and reduced to being unemployed and insignificant at worst. Then came the current pandemic.

Buy American

“We want products made on US soil, so we don't have to compete against cheap sweat shops, labor lacking in environmental regulations, different tax regimes, and massive subsidies that foreign countries use to directly attack our industrial base.”

**Peter Navarro
April, 2020**

Globalism in a Pandemic

If there is one positive outcome from the coronavirus pandemic that has killed thousands of people and placed nations at the brink of bankruptcy, it is that it demonstrates how US trade policy over the last 50 years has eroded America's economic and national security. The outsourcing to China of 80% of American pharmaceutical components necessary to the survival of our people defies reason. Whether the outsourcing was done in the name of lowering the cost of pharmaceuticals or in the current spirit of globalism, the decision has placed the health of our nation in jeopardy. So, too, but less apparent, has been America's dependence on other nations for the critical components needed to preserve our industrial base.

Over the last half-century, we have outsourced whole industries essential to our national survival. These include critical aircraft and missile components as well as the machine tools essential to the manufacturing of all products required to maintain a viable industrial base. A few years ago, I toured a major defense facility where a crew of technicians were installing a giant machine essential to performing an operation in one phase of production. This machine was not a product of Milacron, formerly Cincinnati Milling Machine Company which was the legendary machine tool company in Ohio that built most of American machine tools used during WWI and WWII. No. This giant machine was made in Italy. In fact, the men delivering the machine were speaking Italian. They had placed a metal replica of the Italian flag on the machine for all to see. When I asked the union president accompanying me about it, he pointed to an equally large machine made in Sweden. He continued pointing out other large machines, all made in

Europe. I remarked to him that during WWII both of my parents worked in defense plants where a majority of the machine tools were made in America.

Since the publication of the first issue of the *Coalition Chronicle* in 1992, our members have seen the steady decline of the US workforce not only in the defense sector, but also in consumer electronics that were invented here. As incredible as it sounds, critical high-tech components of our aircraft and missile defense systems have been outsourced to foreign manufacturers.

During this national crisis, with our economy eroding before our eyes, the entire nation is awakened to the nightmare that China could deny Americans antibiotics that have saved countless lives and have extended our life span well beyond the 65 years anticipated when Franklin D. Roosevelt signed the Social Security Act of 1935. This is a time when "Buy American" must be revisited, not only for our pharmaceuticals, but also for all the other products and jobs that were given away to other nations in the name of reducing costs or globalism. This issue of the *Chronicle* will focus on how outsourcing has weakened the US industrial base.

While we cannot review all of the outsourcing that has eroded our industrial base, we will examine the decisions that, whether through profit or spirit of globalism, have negatively impacted our manufacturing sector. We will highlight some of the products and jobs that were outsourced and that reduced both our economic and our national security. We begin the analysis with an industry that was lost between 1965 and 2010 – the garment industry.

Schmatta: Rags to Riches to Rags

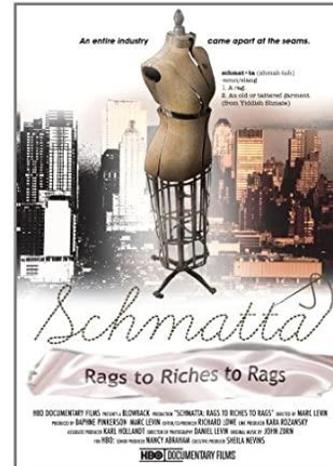
Before the slow but constant movement of machine tools and critical components of our manufacturing bases were outsourced, the United States was in the process of losing an entire industry that provided entry-level jobs for immigrants who manufactured a large percentage of America's clothing. Located between 34th and 40th Streets in New York City was an area known as the Garment District. This district provided hundreds of thousands of jobs in the garment industry throughout the country. The companies in the garment district employed designers, brokers, fashion models, photographers, magazine writers and publishers. Each year star-studded celebrities attended the seasonal gala events surrounding the announcement of new fashions.

In the midst of office buildings near Broadway, the streets of the Garment District were filled with people moving clothes racks between buildings. Commerce was clearly evident. Following the fashion galas, hundreds of salesmen fanned out across the country filling orders for thousands of mom-and-pop clothing stores that served small town America.



