

# FULL NELSON AGENDA

## Wrestling Corporate Interests, Pinning Down Inflation, Restoring Our Supply Chain & Making It In Wisconsin

### OVERVIEW

During my 72-county “Full Nelson Tour” last summer, I heard the pained stories of Wisconsinites who, through no fault of their own, had fallen victim to the corporate interests that are strangling working families. THEY were falling farther behind while watching millionaires and billionaires get richer and seeing Wall Street and corporations reap record profits DURING A PANDEMIC.

This is the first part of my “Full Nelson Agenda” to tackle the special interests that block progress in Washington. Whether it’s shipping Wisconsin jobs overseas, keeping intact our broken healthcare system, busting unions or keeping our nation addicted to fossil fuels, there are deep-pocketed special interests hard at work against us and even among us.

Ron Johnson is a tool of these dangerous special interests. But we can beat Johnson and his corporate patrons and advance the common good if we work harder, smarter and together.

### **PROBLEM: The Supply Chain CRISES & Inflation**

If there’s one thing COVID-19 and the tragic war in Ukraine has taught us, it’s that becoming reliant on foreign countries for basic goods is a folly that leads to sudden scarcity and painful inflation. I warned about this crisis [even before COVID](#).

Oil. Food. Semiconductors. PPE and masks. [Supply chain crises](#) are eating into the wages of hard-working Wisconsinites. And the root causes go back decades, (...)



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with politicians letting corporate America and Wall Street focus on short-term profits and shareholder dividends INSTEAD of domestic production, rising productivity and good family-supporting union jobs.

## **SOLUTION: INVEST in Wisconsin & America - NOT Foxconn Fraud**

Now is the time to act with urgency and reverse the devastating trends of corporate globalization. Only by confronting this amassing of power will we be able to tackle inflation and restore Wisconsin to its rightful place as a leader in American manufacturing. It's long past time to make it in America - and to do that requires real investment, by the public and private sector alike.

Instead of Foxconn frauds like Robin Vos, Scott Walker and Ron Johnson lavishing billions in taxpayer money to foreign corporations for jobs that never came and infrastructure that is receiving virtually no returns for Wisconsin, we should invest in our domestic manufacturing supply chains that have historically powered our middle class.

And it's not just a matter of economic policy, but of our security as a nation. Who wants to be left in the lurch, unable to produce masks or PPE during a pandemic - because we ceded the market to China?

Unlike China, Germany, Japan and others -- developed and developing countries alike -- the United States does not have a national industrial strategy to prioritize industry development and job creation.

In the Fox Valley, once known as the premiere global paper powerhouse, we've seen so many of our mills leave and shut down, despite making crucial products such as toilet paper and the cardboard needed to sustain our Amazon delivery economy.

Instead, destructive free trade deals like NAFTA and allowing China into the World Trade Organization, the 2017 corporate Trump tax cuts and "[just in time](#)" supply (...)

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chain efficiency schemes made it so critical manufacturing sectors were offshored and left vulnerable to any outside shock—whether it be a global pandemic or unjust invasions by the likes of Russia.

Now we find ourselves at the mercy of other countries to build and make anything of significance and the result is higher consumer prices and long waits for basic materials. Corporate America failed us and also bought the politicians who sold us out.

In the late 1970s, whole industries were deregulated in the name of job creation and lower prices for consumers. Neither happened. Moreover, lax enforcement of outdated antitrust laws made matters worse by allowing massive corporate mergers and acquisitions to happen which hurt consumers, farmers and workers alike by killing competition in the marketplace and creating monopolies.

Trade deals were the worst. Our trade compacts are written by and for corporate America and at the expense of workers. In the wake of the implementation of the North American Free Trade Agreement (NAFTA), shareholders of America's blue-chip companies made out like bandits. While the Dow Jones industrial average soared six-fold, [Wisconsin lost 46,647 jobs due to NAFTA and China's entry into the WTO](#).

The lesson is crystal clear. Working families in both deindustrial Milwaukee as well as small town Wisconsin have been screwed by bipartisan failed neo-liberal policies of tax cuts, free markets and trickle down economics that led to factory closures and pink slips. Now those failed economic policies are behind supply chain failures and spiraling inflation.

**SOLUTION: Let's Have a Coordinated Industrial Plan & GOOD Trade Deals For Once**

My book [One Day Stronger](#) described how we were able to save a century-old paper mill in my community through the coordinated efforts of labor, management and local government leaders.

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We desperately need a new national industrial strategy to bring back jobs and our supply chain. The Defense Department has been sounding this call, [noting that](#) “only China has mastery of every step in the supply and production of all key minerals, from mining and extraction to purification, metallurgy, refining, and finishing.”

