

In this so-called Global Economy... Where exactly do American workers fit in?

BY DAVE GIBSON

As the U.S. unemployment rate continues to rise and bankruptcies and foreclosures follow, we are told that all of these maladies can be blamed upon the current recession or “sluggish” economy. However, the seeds of the current and still unfolding economic disaster were actually sewn many years ago, when both our federal government and business community began betraying the American worker.

With so many American companies now firing their American workers and opening factories in China and Mexico, manufacturing jobs have become few and far between. We constantly hear that this nation’s economy is becoming service-based. However, with at least a million illegal aliens streaming across the border every year who are willing to work for sub-standard wages, even the service jobs will soon become unavailable to Americans.

If current trends continue, labor will become a thing of the past for most Americans as poverty becomes *their* inevitable future.

The United States is manufacturing less and less every year and importing more and more.

Big retailers such as Wal-Mart import nearly all of their merchandise from China. As the world’s largest retailer, Wal-Mart now dictates policy to their suppliers. Since founder Sam Walton died in 1992, the company has been suggesting to their suppliers that they re-locate their factories to China. Wal-Mart sets a price so low it can only be met with slave labor.

American companies such as RCA and Black and Decker maintain factories throughout Asia to take advantage of the incredibly cheap labor, which can only

be offered by countries without reasonable labor laws. Because an item bears the name of an American company, many Americans believe that they are getting a great price on an American product. Unfortunately, the only Americans now employed by most of these companies are a handful of executives, as the actual factory workers live in foreign lands and work for pennies.

While everyone likes low prices, we will all pay a very high price one day for the few dollars saved today at our local Wal-Mart. All of our relatively high-paying factory jobs are being replaced with very low-paying retail jobs. The end result will be the end of the American Dream for working-class Americans.

The University of California at Santa Cruz conducted a study of U.S. job losses between 1979 and 1999. The study focused on manufacturing jobs in the clothing, footwear, leather, and textile industries. The study concluded that within a three year period, one-third of laid-off workers failed to find other employment, as for the workers who found another job, half of them took a 15 percent cut in wages.

In 2007, the overall U.S. trade deficit was \$731.2 billion. In 2004, the overall U.S. trade deficit was \$668.1 billion, by 2007 it reached \$731.2 billion. That is an incredible 17 percent increase in just a three-year period. Our trade deficit with China alone in 2007 was \$258 billion.

In 2011, our trade imbalance with China ballooned to a record \$295.5 billion, more than half of last year’s overall \$559.9 billion trade deficit.

In 2007, the American Manufacturing Trade Action Coalition (AMTAC) reported that 1,001,100 U.S. apparel and textile manufacturing jobs had been lost since 1994. That represents a 52 percent loss of jobs in the textile industry, and a 75 percent job loss in the apparel industry.

AMTAC executive director Auggie Tantillo said: “The loss of one million jobs is an outrage. It drives home the point that the current U.S. trade policy has failed and must be changed now. An uncontrolled flood of imports, often heavily subsidized, is crippling the

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U.S. textile industry.”

However, counter top appliances and underwear are not the only items that Americans will no longer be manufacturing.

In June 2011, Rheem Manufacturing Co. announced that they would be moving their production plant from Fort Smith, Arkansas, to Mexico...taking with it, 250 jobs.

Rheem already had an existing plant in Nuevo Laredo and expanded that facility by 290,000 square feet, which manufactures heat pumps to ship back to the United States.

Of course, Rheem is only one in a long line of U.S. companies to abandon their American workers, and make a dash for the border.

And why not, when the average daily wage in Mexico is \$4.50?

Today, if you find a discrepancy on your VISA or cell phone bill and call to complain, you will more than likely speak to someone in India. Apparently, it is not enough to move nearly all of the high-paying manufacturing jobs overseas. Now they are out-sourcing even the \$9/hour customer service jobs as well.

What kind of jobs will the majority of Americans have in twenty years? Will we all be working at gas stations and flipping burgers? Or will illegal aliens have all of those jobs?

The American middle-class truly faces the same problem that befalls many wild animals listed on the endangered species list...habitat destruction.

While a certain type of frog may become extinct because its swamp has been filled-in, the middle-class is facing the same doom because our workplace is being taken away.