Behind all this promotional glitter was what truly can be described as sweat shops, where low-paid immigrants made all the clothing. These shops were not only in New York City, but also scattered throughout the state and region. During the early 1950s, I worked in a sweat shop in New Haven, CT,

where I delivered components of shirts and blouses throughout the factory. Women filled giant unairconditioned rooms where they sewed the pieces into shirts and blouses. The smell of perspiration and sewing machine oil was overpowering, even to a teenager. Today, almost all of these jobs are gone.



According to a 2009 HBO documentary titled *Schmatta* (the Yiddish word for rags), the garment industry was the largest employer in New York City and employed hundreds of thousands of workers nationwide. The documentary demonstrates the loss of the livelihood of the entire gamut of workers – from highly skilled to entry level – that had sustained generations of workers. In 1965, 95% of all clothing was made in the United States. By 2009, it had been reduced to 5%. The film, which tugs at the heart, tells the story of how an industry employing workers at \$5.00 an hour could not compete with countries where workers make less than \$5 a week. One cannot watch this video and not be moved.

The documentary describes how both political parties ignored the signals that were clearly apparent from the 1960s and continued into the early 21st century. The garment industry is the very model of how the US is losing its manufacturing base today.

American Steel Industry and its Workforce

In the early 1970s, President I.W. Abel of the United Steelworkers stated, “If I want to raise money for a political contribution all I need is to ask my members for one dollar.” At that time, he represented more than one and half million members in Pennsylvania, Ohio, West Virginia, Illinois, Indiana, California, and other states producing steel. Over the last several decades almost all these mills shut down, resulting in the loss of good-paying jobs that were the conveyor belt into the middle class for a large segment of the American population.



When President Trump began his reform of America’s trade policies, he started with China and other countries that flooded American markets with steel produced below their cost of manufacture. The Chinese actions undermined America’s ability to produce steel at a fair market price. They were dumping steel on the American market not only from China itself but from pass-through countries that also flooded our market. Trump called out the Chinese and placed tariffs on those imports. The Chinese responded by placing tariffs on American agricultural products and livestock.

During that struggle free trade economists and many Republicans argued for a halt to those tariffs. Peter Navarro, the Trump administration’s Director of



Trade and Manufacturing Policy, recommended that the President hold fast; as a result, the President increased the tariffs. This was a tough time for Navarro, because the agricultural sector of the country felt threatened and attacked the administration, arguing that tariffs hurt their sector. The President ignored the free-traders in his own party and backed Navarro.

Ultimately, the Chinese relented and the American steel industry began to recover. Today, the American steel industry is coming back to life. Our steelworker *Coalition* members in Ohio, Pennsylvania and West Virginia are saying that they are now employed and have received wage increases along with signing bonuses unseen in decades. Because the President, at Navarro’s recommendation, remained resolute, not only did the Chinese relent, they also ordered record-breaking amounts of our agricultural products.



NAFTA and the Auto Industry

The situation described in this section was predicted by industrialist Ross Perot, who said, “If we pass the North American Free Trade Act (NAFTA) we will hear a giant ‘sucking sound’ of jobs being pulled out of this country. . . .” Given the wage differential between Mexican and American auto workers, it is not surprising that Perot’s predictions came true.

Following the passage of NAFTA during the Clinton administration, US auto makers began moving automobile plants to Mexico and auto parts plants to Canada, resulting in the loss of tens of thousands of American jobs. As with the steel industry, the Trump administration was determined to bring those jobs back to America.

Trump’s trade and tax incentives caused a wave of jobs to leave Mexico and return to the US. Like China, when the Canadian and Mexican governments resisted, Trump levied tariffs on both countries. The Mexican government threatened to hold onto the component parts they manufactured.

