The attached columns authored by Pat Buchanan illustrate his views on globalization and free trade.

Manufacturing's Dismal Decade

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By Patrick J. Buchanan

Last year, Barack Obama committed his administration to doubling U.S. exports in half a decade.

The good news: He is on the way. U.S. exports of goods and services grew in 2010 by 16.6 percent.

Bad news: U.S. imports, starting from a higher base, surged by 19.7 percent.

Result: The U.S. trade deficit in 2010 worsened by 33 percent, rising from $375 billion to $498 billion, the largest percentage increase in a decade. If Obama keeps this up, he may prove as big a disaster for U.S. manufacturing as his predecessor, although these are big shoes to fill.

As he has each February for years, Charles W. McMillion of MBG Information Services has compiled the stats on the industrial decline of his country under our free trade presidents. Here are but a few numbers for the decade from December 2000, the month before George W. Bush took the oath, to December 2010, the end of Obama's second year.

In that decade, America ran a total of $6.1 trillion in trade deficits, more than our entire economic growth. To finance those 10 years of deficits, America had to borrow $1.553 billion every day.

And we wonder why China owns America.

In 2010, our trade deficit in manufactures alone rose 27 percent to $416 billion, far exceeding our trade deficit in crude oil. A decade of such deficits in manufactures has devastated the industrial states.

From December 2000 to December 2010, 22 states lost a third or more of their manufacturing jobs. Massachusetts, New York and Ohio lost 38 percent of their manufacturing jobs, New Jersey 39 percent, North Carolina 42 percent, Rhode Island 44 percent, Michigan 48 percent.

Political result: Free trader John McCain lost all seven, including the formerly "red" states of Ohio and North Carolina.

Trade in autos, trucks and parts, an industry in which America was dominant in the lifetime of many of us, tells the story.

Last year, the United States ran a trade deficit in autos, trucks and parts of $110 billion. The deficits with Germany, Japan, South Korea

and Mexico account for that entire total.

Consider South Korea. Though she has an economy one-fifteenth the size of ours, she exported to us 12 times the dollar volume of trucks, cars and parts that we exported to her.

Rather than make a free trade agreement with South Korea, why not tell our friends in Seoul: We are tired of arguing with you folks about opening your markets to our goods. Since you folks buy less than $1 billion in autos, etc., from us, while you sell almost $12 billion in your cars and trucks to us, you keep your market. We're taking back ours.

The point: Despite all the propaganda about exports being the future, the foreigners' share of the U.S. market is $500 billion more than America's entire share of the world market.

If, as we once did, we produced here all the manufactured goods we consume and gave up every other manufacturing market in the world, we would add millions of jobs and our gross domestic product would surge.

And it is not only traditional manufacturing where America is getting her clock cleaned.

In the critical items identified as "advanced technology products," the United States has been running a deficit with the world, beginning in Bush's second year, soaring from $16 billion in 2002 to $82 billion in 2010.

With China, the U.S. trade deficit in advanced technology products alone in the past four years has totaled more than $300 billion, with the 2010 deficit in ATP with China reaching an astonishing $92 billion.

Does it matter that manufacturing in America now accounts for one-tenth of our economy and one-tenth of our labor force, figures unseen since before the Civil War?

If you read the history of Britain in the industrial age, of America from 1865-1945 and of Bismarck's Germany, you will think it does. If you listen to the scores of thousands of economists, none of whom ever built a great nation, you may think it does not matter who produces what where.

Is it possible America could become again the dominant manufacturing nation she was from 1880 to 1980? Not only possible but easy to accomplish — and within a decade.

Paul Otellini, CEO of Intel, has half the answer. "We should offer tax credits or a five- to 10-year tax holiday to companies, domestic or foreign, that want to set up or expand a factory in the U.S."

How would we finance it? As most foreign nations impose value-added taxes averaging 20 percent on U.S.-made goods that enter their countries, put a tariff of 20 percent on all foreign goods.

