

The AFL-CIO Still Favors Free Trade---but With Reservations

BY RAYMOND MOLEY

The AFL-CIO in its comprehensive economic and political ideology has embraced many plans for this country's future. Now it would cradle to its ample bosom the vastly complex matter of trade in the free world. It would accomplish this by economic persuasion or, to be more accurate, economic coercion.

However, one of the tenets of the AFL-CIO has been free trade, and this was unobjectionable to most of its affiliated unions so long as the United States enjoyed an easy market. This lasted for a good many years following World War II.

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But as vigorous, resourceful peoples, aided by huge recovery programs from the United States, replaced their smashed and worn production facilities with more and better equipment and new assembly lines, in many cases superior to those in the United States, this country's position in the world's markets faced imminent and very rough competition.

U.S. producers ran hard into the challenge of the industrial plant capacity of Europe and Japan. Some found that their labor costs made it impossible to compete abroad or even against imports in this country. Some folded, cut back, turned to other lines, or established subsidiaries abroad.

Many local unions have been alarmed by these developments and have urged greater protection

through tariffs and quotas. Others have shown growing concern over the rising tide of goods flowing from foreign assembly lines and shops.

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Today, the AFL-CIO clings to free trade in its program for mankind but with certain very interesting qualifications. The most astonishing is its stand for the imposition of "fair labor standards in international trade." The AFL-CIO economic policy committee has spelled out how this should be done:

"There should be an obligation upon all countries to see to it that wages and working conditions in exporting industries fully reflect the productivity and the degree of technological advance of such industries and of the national economy."

Following a rambling discussion in which extraneous statistics are used to prove that the "United States is not out-priced," the committee maintains that to compete in the world market, "American companies are going to have to buckle down to a real selling job if they are to retain the markets they built up in the years when the United States had little competition in the world market."

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Recently the Connecticut State Labor Council, AFL-CIO, at its convention underlined the committee's views. Connecticut, a resolution points out, has been hard hit by imports of textiles, hats,

apparel, plateware, typewriters, sewing machines, brass fabricating and rubber footwear.

"Substandard wage levels or working conditions are clear evidence of the existence of unfair competition in international trade and should be eliminated as rapidly as possible," says the resolution.

"We also urge that where it is clearly demonstrated that jobs are being lost by American workers . . . consideration be given to the placing of adequate protective tariffs and quotas on typewriters and other products that are affected by foreign imports which now enter this country free and clear of any import duties."

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Any exhorting by the United States of other countries to see to it that they change their economic ways would be unfortunate and damaging to our position. The imposition of domestic policies by treaty is against what we have stood for in the past, and if we stand for nothing else we stand for freedom and self-determination by our friends throughout the world.

This does not mean that voluntarily many countries, including the United States, might not do well to reassess their economies to determine what they can produce most efficiently. The free world is undergoing dynamic change, and its economies are subject to this condition.