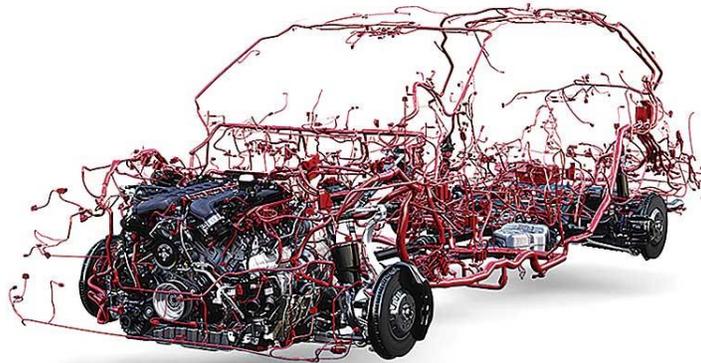
Once again, during that controversy, free-traders opposed the US tariffs on our “allies” and trading partners. Nothing offends free-traders more than tariffs, but the controversy unearthed a heretofore unseen consequence of outsourcing component parts. The CEO of Celebrity Motor Car Company told a financial news network that pressuring Mexico with tariffs could backfire because 70% of the wiring harnesses that are required to manufacture an

automobile are made in Mexico along with 20% of all the parts necessary to build an American car.

If Mexico withheld those parts, the American automobile industry would be shut down. During this same period, the administration placed tariffs on Canadian products. The free-trade economists argued that Trump was starting a trade war with our allies. Many on Wall Street joined the chorus of free-trade economists over the concern that the use of tariffs would destroy our economy. With the support of Trump, Peter Navarro withstood the criticism of conservative free-trade Republicans who opposed tariffs, Wall Street, and many in the White House; he

alone enforced the president’s actions against America’s foes and allies. In the end, as with China, both Mexico and Canada caved and met the administration’s demands. All of these battles paved the way for the passage of Trump’s new trade policy, the United States-

Mexico-Canada Agreement (USMCA), to correct the problems that arose from NAFTA. There are some *Coalition* members who believe that labor should have gotten more in the agreement, but most members are experiencing the return of good-paying jobs in the steel industry along with benefits which had disappeared under outsourcing and NAFTA. The US auto industry has seen the building of new auto plants in the United States and the return of American jobs.



Aircraft Maintenance and MROs



US commercial airline companies are required by the Federal Aviation Administration (FAA) to perform routine maintenance on their aircraft as instructed by the aircraft manufacturer. All of the major carriers perform maintenance services at their hubs or near the airports they serve. They employ their own skilled maintenance crews. In addition, there are independent depots known as Maintenance, Repair and Overhaul (MRO) companies. The MROs, which employ full-time maintenance crews in major cities around the world, service the aircraft of any commercial airline company, especially smaller carriers. Whether maintenance services are performed by the employees of individual airlines or at independent MRO facilities in the United States, the services performed are overseen by the FAA. The FAA requirements are specific. Every detail is prescribed. Also prescribed is the ratio of supervisors to mechanics. Between the hourly cost of American supervisors and mechanics needed for compliance, the cost is high but necessary.

With the passage of NAFTA, not only were automobile manufacturers relocated to Mexico, but aircraft maintenance facilities were also established in Mexico, resulting in job losses for US skilled

aircraft mechanics. For the past 25 years airline companies have increasingly chosen to move the maintenance of their aircraft from their own facilities to MROs, whether in the US or in Mexico in order to reduce costs. The representative of an MRO located in the US proudly told me their company was growing rapidly and had reduced costs substantially by setting up new facilities in Mexico. She noted the hourly wage for maintenance in the Mexican MRO was \$1.85 per hour. She quickly added they also provided transportation and lunch for the mechanics. Compared with hourly wage and benefits packages offered by American facilities, it is easy to see why American workers are not competitive.

To be clear, US commercial carriers need the flexibility to maintain their aircraft anywhere they choose. In fact, it might also be necessary for them to do so, because they maintain their aircraft in the different countries they serve. Nonetheless, general maintenance of aircraft at locations outside the United States that otherwise could be done by American workers has resulted in the loss of good-paying American jobs.

Aerospace Industry and Weapons Industry

As in the steel and auto industries, the same industrial virus – the move toward globalism -- spread to the manufacturers of most sophisticated weapon systems. During the 1970s and 80s, the United States began outsourcing to foreign manufacturers the production of critical component parts essential to

US weapons technology. What had been overlooked, however, was the possibility that our allies would be reliable partners only when they agreed with our military objectives. The 2003-2004 edition of the *Coalition Chronicle*, made this point precisely:

“In a world where U.S. industry has become global, has our national security become hostage to individual ‘allies?’ What happens when an ally who supplies component parts critical to a U.S. defense system disagrees with the U.S. on a military action and withholds those components in time of war? This is what occurred during the Iraq war when a Swiss company supplying a crystal used in the JDAM guidance system held up delivery of this critical component waiting for approval from their government, which opposed our policies in Iraq. In this instance, the U.S. JDAM prime manufacturer was forced to buy the parts from an American supplier. Luckily, we were able to get them in time to support our troops already engaged in combat.

