U.S. Labor Unions Calls for Tough Trade Bill

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In a Jan. 20 testimony before the Senate Finance Committee, Lane Kirkland, president of the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), called on lawmakers to implement a "tough, effective trade bill." The representative of 14 million AFL-CIO members asserted US trade policies "tolerate far more employment instability than other industrialized countries." Kirkland said any new trade legislation must include a provision requiring major US trade partners who engage in unfair trade practices to reduce their "excessive" surpluses with the United States.

The labor leader asserted that the middle class in the United States is shrinking, and scores of domestic industries and millions of workers "have been left defenseless against an onslaught of imports spurred by foreign government practices and the vagaries of US macro-economic policy." For Kirkland, changes in trade policy are long overdue. "The denial of worker rights by our trading partners can no longer be ignored. The international debt crisis must be addressed, insuring the banks accept their proper share of the burden. Legislation is also need to deal with the problems of specific industries devastated by trade." He emphasized that US trade deficits in recent years have been the "largest ever recorded by any country and in 1986 will exceed $170 billion." Trade deficits between 1980 and 1986, he added, piled up because US imports increased 52% while, "incredibly, US exports dropped by 2%.

Next, Kirkland pointed to increasing US foreign debt as an outcome of ill-conceived trade policy. "While purchases of civilian goods have increased some 25% over the last six years, more than half of that increased demand has been satisfied by imports financed by borrowing from abroad. America's trade deficit, coupled with these capital inflows, has recently bestowed another distinction on the United States that of the world's largest debtor nation.

"From its position as the world's biggest creditor almost $150 billion in 1982, a sum that took almost 70 years to accumulate the United States in three short years passed Brazil to become the world's biggest debtor, owing some $107 billion at the end of 1985. US debt continued to grow rapidly in 1986, and predictions of $800 billion in net debt by 1990 are common..."

Kirkland claimed the impact on employment has been devastating. "Despite a modest drop in the unemployment rate for December, 7.9 million people continue to be officially out of work, with another 6.5 million either too discouraged to seek work or working part-time involuntarily. The year 1986 was only one of ten post WWII years with an unemployment rate above 7%, yet six of those years were the years 1981 through 1986 when America's international trade position nosedived."