Hundreds of billions would suddenly pour into the U.S. treasury. Imports would slowly shrink. Production in America would soar.

That's how Hamilton, Madison, Clay, Lincoln, McKinley and T.R. did it, before America forgot how she became great.

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The Lost Allure of Global Free Trade

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Share Pat's Columns!

by Patrick J. Buchanan – November 10, 1997

LONDON — President Clinton's decision to pull his fast-track trade bill from the House floor early Monday morning rather than face a humiliating defeat marks a turning point in U.S. history. For the first time since World War II, the nation's financial, political and intellectual elites have been repudiated on a great question of foreign policy.

On the issues of trade, economic independence and national sovereignty, the establishment has lost the country. The American people, through their representatives in the House, are refusing to continue on the course the leaders of both parties have mapped out for the country. "Global free trade" has lost its allure, and economic nationalism is now in the saddle. That is the meaning of the Clinton climb-down on Monday morning.

If the president and the Republican leadership in Congress do not wish real political upheaval, they will pull fast track for good. It would truly be an act of arrogance and folly to continue bullying and bribing recalcitrant congressmen to embrace a global trade policy in which the country no longer believes.

Clinton and his Republican and corporate cohorts lost because they have smugly dismissed the valid concerns of Middle America and working men and women. What are the greatest of these concerns?

First, American immersion in the Global Economy has produced a steady decline in workers' wages in the United States, which are now below where they were in 1973. And even though more mothers of preschool children and more wives are in the labor force than at any other time in our history, median family income is $1,000 below where it was when Ronald Reagan left office. Every state, every county, every city has a story of a factory closed, jobs going overseas and neighborhoods dying a quiet death.

Second, America's economic independence is being sacrificed, and our national security is being put at risk. In 25 American states, there are now more workers in government than in manufacturing. Imports now equal 50 percent of domestic manufacture; as late as 1970, it was only 10 percent. And many vital U.S. weapons systems now could not operate without foreign-made parts.

Third, U.S. national sovereignty is being compromised and surrendered. Foreign nations are lining up to file challenges with the World Trade Organization against dozens of American laws — from U.S. sanctions on Cuba, Libya and Iran to "buy American" programs at the state and local level.

Fourth, as America ceases to be the self-sufficient nation she once was, she becomes increasingly vulnerable to incompetence and

corruption beyond her shores. Financial blunders in Mexico City and Asia can now shake U.S. markets, put the nation's financial stability at risk and lead to endless bailouts of bankrupt "trading partners."

Finally, American immersion in the Global Economy has left her exposed to all the viruses that afflict so many foreign regimes — from cronyism to corruption. The BCCI scandal, Koreagate and Lippogate are all the result of foreign penetration of the U.S. economy and American political system. And, today, former U.S. officials from senators to secretaries of state now routinely rent themselves out to foreign regimes and foreign firms. Not long ago, such conduct would have been considered shameful. But in the Global Economy, the claims of country take a back seat to corporate commands.

Clinton's problem then is that for the majority of Americans the material gains they derive from entanglement in the Global Economy are not worth the cost to their country and their countrymen.

This vote is a "no-brainer," said Clinton in his final plea for fast track.

Unfortunately for him, the country took a second look at the $800 billion in trade deficits that Clinton has run up — and agreed.

Free Trade and Funny Math

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by Patrick J. Buchanan – February 27, 2007

To the devout libertarian, free trade is not a policy option to be debated, but a dogma to be defended. Nowhere is this truer than at that lamasery of libertarianism, the Cato Institute. But with America running the worst trade deficits in history, the monks are having a hellish time of it. Hence, like the neocons who cherry-picked the intel to bamboozle us into believing national survival hung on invading Iraq, they feed us irrelevant truths and deny us the whole truth. Case in point – the Feb. 22 column in the Washington Times by one Daniel Ikenson, "associate director at the Cato Institute's Center for Trade Policy Studies." Bewailing the "barrage of hyperbole and misinformation about trade and its relationship to jobs and economic growth," Ikenson assured us, with impressive statistics, that globalism is working out wonderfully well for America…

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"[T]he Census Bureau data show that U.S. export growth was phenomenal in 2006, increasing by 14.5 percent. … Exports to Europe increased by 15.2 percent and to China by nearly 32 percent. The growth in exports to Japan was a slower 7.5 percent, but it grew. Since 2001, U.S. exports have increased by more than 42 percent."

