

# Sweeney urges 'New Bretton Woods,' halt to de-industrialization

by Marianna Wertz

In the past month, AFL-CIO President John J. Sweeney has been criss-crossing the country in a relentless campaign to bring about a solution to the global financial crisis—a solution that benefits working people internationally, rather than the financial institutions. In speeches on campuses, in union halls, and at the center of the financial establishment (the Trilateral Commission and New York Council on Foreign Relations), Sweeney has demanded an end to the “de-industrialization” of America, which he calls “the single biggest challenge facing us in the 21st century.” He calls for a return to manufacturing industry, which, he rightly says, created “the American Dream” and today is disappearing virtually overnight.

Most important, the labor leader defined as a solution to this crisis, what he called “a new Bretton Woods”—the formulation that economist Lyndon LaRouche first put into international circulation in 1997—although Sweeney’s proposal is not as elaborated as LaRouche’s. Sweeney called for a new Bretton Woods that would “begin rewriting the rules of the global economy,” including capital controls, an end to speculation, expanding trade, and stopping the abuse of workers. Sweeney’s choice of terms, and the content of his proposal, reflect LaRouche’s influence.

The importance of this initiative should not be underestimated. When the head of the trade union movement in the most powerful nation in the world tells the Trilateral Commission that the world’s future “will largely be determined by the response to the current global economic catastrophe,” and that a new Bretton Woods is needed, world leaders will ignore it at their own peril. Although the clout of organized labor has been much reduced in the past three decades, Sweeney is wielding the power of more than 40 million working families as a battering ram against the forces of “globalization.” As the financial collapse continues to pick up speed in the coming months, this political force will increasingly be a power to reckon with, and could very well determine, in tandem with the work of the LaRouche political movement, which direction the world goes—into a New Dark Age or a new Renaissance.

Sweeney was invited to address the Trilateral Commission, the premier mouthpiece of the London and New York

banking establishment, to “share the perspective” of the AFL-CIO on the global economy. He took advantage of the opportunity, not to ingratiate himself with the enemy—as had done his predecessor, Lane Kirkland, a Trilateral Commission member—but to lay it on the line to these trilateral genocidalists.

## The end of ‘business as usual’

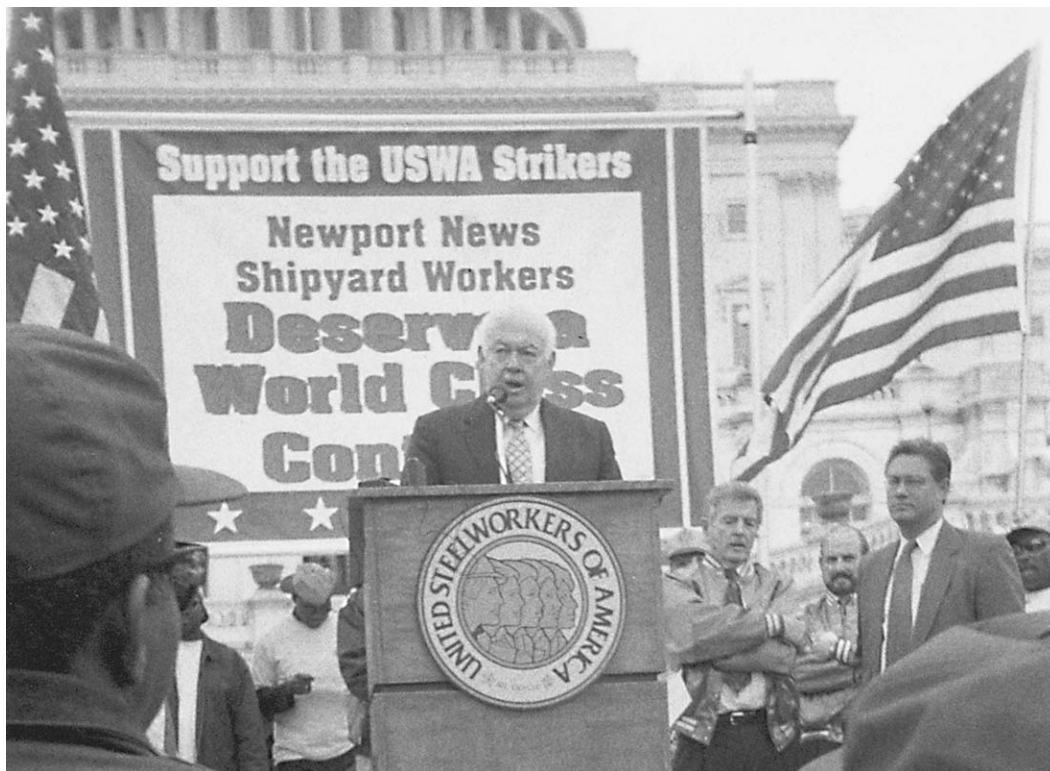
“The future relations of the Trilateral countries [in North America, Japan, and Europe], and their relations with the rest of the world, will largely be determined by the response to the current global economic catastrophe,” said Sweeney. “The question is whether we can ensure that the new global economy works for working people. Because, as President Clinton warned, if it does not, then it cannot long be sustained.”

Speaking pointedly to his banking audience, Sweeney said, “Much has been said about the ‘moral hazard’ of bailing out speculators when their bets go bad”—something every Trilateralite in the room had undoubtedly supported. “But too little is reported on the immoral hazard of enforcing austerity on working people to cover those bad bets.”