Our national security requires industrial independence, not only in the manufacturing of large weaponry such as tanks and planes, but also in the manufacturing of small critical components. For all these reasons, the *Workforce Coalition* stands strongly behind the long-term goals that H.R. 1588 [House FY2004 Defense Authorization Act] envisioned, believing that America will not be able to sustain its position in the world if our industrial base is undermined through the procurement of military equipment from foreign countries.”

Coalition Chronicle 2003-2004 Edition



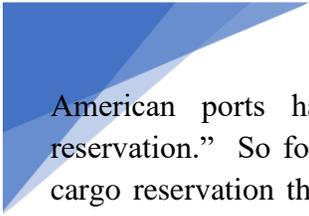
The Loss of America's Merchant Fleet



In 490 BC, the Persians invaded Greece with an army of 80,000 men. Although outnumbered 8 to 1, the Greeks annihilated the Persians on the Plains of Marathon. Themistocles, a Greek general at Marathon, saw the value of a Persian navy that could not only deliver warriors to a distant shore, but also resupply them after combat began. With the exception of wars fought between landlocked nations, for the next 1500 years invading armies delivered troops and resupplied them by sea. That was true when the British attacked the American colonies, when the US fought in the Spanish-American War; and it was true during World War I, World War II, the Korean Conflict, and in Vietnam. In 1980, President Ronald Reagan set a goal of building a 600-ship navy and rebuilding a US commercial fleet. At that time the commercial fleet

consisted of only 500 cargo ships and carried 0.5% of America's ocean commerce.

For more than half a century, Congress recognized the importance of sustaining America's merchant fleet and preserved the Merchant Marine Act of 1920, also known as the Jones Act. This act requires that all cargo moved by water between two American ports must be carried on US vessels that are owned, built, and repaired in US yards, and crewed by American seamen. Since the 1950s, free-trade economists have argued that the Jones Act is an unfair trading practice used against our allies and trading partners. Many in Congress agreed, arguing that the Jones Act amounted to cargo preference and was a violation of free trade. Yet, those same free-traders had no objection to foreign nations insisting that any merchandise trade they delivered to



American ports had to be considered “cargo reservation.” So foreign flag vessels could invoke cargo reservation that free-traders did not consider objectionable, but America could not use the words “cargo preference” because it was clearly against free trade. In his 1980 maritime strategy, Reagan announced that “we recognize the challenges created by cargo policies of other nations; the United States has traditionally espoused free trade; however, the international shipping trade is laced with a network of foreign governmental preferences and priorities designed to strengthen foreign fleets, often at the expense of US maritime interests. We must be prepared to respond constructively for our own interests to the restrictive shipping practices of other nations.”

The national security implications of allowing our merchant fleet to be diminished has been discussed in other issues of the *Coalition Chronicle*. In the Winter 2018-2019 issue, Dean Popp, former US Army Acquisition Executive and Assistant Secretary for Acquisition and Logistics in both the Bush and Obama administrations, argued that the United States required rare earth elements (REE) for our defense industry be obtained from China and delivered on Chinese vessels. Popp argued that every one of the current US weapon systems relies on REEs and an exotic assortment of 17 metals and elements that are neither mined nor possessed in the US. Hence, we remain completely at the mercy of foreign governments and markets for these vital ingredients that are the building blocks for high tech military equipment and weapon systems. These rare earth elements contain unique properties that work at high temperatures in precision-guided missiles. Currently, there is only one player in this market -- China, which controls our nation’s access to REEs. It has set a precedent for using our REEs as geopolitical leverage. Popp stated that, “To believe China will keep supplying us with materials needed to defeat them is both irresponsible and naïve.”

