
Book Review

Senator's Shot at Free Trade Misses Its Core

by Paul Gallagher

Take This Job and Ship It: How Corporate Greed and Brain-Dead Politics Are Selling Out America

by Senator Byron Dorgan

New York: St. Martin's Press, 2006

276 pages with index, hardcover, \$24.95

Attacking “free trade” with its anti-industrial devastation, and campaigning for fair trade, gained Congressional seats for Democratic candidates on Nov. 7, particularly in Ohio and Indiana, but also in North Carolina, California, and other states. A London *Financial Times* commentary on Nov. 9 ruefully concluded that “the real casualty” of the U.S. election “was free trade.” Shortly before the election, U.S. Sen. Byron Dorgan (D-N.D.) brought out *Take This Job and Ship It*, a serious public attack on “free-trade” policy, which is unique for a sitting Federal elected official in the post-1989 period of unbridled and almost unchallenged globalization, de-industrialization, and financial bubbles.

The Democratic Party must quickly become the party of anti-globalization and return to the economic policy legacy of FDR, if it is to save the U.S. and world economies from collapse, as Lyndon LaRouche showed dramatically in his *Prolegomena to a Democratic Party Platform*, issued in March 2006.

Despite his clear and serious intent, Senator Dorgan misses the core of globalization—the worldwide erosion of productivity, technological and industrial progress, and advanced economic infrastructure. Exhibit A: Dorgan scarcely mentions the disappearance of the U.S. auto industry, indicating a complete lack of understanding of its special machine-tool significance to national economic and strategic security. Failing to see the physical-economic forest of collapse, for the fall of individual trees, he thus stops well short of any real policy attack upon globalization and free trade.

Senator Dorgan's book is an earnest attack on the de-industrialization crisis which has wrecked the U.S. economy. It is an attempt to document this wreckage—“to make the

facts march”—not merely to wave hands at it politically. And it is not a 2006-election-campaign book, but a completely bipartisan argument for bending the stick of Congressional policy against free trade for the first time in more than 30 years.

Dorgan is here arguing flatly for *protection* of American industry; and what is equally notable, he is describing the dynamic of globalization and free trade as, essentially, a dominant corporate imperialism, to which governments including that of the United States have become servile. His most forceful chapters are those which deal with the complete bending of the United States tax codes over the past decade, to provide massive rewards to companies which center their profits in operations outside the United States, and to give strong tax incentives for multi-national corporations based in the United States, to move industrial production out of it. Dorgan shows clearly that these tax changes are not the *cause* of outsourcing; rather, they are the demand of finance and corporate groups promoting globalization, to make their aggressive outsourcing more profitable in the short term—and White House and Congress are simply granting these demands. This includes his detailing the “great tax holiday of 2005,” when Bush-Cheney and the Congressional leadership welcomed back hundreds of billions of overseas corporate profits virtually tax-free, allowing these corporations to begin a new cheap-labor investment cycle without being taxed on the last one.

Dorgan’s denunciation of the World Trade Organization also shows his top-down view of the destructive “imperial” *diktat* of free trade, going beyond opposing specific free-trade swindles like NAFTA. “The WTO is essentially an extension and expansion of the old GATT treaty,” he writes. “What the WTO does, is subject a democratic country to taking orders from those with a corporate mind-set. There’s no Constitution or Bill of Rights to protect the vulnerable, in this country or others. *The WTO would not allow* a ban of products made by child labor and makes no allowance for bans against goods produced under ruthless dictatorships.”

The Heart of the Beast

But Dorgan’s book, despite impressive breadth of research, is not intended as an academic review; it is written in a tone of populist agitation, and its *intention* is Congressional action. There, his axiomatic blocking on the driving heart of globalization, prevents him from even thinking of the “Rooseveltian” solution. Although he looks to FDR as the builder of the Democratic Party, he shows no understanding of FDR’s fundamental policies.

The Nov. 10 *Business Week*, in a commentary, “Can Anyone Steer This Economy?” challenges 110th Congress Democrats like Dorgan: Don’t expect to have levers “at home” to control globalization. Imports are now 17% of U.S. GDP, it lectures; foreign investors now finance 32% of domestic investment, four times more than a decade ago. “Now many of the levers affecting the U.S. economy are located not in

Washington but in Beijing, London, and even Mexico City.”

What is globalization? When financial and corporate interests began, decades ago, to move production from industrial nations with modern, intensively developed economic infrastructure, to draw together cheap labor in nations with less-developed infrastructure, the process lowered productivity in *both regions*, looting productive capacity and labor alike. Removed from modern infrastructural support of transportation, power, water control and sanitation, health care and education, industrial technological progress slows down and stops, worldwide.

Trade limitations, regulation, even protective tariffs, though essential in reviving this devastated economy, are neither sufficient nor even the central issue of attacking and reversing globalization. That issue is new national infrastructure, restoring technological progress, and therefore, real productivity. Senator Dorgan does not come near touching the lever of rebuilding infrastructure with high-technology government investment—the core of FDR’s policy of national economic development and military strength. Dorgan’s discussion of scientific progress and education is weighted to environmentalist axioms rampant among Democrats, which when exercised as in promotion of biofuels, actually reverse technological progress and lower industrial and agricultural productivity further.

The Senator’s intended Congressional actions, though well-argued in *Take This Job . . .*, are impotent tinkering with the oncoming collapse of extreme, “imperial” globalization. These actions center on trade protection through a system of Import Certificates, a policy suggested by billionaire investor Warren Buffett; repeal of all tax incentives for the export of jobs; barring imports from companies that abuse and loot workers overseas; and confronting China on trade relations.

Thus Senator Dorgan’s portrait of “fair trade” is protecting “good corporations” from being defeated by bad ones like Wal-Mart. He doesn’t try to discover what made old-fashioned “good corporations” (as he says he believes Wal-Mart used to be!) into evil ogres of globalization. And he doesn’t locate the power to reverse this process.

The fundamental restoration of *action by government for the common good*, vs. the dogma that markets, banks, and large corporations are the guiding actors of economics, does not appear in the Senator’s strategic outline. If it did, he would focus on large-scale government intervention to rebuild the nation’s broken-down infrastructure through public credit, public works, using the unutilized and closed-down industrial capacity of the auto sector, in particular, to build it.

He would attack the crisis, in short, as FDR would have, and did; and as Lyndon LaRouche proposes now.

What appears to be blocking the Senator’s thinking is the dominant axiom of free trade—limiting the permitted scope and action of the governments of nations, by “fiscal responsibility,” balanced-budget dogma, and the like, until they can do little more than “make rules” for trade.