That strategy would encompass:

- **Bringing labor unions to the table and keeping them there.** In this era of management churn and revolving ownership, those at the top know less of their actual business than their forebears. Labor is a storehouse of institutional knowledge and an indispensable strategic asset. Management would be wise to fully engage them in their business.
- **Empowering workers by passing laws that will make it easier for them to organize and collectively bargain.** The Protecting the Right to Organize (PRO) Act currently before the U.S. Senate is a good start. We need to go a few steps further and repeal the Taft-Hartley Act that set the American labor movement on a downward spiral 70 years ago by green lighting so-called “Right to Work” laws in the states, outlawed the closed shop and made it harder to organize workforces and keep them organized. Unions reached their apex in the lead up to Taft-Hartley when one-third of the workforce was in a union.
- **Directing public resources into one national program to build industrial capacity.** We need to end the inimical competition for jobs between cities and states. In exchange for public support, require manufacturers to make more goods in America. Doubling down on basic science research should be part of this. Fund universities and research centers that are working on new technologies that could create new products and thousands of jobs. [The U.S. Innovation and Competition Act \(USICA\)](#) that passed the U.S. Senate would go a long way in accomplishing these goals. Where once the United States led in semiconductor manufacturing, accounting for 37% of global chip production, that number (...)

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is [down to 12%](#) as we rely on Taiwan, South Korea and China for the materials needed to make our cars, computers, iPhones, electronics, etc.

A good example of what we need is the former Institute for Paper Chemistry which was an arm of Lawrence University and consortium of Fox Valley (Appleton, Wis.) paper companies that funded industry-wide research. As producers got lazy, settled with contemporary product lines, and lost interest in innovation, the research institute folded up shop and moved to Georgia Tech where it soon lost its identity, got absorbed into another department and withered on the vine.

- **Reviving Antitrust Laws to Break up Corporate Monopolies and Stamp out Price Fixing.** Some experts believe due to consolidation and corporate mergers, [corporate profits are driving 60% of inflation](#) as companies experience their [highest profits in 70 years](#). When only a handful of companies control the market for everything from meat to oil to ocean shipping to railroads to prescription drugs, companies are able to set their own prices with no real competition to fear.

Rates for ocean shipping have skyrocketed during the pandemic, leading to [\\$190 billion in profits](#) for the industry in 2021, a figure that's five times higher than the entire period from 2010 to 2020, combined. After decades of deregulation, it's time to start enforcing antitrust laws, both to prevent new mergers and to stop the price gouging. Monopolies in the meatpacking and dairy industries are prime examples of how a handful of companies controlling the market for bacon and cheese are [increasing prices for consumers](#) while also failing to pay farmers and ranchers a fair price. A windfall profits tax should be considered for any corporations unjustly gouging consumers, whether it's food companies or oil companies.

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- **Adopting a fair tax code that rewards businesses that invest in their products and workers and bans stock buybacks.** We should close tax loopholes that incentivize corporations to ship jobs overseas and siphon cash from their treasury in the form of dividend payouts, stock buybacks and CEO bonuses. When the highest income tax bracket was 70 percent, businesses had the incentive to plow earnings into higher wages, pension plans and research and development that grew business and created good paying jobs.

From 1981 to 1983, S&P 500 companies spent 4.3 percent of profits on buybacks. In comparison, from 2014 to 2016, these same companies [spent 59 percent](#) of their profits buying back their own stock. The 2017 Trump - Ron Johnson tax cuts poured [more fuel on this trend](#). Companies like Kimberly-Clark, maker of Huggies and Kleenex, [spent \\$900 million on stock buybacks](#) while shutting down a plant in Neenah, Wisconsin and threatening to close another nearby plant. Senator Tammy Baldwin's [Reward Work Act](#) is sorely needed.

- **Renegotiating bad trade deals and favoring Buy American.** We need to shred NAFTA and other bad trade deals that expose U.S. industry to unfair foreign competition and begin negotiating from the standpoint of the worker -- not the corporation. 20 years of China being in the WTO has hollowed out much of Wisconsin's cities and small towns as jobs left and now America [must rely on an authoritarian regime](#) for everything from prescription drugs to PPE to rare earth metals and solar panels. Global free trade deals also thwart Buy American provisions for government procurement. We need to favor Buy American wherever we can and use our government purchasing power to rebuild industry.
- **Reforming bankruptcy laws so workers and community interests matter as much as Wall Street interests.** We were able to save the Appleton Coated paper mill because of Wisconsin's unique receivership law that has evolved through case law in the last quarter-century. Under Chapter 128 receivership law, (...)

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before factories are shut down, community leaders object to the sale by noting importance that goes beyond just profits and see if there is a way for a community to come together to preserve the assets -- labor, business and local government. Private equity and hedge funds have made a killing in sucking companies dry while leaving workers (and their pensions and health care) out to pasture. U.S. bankruptcy laws [should follow Wisconsin's](#) to give valuable companies a chance at survival.

## **CONCLUSION: We're Running Out of Time - But We Can Do It If We Work Smarter - And One Day Longer.**

When COVID first hit, we saw the embarrassing photos of frontline workers not able to access basic PPE, masks and other supplies as America no longer made these things. The panic run on toilet paper showed why it's so important that we still make that product here for the most part, and are not reliant on imports. Low prices and "just-in-time" efficiency are false idols when confronted with events out of our control. They've also contributed to our staggering levels of income inequality. The saving of Appleton Coated showed the rare successful story to counter the sad tales of heartland job loss. The linked inflation and supply chain crises should be our clarion call for a national industrial strategy to start making it here in Wisconsin.