Wow. Phenomenal indeed. And it does sound like we are cleaning those foreigners' clocks. But Ikenson ignored the other side of the ledger.

That the U.S. trade deficit in 2006 rose to an all-time record of $764 billion. That the deficit in goods hit $836 billion. That the deficit with China rose 15 percent, from $203 billion in 2005 to $233 billion in 2006, the largest trade deficit ever recorded between two nations. That the deficit with Japan rose to $88 billion, the largest ever between us.

Under Bush, the U.S. trade deficit has set five straight world records, as has the U.S. trade deficit in autos, parts and trucks. So reports Charles MacMillion of MBG Services, who has for years tracked the decline and fall of American manufacturing.

For manufactured goods, our trade deficit rose to $536 billion, from $504 billion. In Bush's six years, America has run a total trade deficit of $2.6 trillion in manufactured goods, as 3 million U.S. manufacturing jobs have disappeared and wages in that sector have fallen 3 percent in three years.

Query to Ikenson: If these numbers represent a successful trade policy, what would a failed trade policy look like?

Recall NAFTA. In 1993, we had a trade surplus with Mexico. Some of us warned it would be gone with the wind if NAFTA passed. And NAFTA did pass, through the collaboration of Clinton Democrats with Gingrich Republicans, over the opposition of the American people.

Since 1994, we have run a trade deficit with Mexico every year. In 2006, it hit a record $60 billion. Grand total: almost $500 billion in trade deficits with Mexico since NAFTA. Mexico now exports more than 900,000 vehicles to the United States every year, while the United States exports fewer than 600,000 cars and trucks to the entire world.

This is success?

Where did Mexico get an auto industry? Is it good that our auto industry is being exported? Has the price of a new car plunged because Mexicans get paid a fraction of what U.S. autoworkers earn?

"In 2006, the U.S. economy grew by an additional 3.4 percent," writes Ikenson. True, and China's economy grew by 10 percent – and by 140 percent over the last 10 years, tripling the growth in the United States. Not only are we shipping factories, technology, equipment and jobs to China, we are exporting our future to China.

Nor should this shock any student of history. For contrary to free-trade mythology, every nation that has risen to pre-eminence and power – Britain before 1860, the United States from 1860-1914, Germany from 1870-1914, postwar Japan, China today – has pursued a mercantilist or protectionist trade policy.

Economic nationalism is the policy of rising powers, free trade the policy of declining powers. For great powers have ever regarded trade as an arena of struggle in the clash of nations. It is no accident all four presidents who made it to Mount Rushmore were protectionists.

"Thank God I am not a free trader," wrote Theodore Roosevelt. "Pernicious indulgence in the doctrine of free trade seems inevitably to produce fatty degeneration of the moral fiber."

Think Teddy might have had a point, Mr. Ikenson?

Probably not. For libertarianism is an ideology, and evidence that contradicts the dogma of an ideology is to be disregarded or denied. For the dogma cannot be wrong.

Indeed, should Ikenson awake from his dogmatic slumber and decide that free trade is failing America, he would not last long as associate director of the Cato Institute's Center for Trade Policy Studies. The folks who fund Cato are not paying to have dogma debated, but defended. For if the dogma be untrue, then the ideology, the whole system of beliefs, the faith itself, is called into question. And we can't have that.

Dismantling America

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By Patrick J. Buchanan

Though Bush 41 and Bush 43 often disagreed, one issue did unite them both with Bill Clinton: protectionism.

Globalists all, they rejected any federal measure to protect America's industrial base, economic independence or the wages of U.S. workers.