During the campaign of 1980, Ronald Reagan never mentioned a threat from China. Why not? Because at that time, the Chinese did not have a merchant fleet or a navy. Imagine Reagan assessing our maritime situation today. Thanks to the Chinese carrying our merchandise trade on their ships, they now have over 3000 merchant vessels all capable of carrying troops and military cargo. They have converted atolls in the Philippine Sea into mini-aircraft landing strips and warned the United States to stay out of their newly defined territorial waters. They are building ports around the globe, increasing their ability to move throughout the oceans with impunity. This, when the number of US merchant ships has fallen from the 500 ships Reagan saw as a crisis in 1980, to fewer than 100 ships today. Moreover, there are so few sailings that licensed marine engineers are not having their credentials updated by the Coast Guard. So, if the US goes to war, it will have neither the cargo ships nor the engineers to run or repair the power plants. As this issue of the *Chronicle* goes to press, free-traders in the Republican Party once again want to repeal the Jones Act. Republican Senator Mike Lee, from the landlocked state of Utah, introduced the Open America’s Waters Act in 2019. Why bother? In reality, with fewer than 100 ships, he is beating a dead dog. The Jones Act is already dead.

On the subject of fair trade, in my 40 years of observing free trade economists, I have never seen one of them oppose cargo reservation as an unfair trade practice, yet they unanimously oppose cargo preference for American shippers as a violation of free trade. The fact is, that except for warships, the United States is no longer a sea power. But, then, it should be remembered that these are the same economists who, to reduce costs, advocated the outsourcing of American jobs in a host of manufacturing industries, and most probably supported the manufacture of pharmaceuticals off-shore as well.

Preserving Shipyards and Skilled Labor

Since the founding of the *National Industrial Base Workforce Coalition*, it has brought together union presidents and senior officials in the administration of both parties. Most recently, *Coalition* members met with senior policymakers at the Department of Defense in late 2019. Navy officials expressed two concerns – first, to keep shipyards open and also to increase the number of skilled craftsmen and women.



During that meeting, AFL-CIO Metal Trades Department President Jimmy Hart expressed a major concern about the potential closing of the Philadelphia Shipyard. The yard was once a Navy shipyard that had been converted to constructing commercial ships. It was getting back on its feet building container ships and had a contract to build four Jones Act ships that were to deliver cargo to Hawaii. After the first two were under construction, the state of Hawaii notified the ship builder that there would be no port facility to accommodate the new ship. The ship builder, who had placed the order for those ships on the guarantee that there would be portage facilities available to deliver cargo to Hawaii, had no choice but to cancel the order, resulting in the closing of the yard. After the DoD

meeting ended, President Hart maintained contact with senior officials in the Navy, reminding them that they would lose both that shipyard and hundreds of skilled builders.

Members of Congress from the surrounding geographic region understood the potential economic fallout, and appealed to the White House. Director of Trade and Manufacturing Policy, Peter Navarro, became involved because of his understanding of the trade and jobs issues.

In September of 2019, both Navarro and the Secretary of the Navy met with Jimmy Hart for a tour of the Philadelphia shipyard. Navarro clearly understood the importance of keeping the yard open, as it would preserve the jobs of skilled craftsmen and women. He assured Hart that he would do everything in his power to keep the yard open.

On April 8, 2020, the Maritime Administration announced that the Philadelphia Shipyard has been selected to build the new National Security Multi-Mission Vessel. The promise has been kept.



H1-B Visas and Engineering Jobs

In 2009, the same year in which the garment industry all but disappeared in the US, the Senate Health, Education, Labor and Pensions Committee held a meeting to discuss H-1B visas and immigration. At the time H-1B visas were set at around 65,000, but nearly 120,000 had been issued. The ensuing testimony tried to make a case for raising the ceiling for H-1B visas, to bring the best of the world to the US.

H-1B visas are issued to foreign workers in the engineering and high-tech fields to fill positions that cannot be filled within the pool of existing American workers. For decades, unions and workforce representatives in the *Coalition* have opposed these visas, arguing that American engineers, scientists, and technical workers are available for those positions.

