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THE PROBLEMS STILL FACED BY UNSKILLED WORKERS

By Paul R. Wieck

America's unskilled workers, forgotten faces in the 1992 presidential race until the riots in South Central Los Angeles, may now get the spotlight. They're less apt to get help. They make up the bottom 15 percent of the work force and have little access to power.

Their problems are chronic and tied to systemic disruptions in our economy — shifting trade patterns, uncontrolled waves of immigration, our monetary policy.

Their income lagged in the oil-embargo days of the 1970s. The unskilled also suffered in the 1980s under the tight money policies of Federal Reserve Board Chairman Paul Volcker, who tried to wring all OPEC-induced inflation from the economy. He did — but threw the U.S. into a deeper recession in 1982 than he intended or the Reagan White House expected.

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Unskilled workers are most vulnerable in a recession and in 1982 they fell more than anyone thought — and did not catch up in the boom years of the late 1980s when middle-income workers had modest gains and upper incomes doubled or tripled. Along with inflation and a recession, the unskilled faced a more serious threat — erosion of the job market. The unskilled faced not only a surplus of bad jobs but a surplus of less-skilled workers in an economy that needed skills.

That surplus included millions of unskilled immigrants who have arrived in recent decades — many of whom are here illegally. Even now, legal immigrants include more unskilled workers, often family members of immigrants already here.

Illegal workers often live in crowded, marginal housing, and bid down the wage scale in local markets. This competition for low-paid jobs feeds the rage of native blacks and Hispanics in neighborhoods like South Central Los Angeles.

Polls suggest most Americans — blacks and Hispanics alike — want illegal immigration stopped; power brokers don't.

Supply-side conservatives see immigration as an asset even if it depresses wage scales by creating a kind of third-world labor market. They argue such labor spurs growth and creates jobs for the unskilled.

Many liberals regard immigrants, legal or illegal, as tomorrow's voters. Question this political strategy and you are likely to be called a racist. Major political gains have been made in ethnic communities over the last 20 years as a result of immigration — new House seats in a half dozen states plus hundreds of local offices.

Pat Buchanan is the only presidential candidate arguing control of U.S. borders. But he wrapped it in a sad isolationism.

Now President Bush seems ready to take a tough line on enforcing immigration. He insisted illegal aliens who rioted in Los Angeles be deported, either before or after they serve a sentence for breaking the law. Attorney General William Barr estimates a third of the 6,000 arrested for looting and rioting are illegal aliens.

Mr. Barr takes a hard line on enforcing the ban on hiring illegal aliens. He's beefed up efforts to curb the flow across U.S. borders, through international airports, and in ports. Barr fined an Atlanta firm \$1 million for hiring illegals, a record figure.

This suggests the problems the unskilled have with immigrants could become an issue in the election.

Unskilled workers had another problem in the 1980s: companies that fell prey to leveraged buyout artists who sucked the assets out of firms and left behind shells burdened by junk bonds carrying high interest rates. When they couldn't make the interest payments on these bonds, firms shut down and jobs disappeared. AFL-CIO officials say 90,000 union members lost their jobs in the 1980s due to mergers, buyouts and takeovers.

Our trade policies often cost unskilled workers their jobs. Foreign firms dump goods on our market at below-production costs, violating GATT rules. There are legal remedies, but market can be lost before steps are taken to stop the dumping.

Efforts to stop dumping practices are often held up or die in the White House. The case of copper is typical. The world market for copper had collapsed, but Chile, anxious to avoid worker unrest, upped production in its mines and dumped its excess copper

on the world market at below the cost of production. Mines and mills in Western states were shut down, leaving thousands of workers jobless.

The copper industry won a ruling against Chile, but cold-war priorities outweighed its copper interests. President Reagan, on the advice of the Defense and State Departments, ruled it less costly to finance the right-wing Pinochet government by letting Chile dump its copper than by sending dollars to Chile.

Now our unskilled work force faces the threat of a North American Free Trade Agreement that may send thousands of jobs to Mexico, and, it is argued, keep many potential immigrants at home. The tradeoff, NAFTA supporters say, will be an increase in our pool of skilled jobs.

There's no reason to believe our unskilled workers will be trained for the new skilled jobs, or that illegal immigration from the Pacific Rim or countries in Latin America or Africa will be stemmed if a free trade zone is set up with Mexico.

Lots of remedies have been suggested. Some say employers need a tax incentive to hire and train unskilled workers. Housing and Urban Development Secretary Jack Kemp wants enterprise zones in inner cities that offer tax incentives.

Democratic ideas include spending on public works projects, job training, housing, education. Laudable. But most unskilled workers want a steady job, a fair salary, and a safe neighborhood. ■