

Why U.S.-Made Products Fall Behind

American consumers have decided they do not want to pay high wage rates written into minimum wage laws and union contracts, so they are buying more products made abroad.

Sales of American-made cars have been slipping for several years as foreign autos have usurped much of the domestic market.

A local man recently boasted that he had finally found a tape recorder that wasn't "Made in Japan." He had bought one "Made in Singapore." Small difference, because no American-made recorders were available.

Neither can you find an American-made television set, radio nor hardly any other appliance. Many items sold under American brands have been manufactured overseas. Raw materials such as cotton and hides are exported, with dresses, shirts and shoes made from them imported.

"American businessmen are sharply aware of the challenge they face from foreign competitors," says Chauncey W. Lever, chairman

of the United States Industrial Council. "Not only do many foreign firms have lower labor costs, not only are they heavily subsidized, not only are they sheltered from American competition, but our own government inadvertently aids them by hobbling American enterprise."

He said the "hobbling" takes form in monopolistic privileges for labor unions, punitive tax rates, rigorous antitrust enforcement, and unrealistic regulations.

Studies by the Federal Reserve Bank of Kansas City show that unless public and private sectors support more research and development in the agricultural industry, sharp declines in productivity and higher consumer food prices lie ahead.

Yet, a federally financed entity called the California Rural Legal Assistance has filed suit on behalf of Cesar Chavez's United Farm Workers Union against the University of California for helping to develop labor-saving mechanical crop harvesters.

As wages and prices have risen,

American worker productivity has been surpassed by other nations. Yet, Secretary of Labor Ray F. Marshall doesn't think people are responsible. "The willingness to work is rarely correlated with high productivity," Marshall said.

The United States got ahead in productivity of agricultural and industrial products by what has been called "the Puritan work ethic" and by enthusiastic application of industrial technology.

The United States is falling behind because of union limitations on individual productivity and regulations that hamper industrial productivity.

The result of being beaten by foreign competitors is a shrinking standard of living forced upon us by inflation, high interest and taxes.

"Productivity is our neglected weapon against inflation," says Harold C. Gordon, USIC industrial authority. "If inflation is too many dollars chasing after too few goods, it follows that an increase in the supply of goods will slow the inflationary spiral."