Together they rammed through NAFTA, brought America under the World Trade Organization, abolished tariffs and granted Chinese-made goods unrestricted access to the immense U.S. market.

Charles McMillion of MBG Information Services has compiled, in 44 pages of charts and graphs, the results of two decades of this Bush-Clinton experiment in globalization. His compilation might be titled, "Indices of the Industrial Decline and Fall of the United States."

From 2000 to 2009, industrial production declined here for the first time since the 1930s. Gross domestic product also fell, and we actually lost jobs.

In traded goods alone, we ran up $6.2 trillion in deficits — $3.8 trillion of that in manufactured goods.

Things that we once made in America, indeed, we made everything, we now buy from abroad with money that we borrow from abroad.

Over this Lost Decade, 5.8 million manufacturing jobs, one of every three we had in Y2K, disappeared. That unprecedented job loss was partly made up by adding 1.9 million government workers.

The last decade was the first in history where government employed more workers than manufacturing, a stunning development to those of us who remember an America where nearly one-third of the U.S. labor force was producing almost all of our goods and much of the world's, as well.

Not to worry, we hear, the foreign products we buy are toys and low-tech goods. We keep the high-tech jobs here in the U.S.A.

Sorry. U.S. trade surpluses in advanced technology products ended in Bush's first term. The last three years we have run annual trade deficits in ATP of nearly $70 billion with China alone.

About our dependency on Mideast oil we hear endless wailing.

Yet most of our imported oil comes from Canada, Mexico, Venezuela, Nigeria and Angola. And for every dollar we send abroad for oil or gas, we send $4.20 abroad for manufactured goods. Why is a dependency on the Persian Gulf for a fraction of the oil we consume more of a danger than a huge growing dependency on China for the necessities of our national life?

How great is that dependency?

China accounts for 83 percent of the U.S. global trade deficit in manufactures and 84 percent of our global trade deficit in electronics and machinery.

Over the last decade, our total trade deficit with China in manufactured goods was $1.75 trillion, which explains why China, its cash reserves approaching $3 trillion, holds the mortgage on America.

This week came a report that Detroit, forge and furnace of the Arsenal of Democracy in World War II, is considering razing a fourth of the city and turning it into farm and pastureland. Did the $1.2 trillion trade deficit we ran in autos and parts last decade help kill Detroit?

And if our purpose with NAFTA was to assist our neighbor Mexico, consider. Textile and apparel imports from China are now five times the dollar value of those imports from Mexico and Canada combined.

As exports are added to a nation's GDP, and a trade deficit subtracted, the U.S. trade deficits that have averaged $500 billion to $600 billion a year for 10 years represent the single greatest factor pulling the United States down and raising China up into a rival for world power.

Yet, what is as astonishing as these indices of American decline is the indifference, the insouciance of our political class. Do they care?

How can one explain it?

Ignorance of history is surely one explanation. How many know that every modern nation that rose to world power did so by sheltering and nurturing its manufacturing and industrial base — from Britain under the Acts of Navigation to 1850, to protectionist America from the Civil War to the Roaring Twenties, to Bismarck's Germany before World War I, to Stalin's Russia, to postwar Japan, to China today?

No nation rose to world power on free trade. From Britain after 1860 to America after 1960, free trade has been the policy of powers that put consumption before production and today before tomorrow.

Nations rise on economic nationalism; they descend on free trade.

Ideology is another explanation. Even a (Milton) Friedmanite free-trader should be able to see the disaster all around us and ask: What benefit does America receive from these mountains of imported goods to justify the terrible damage done to our country and countrymen?

Can they not see the correlation between the trade deficits and relative decline?

Republicans seem certain to benefit from the nation's economic crisis this November. But is there any evidence they have learned anything about economics from the disastrous Bush decade?

Do they have any ideas for a wholesale restructuring of U.S. trade and tax policy, for a course correction to prevent America's continuing decline?

Has anyone seen any evidence of it?

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