In the early part of 2000, the American engineering community had a much appreciated and unexpected ally – CNN’s Lou Dobbs. Dobbs continually reported that the H-1B visa program was being used to bring in lower cost foreign engineers to replace American engineers. In 2007, Dobbs observed that many in corporate America continue to claim there are not enough American permanent residents with degrees in science and engineering to fill the jobs available. He pointed out that there had been five separate studies that indicate exactly the opposite: the Alfred P. Sloan Foundation, Rand Corporation, the Urban Institute, Harvard and Duke Universities all concluded that there is no shortage of American

workers for jobs in technology fields. In 2007, 435,000 people graduated with degrees in science and engineering – BS, MS, PhD - three times the number of people for the 150,000 jobs. Dobbs reported that more than half of engineering students at Duke do not pursue engineering, as the wages are flat. If there were a shortage of workers, then both wages and demand would be increasing.

Coalition Chronicle

National Industrial Base

Workforce Coalition

Representing American scientists, engineers, technical, professional, service & production workers in maritime, aerospace, defense, electronics, energy, tele-comm., transportation, pharmaceutical and base industries in both the public and private sectors.

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Putting the H-1B Issue in Perspective

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The H-1B visa program brings in foreign temporary technical workers, with a nominal gap of 85,000 temporary workers per year. The program exists to help fill science and engineering jobs with qualified employees who are purportedly not currently available in the US workforce. In reality, many companies use the H-1B Visa program to fill jobs with workers who are willing to be paid less than American workers. Often, the visa holder is hired to fill an entry-level job or lower level job while doing the work of a higher paid skill category yet earning lower wages. Meanwhile, the American worker who was laid off from the higher paid job, or not considered for employment, is unemployed or underutilized. The effect is to suppress prevailing wages.

The gap in wages for H-1B workers in general is usually 20% or worse, even though current laws require H-1Bs be paid a “prevailing wage.” The fee for submitting an H-1B petition to the government had been \$1000. Now the registration fee is \$10.

The deck seems stacked in the favor of workers from other countries. What protections exist for domestic American workers? Some suggestions are:

1. Replace the random lottery for visas with a top-down allocation, starting with the highest salary cited in approved petitions, then working down until the visas are all taken.
2. Codify a process for comparison of salaries in petitions to the actual W-2s for the worker holding the visa.
3. A good faith search for domestic workers should apply to all employers, not just to willful violators and H-1B dependent employers.
4. Create a reporting process for workers harmed by the program, and real remedies for violations.
5. Require timely reporting and full transparency for the reports mandated by law.

As we plan our recovery from the economic damage inflicted on the American workforce by the COVID-19 pandemic, prevailing wage jobs for American engineers and scientists will go a long way to reviving the economy.

H1-B Visa Today

The dire economic conditions facing America today notwithstanding, the Department of Homeland Security (DHS) has notified 85,000 new winners of H1-B visas to begin filling out applications for American jobs to start in October 2020. The importation of H1-B engineers will not go unnoticed by the American engineering community. These visas will allow foreigners to enter our labor market at the very time when American engineers possess the skills to fill existing jobs. Once again, Lou Dobbs is defending US engineers. In his Fox Business broadcast on April 6, 2020, he reported that Senator Mike Lee has introduced S.386, a bill Lee calls the Fairness and High Skill Immigration Act. This is the same Senator Lee that introduced the Freedom of the Seas Act to ensure that we will no longer be a sea power.



The new crop of H1-B visas will be used to open American engineering and tech worker pools to tens of thousands of foreign tech workers from India and China. They will flood our market with low-wage workers and deny jobs to Americans. At a time when unemployment will take a heavy toll on our own engineers, the H1-B visa lottery must be stopped. Dobbs pointed out that the President of the United States has the authority to stop this flood of foreign workers who will put American engineers and tech workers on the street.

For decades, we have asked our young people to major in subjects that include science, technology, engineering and math. These are demanding subjects requiring our best students to make sacrifices needed to obtain high-tech credentials. We told them that exciting careers would be available to them on graduation. Historically, that has been the case. Now, these same students are witnessing jobs going to foreign workers in an H1-B pool that will deny them the opportunity the nation said they would have. Why should these young people make the sacrifices needed to earn a degree that will be undermined by still another aspect of globalism?