After outlining the devastating effects of that austerity on Asia, Russia, Mexico, and Brazil, Sweeney declared: “This global crisis marks the end of business as usual. We should be very clear about this. Some suggest that now that Asia seems to have survived the worst, the global system is headed back to health. That is a profound misjudgment. Not only is the contagion still spreading, but its full political and economic effects have yet to be felt.”

Sweeney attacked the International Monetary Fund, noting that it “admits that it made things worse in Asia, and then proceeds to enforce the same brutal austerity on Brazil.” He had biting words for U.S. Treasury Secretary Robert Rubin, whose inaction has been a big disappointment: “The Treasury Secretary announces we need a new ‘global architecture,’ yet seems to debunk anything that goes beyond patching the leaks in the roof and washing the windows.”

Then Sweeney turned to the proposed solution: “In the longer term, we need a new internationalism—a rewriting of the rules of the global economy to make it work for working people. This will require bold new ideas, new initiatives and



*AFL-CIO President John Sweeney addresses a Capitol Hill rally of shipyard workers on April 21, who are striking Newport News Shipbuilders in Virginia.*

new institutions. Controls must be devised to limit capital speculation; to make currencies more, not less stable; to make corporations more, not less accountable. Global arrangements for trade and investment must leave nations free to follow different paths to prosperity. The Trilateral countries should take the initiative now to call for a new Bretton Woods to begin rewriting the rules of the global economy.”

At the end of his speech, Sweeney turned to Franklin Delano Roosevelt, the author of the original Bretton Woods: “We faced similar challenges before. In this country, at the beginning of the century, the great corporations and trusts forged a national market and an industrial economy. The transition generated booms and busts, displaced workers and farmers, sparked upheaval and protest. Progressives of the era joined to organize unions, extend democracy, and develop new rules that would make the economy work for people. . . . These reforms did not come easily. They were not granted by the generosity of those Roosevelt called the ‘malefactors of great wealth.’ They required organizing by citizens and workers, a crusading press, and bold leadership. Now we face the same challenge once again.”

### **The single biggest challenge**

Sweeney chose a working-class university in the former industrial heartland of America, Pennsylvania, to address what he called “the single biggest challenge facing us in the 21st century”—the de-industrialization of America. Delivering the 10th Annual Philip Murray Memorial Labor Lecture

at Pennsylvania State University on April 13, the labor leader discussed what makes for a successful modern economy, as opposed to the globalizers’ free-trade hell-holes.

He began by challenging the students to join the labor movement’s fight, in words that starkly contrast to the “Me Generation” appeal so prevalent today: “If you are energetic, passionate, and committed to economic and social justice, I hope you will think about working for the rest of your life in the union movement. We have a crying need for bright young women and men who are willing to work long hours, travel constantly, and endure incredible hardship for the pure pleasure of helping working men and women and their families make a better life.”

The struggles of the trade union movement today, Sweeney said, including six major strikes across the country, are “part of a bigger struggle to preserve the industrial employment base in our country and with it, the good jobs that set the standards for all work and translate into the strong, vibrant communities where we all want to live and work and raise our families.”

He explained some fundamentals about real economics. “The ‘good jobs’ in our country have always been manufacturing jobs—in 1998, average weekly earnings in the manufacturing sector were \$565, compared to \$253 in the retail sector and \$430 in the service sector. . . . In many regards, the American Dream was woven from the prosperity provided by manufacturing jobs, because they provided the ladder for working families.

“Today,” Sweeney continued, “the fabric of that dream has begun to unravel because we are losing manufacturing jobs as the new global, free-market economy simultaneously sends more U.S. jobs overseas and replaces American-made goods with products manufactured by cheap labor in faraway places like China, Indonesia, Guatemala, and Brazil.”

### The loss of manufacturing jobs

The loss of manufacturing employment is a relatively recent phenomenon, Sweeney said. Over the last 15 months, the U.S. economy has lost 330,000 manufacturing jobs, whereas the economy had added 700,000 manufacturing jobs (albeit these were increasingly low-tech jobs) from the end of 1992 to the beginning of 1998. Twenty years ago, he continued, manufacturing jobs were 22% of the workforce; today they are only 15% and “headed lower unless we take some drastic steps.”

Sweeney gave a poignant account of how de-industrialization affects working people. “I first came face-to-face with de-industrialization 15 years ago in Pittsburgh,” in a janitors strike in the dead of winter, Sweeney said. He was amazed at their militance and determination, “until I met some of them and discovered the heart of the strike was made up of former steelworkers. These were 20- and 25-year steelworkers who’d been laid off as the big mills in Pittsburgh downsized and shut

down altogether, and the workers went from \$12 an hour with full benefits to \$5 or \$6 with no benefits. They were angry and bitter and could not understand why the system was so stacked against them—and when the downtown building owners tried to cut their janitorial pay another 25%, they simply revolted.”

On April 19 in Washington, D.C., Sweeney addressed the annual national convention of the AFL-CIO Building and Construction Trades Council, and continued the crucial process of economics education, calling on the 3,000 delegates there to join him in the struggle to preserve manufacturing jobs.

He told the construction workers that this is their fight, though it appears outside their direct sphere of interest. “I know that you know the consequences are direct and harsh—without manufacturing jobs, there are no plants or factories to be built. Without the livable wages manufacturing jobs pay, workers cannot afford new homes and apartments. And without the taxes paid by manufacturing workers, there is a lot less money for building and repairing roads and bridges. . . .

“I’m asking you to tell your Senators and your Representatives tomorrow [when they lobbied Capitol Hill] that you want our government to use its power and authority to make sure the global economy works for working families.”

**DO YOU KNOW**

- that the American Revolution was fought *against* British “free trade” economics?
- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?

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