P.S. to the NEWS
by PHYLLIS SCHLAFLY

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Box 618, Alton, Illinois 62002
Phone: 618-462-5415

RUNAWAY PLANTS

A recent letter to a metropolitan newspaper by Frank Eyles, executive secretary of the Midwest Industrial Union Council, calls attention to one of the prime causes of unemployment at the present time. He charges that "more than one million American workers have lost their jobs because of runaway plants" -- that is, businesses which have opened plants in foreign countries after closing down or deliberately reducing production in the United States.

In business parlance, these plants are called "multinationals," but that is just a deceptive euphemism for the accurate label applied by Mr. Eyles, namely, "runaway plants." He states that billions of dollars in capital have been invested in foreign countries; plants have been built and manned to take advantage of lower taxes and cheap labor abroad; vital American technology has been exported; and patent rights have been sold with little regard for the economy, or even security, of the United States.

So what's wrong with all that? If a business concern can produce more efficiently in a foreign country, isn't it entitled to locate its plant where taxes and costs are cheapest in order to make the maximum profit?

Sure it is -- but provided the multinationals put up their own money and operate at their own risk. But they don't. The Americans, who are left holding the bag with empty plants and rising unemployment, are also forced through their taxes to subsidize these runaway

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plants and/or to guarantee the investors against loss.

The reason that American workers have the highest standard of living in the world is because of the large capital investment per employee in plant and machinery. The average for all industries in America is an investment of more than $28,000 per employee. In chemical and metal industries it is $40,000. In mining it is $130,000, and in petroleum refining it is $150,000.

U.S. businesses are not likely to make this kind of investment in foreign countries where there are high risks of war, revolution, insurrection, expropriation, or currency inconvertability. But our Government policies, originated and put into effect by the foreign-handout liberals, deliberately promote investment in runaway plants by inducements such as government insurance against loss, long-term low-interest government loans, feasibility studies, and other gimmicks -- all paid for by the U.S. taxpayer.

The American taxpayers usually have little or no idea how their tax money is being spent and how it is creating unemployment inside the United States. In 1973 alone, the Overseas Private Investment Corporation issued $2.3 billion worth of its high-risk insurance, using the U.S. Treasury as its backing.

American workers have paid a terrible economic price for the extravagant policies of the liberal politicians.

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