In his April 6th broadcast, Lou Dobbs urged Americans to contact the White House to stop S.386, noting that Senator Lee has introduced it as a sense of the Senate resolution, and it will pass or fail with just a voice vote.

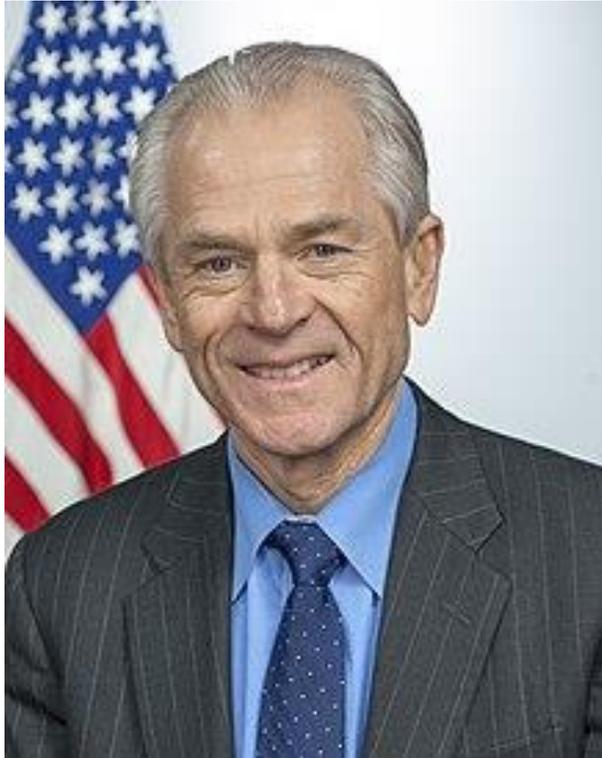
COVID Crisis and the Need to Buy American

The COVID crisis has brought into sharp focus the fact that the production of life-saving drugs and compounds the U.S. depends on has gone offshore. The President rightly believes our nation is at war with a virus that is killing Americans. To fight that war, the President invoked The National Defense Production Act that allows the President to mobilize the nation as it did in World War II. He named Peter Navarro to organize the major industries in the private sector to convert their manufacturing operations to produce surgical masks, gowns, hand sanitizers, and ventilators, as well as many other medical products.

The private sector has joined with the government in a unique cooperative effort. US auto companies are manufacturing ventilators, and distilleries are producing hand sanitizers instead of whiskey. American workers are at the forefront in producing essential supplies needed in the war against the COVID virus.

“One of the things that this crisis has taught us,” stated presidential advisor Peter Navarro, “is that we are overly dependent on the global supply chain for our medicines and medical supplies and equipment like ventilators.” On the issue of pharmaceuticals,

Navarro explained that when “push comes to shove, we run into not having what we need.” The battle over pharmaceuticals has opened up the door to a wider discussion of trade policies that have outsourced a large portion of our manufacturing base.



The President’s position is of particular importance to members of the *Workforce Coalition* in the defense sector and machine tool industry. Navarro stated that the President’s position is as follows: Buy American, make it here, and deregulate to foster innovation to make our products competitive. The coronavirus provides American legislators of both parties with the opportunity to promote “Buy American.”

Workers know that legislators in both political parties have not supported the programs essential to our industrial base. Whether the sharing of production of vital components with allies, or to share our industrial largesse with the world in the name of globalism, or to lower manufacturing costs to increase profits, the results are the same: American workers and our industries have been undermined, reducing both our economic and national security.



Personal Perspective—A Call to Arms

Addressing the damage that outsourcing has inflicted on the US manufacturing base, Peter Navarro said that the President is committed to a Buy American strategy.

“We want products made on US soil, so we don’t have to compete against cheap sweat shops, labor lacking in environmental regulations, different tax regimes, and massive subsidies that foreign countries use to directly attack our industrial base.”

This statement could have been made by any union president in America.

The *Workforce Coalition* now has an unprecedented opportunity. The nation now sees the result of trade policies that not only weakened our industrial capabilities, but also hold America hostage to the ambitions of other nations.

Once the pandemic is over, there is a danger that advocates of free trade and globalism will resume their control over our economy. *Coalition* members must now work with the legislators of both parties to place the livelihood of American workers at the top of the nation’s legislative agenda.