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[Dave Johnson](#)

"Dave Johnson is a fantastic grandfather of the blogosphere."

Posted: September 3, 2009 12:24 PM

Who Opposes American Manufacturing? II

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This post originally appeared at [Campaign for America's Future \(CAF\)](#) at their [Blog for OurFuture](#) as part of the [Making It In America](#) project. I am a Fellow with CAF.

A country's economic power comes from manufacturing. But while other countries have industrial policies, America has a de-industrialization policy. We have handed our country's manufacturing capacity over to other countries, and as a result we have to borrow more and more to be able to buy the things that we used to make. How did this come to be? Who would be against American manufacturing?

The other day, in the first [Who Would Be Against American Manufacturing?](#) post I wrote about representatives of foreign interests lobbying in the US for trade policies *that benefit companies in other countries at the expense of America's factories, workers, companies, communities and economic power*. It is to be expected that a country will work to increase manufacturing within its borders - even if we don't - and these firms helping the efforts of other countries are required to register with the Department of Justice as "foreign agents." I traced an anonymous comment left at my own blog back to one of these, after I [wrote about](#) President Obama's upcoming "China tire case" trade decision.

But are all foreign agents registering, as they are supposed to? The other day I came across an interesting example of an organization that is working to convince Americans to hand over our manufacturing capacity to other countries. In my post, [National Association Of Manufacturers Blasts ... American Manufacturing?](#) I wrote,

"Why is the NAM blasting Meyerson for writing a column promoting American manufacturing? ... They quote Daniel J. Ikenson of the Cato Institute. . . . Cato receives a great deal of financial support from non-manufacturing interests including commodities and securities traders, tobacco companies, communications companies, software companies and oil companies. They also receive support from non-American manufacturing interests, including the Korea International Trade Association."

Let's connect the dots. For some reason NAM blasts a writer for supporting American manufacturing, and quotes the Cato Institute for support. The [mission statement](#) of the [Cato Institute Center for Trade Policy Studies](#) promotes "open markets. They claim that "open markets mean wider choices and lower prices for businesses and consumers." They advocate that the United States open its markets to anyone, no matter what, even advocating American policies that "are not contingent upon reciprocal policies in other countries." They say, "Studies by Trade Center scholars have found benefits in the elimination of U.S. trade barriers regardless of what other countries choose to do."

Got that? They are saying we should allow other countries to cheat *and like it*, that free trade as a one-way street where we only buy and they only sell is just fine, and basically that *we should just give up our manufacturing capacity and let other countries have it without a fight*. Just let them take it from us - and by the way anything else is "protectionism" and "politicization of trade." America should not "dictate marketplace results, or increase bureaucratic

interference in the economy as a condition of market access." The mission statement goes on about how the United States should lead by example and just open our markets, etc... It's just amazingly anti-American. Go read it.

WHY would Cato Institute advocate this? Is it *just* weird libertarian cult ideology? Perhaps a look at who is paying for this advocacy will provide a clue. While mostly funded by individuals, [Cato's funders](#) include many of the usual right-wing funding suspects: Koch, Scaife, tobacco companies, Exxon and other oil companies, Wall Street... But one sponsor jumped out at me: *the Korea International Trade Association*. (Honda, Mazda, Mitsubishi, Toyota and Volkswagon are sponsors as well.) Dots connected: Cato is receiving funding from the Korea International Trade Association, and then turning around and advocating that American hand over its manufacturing capacity to other countries!

So I checked, and did not find that Cato Institute registered as a "Registered Foreign Agent." Why not?

Also, [according to SourceWatch](#), Cato provides "substantial" funds to several other "like-minded" think tanks. It would be interesting to see how many of those think tanks *also* advocate that America hand its manufacturing capacity over to other countries, and I am certainly interested in finding out whether Cato possibly serves as a "pass-through" for funds from outside of the United States. Is there "intellectual money-laundering" going on here?

Is funding from non-American sources reaching into our internal trade-policy discussion without disclosure? If so, we need to know about it. Let me be more specific: Is the Justice Department enforcing the Foreign Agent Registration Act, and investigating potential violations? Is there a public-interest group that will investigate potential "intellectual money-laundering"?

More Funny Business

In the previous [Who Would Be Against American Manufacturing?](#) post I brought attention to the *American Coalition for Free Trade in Tires*, which had commissioned a "Rutgers economist" to come up with some rather fascinating numbers claiming that if we don't turn our tire manufacturing over to China it would cost 12 to 25 jobs for every manufacturing job we lose if we do. Good one! Scary!

While researching the story I came across an interesting article about American government officials leaving and taking lobbying jobs selling out American manufacturers, [Chinese Tire Producers Hire Top Former U.S. Government Trade Officials In '421' Dumping Case](#)

It didn't take long for a handful of the Bush administration's top trade officials to start representing foreign business interests. ... five recently departed senior trade officials at the Department of Commerce who are representing Chinese tire companies in the "Section 421" case that was recently brought before the International Trade Commission ... have been hired by the "American Coalition for Free Trade in Tires"...

This is serious stuff and they are getting serious money cashing in from the jobs they did for the government, to sell out the country. [Go look at who these people are](#), and who they worked for in the government. Clearly there was a culture of helping the other side for cash during the Bush years. Look at what these people are doing! Perhaps things like this helps explain why President Bush never followed through with remedies each time the ITC found that China was taking over another American industry with low prices.

Next Post: Who Else is Against American Manufacturing?

So in the previous post I found *actual* foreign agents working to undermine American manufacturing capacity. In this post I looked at some American groups who are working very closely, perhaps too closely, with foreign interests while *they* work to undermine American manufacturing capacity. In the next post I will look at how some purely American interests profit from undermining American manufacturing capacity.

Wealth comes from making things. Economic power comes from manufacturing. Every other country knows this. It's time we remembered it.

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