Unions do share some of the blame for now idle factories and manufacturing plants across the Northeast and Midwest for instance. For decades, unions such as the Teamsters, the United Auto Workers, and the Steel Workers Union controlled a great deal of this nation's economy.

During the 1960's, the corrupt Teamsters Union controlled the shipment of goods and had the power to shut down this country. For many years, the threat of strikes, walk-outs, and even violence kept wages unfairly high in the labor industry. During the 1970's, most auto workers made more money working on an assembly line, than did their family doctor!

In many cases, the unions priced themselves right out of a job.

However, the pendulum has now swung so far in the other direction — that for many Americans, there

will be no job or at least one that will afford them a decent living. Many Americans are already working two low-paying jobs, just to make ends meet.

We are returning to a time in this nation's history, when there was no middle-class. There will be once again, be only the rich and the poor.

Though many of the jobs in the 1980's could easily be blamed on the labor unions out-ricing themselves, the genocide now taking place upon American workers can just as easily be blamed upon sheer greed.

Today, too many American companies are closing their doors to American workers and opening plants and factories, even call-centers in Third World nations. Of course, these companies never relocate their operations to modern, industrialized nations.

Have you ever heard of a U.S. factory moving to say...Sweden?

They of course, would much rather pay an Indian or Chinese worker one dollar a day, than fork over \$100 or \$200 a day to an American. While that strategy may make sound business sense, those companies are choosing to support Indian and Chinese families over American ones.

By moving to a country whose standard of living is so incredibly low, they basically eliminate their payroll, which amounts to slave labor. Thus, allowing for huge profits.

So what should we do?

Perhaps, offer tax-credits to U.S. companies which keep their operations inside our borders?

To me, that would be rewarding someone for doing what they should do anyway. There is really nothing particularly heroic about doing the right thing. It would also be just another form of corporate welfare (once again at the expense of the American worker). Besides, there is no tax-credit that could be offered which would outweigh the money these companies are already saving by outsourcing.

Unfortunately, you cannot legislate away, greed nor can you install a conscience into someone.

Corporate America will have to come to the conclusion that while huge profits may allow a handful of Americans to join the ranks of the ultra-rich, the overall human-cost may someday negate the windfall.

With an unprotected border, and far too many politicians eager to invite foreign workers into this country, even as actual unemployment is now approaching 20 percent, the climate for American workers will worsen long before it improves.

But, that is only half of the story...

In November 2008, it was announced that China

had surpassed Japan as this nation's largest creditor. With bloated spending packages, bailouts, and ever-increasing entitlement spending our national debt has reached nearly ballooned to \$16 trillion.

Of course, China currently holds \$1.15 trillion of that debt. China now has the fastest growing economy in the world with manufacturing being the major factor fueling that growth.

Corresponding with our increasing dependence on cheaply-made Chinese goods, is the increasing size of China's military. Their accelerating military build up is reminiscent of those of Germany and Japan prior to World War II.

The Chinese government claims that their defense budget has grown by 15 percent every year since 1990. However, the Rand Corp. issued a report in 2005 claiming that China actually spends 40 to 70 percent more in military expenses than they report. The report also stated that China spends about \$69 billion annually. China is now only second to the U.S. in the percentage of GDP spent on the military.

The recent and rapid expansion of China's navy has outpaced that of all other nations. Since 2000, China has built more than 60 warships. Their current fleet of 860 vessels includes around 60 submarines.

In fact, China has produced at least 23 new submarines in the last five years alone. Even more troubling to the tiny nation of Taiwan is the fact that the Chinese Navy is now building dozens of amphibious ships.

In October 2006, a Chinese Song-class submarine stalked the USS Kitty Hawk battle group. The submarine was not detected until it surfaced, well within torpedo range.

Richard Fisher of the International Assessment and Strategy Center said of the incident: "Given the long range of new Chinese sub-launched anti-ship missiles and those purchased from Russia, this incident is very serious. It will likely happen again, only because Chinese submarine captains of 40 to 50 new modern submarines entering their navy will want to test their mettle against the 7th Fleet."

In 2007, the Chinese military destroyed an old weather satellite with an extremely advanced surface to air missile. The satellite was smaller than the average-sized refrigerator and orbited 530 miles above the earth. The weather satellite traveled within the same orbit as do U.S. spy satellites.

Equally disturbing is that nation's growing relationship with Iran.

In 2006, China entered into a deal with Iran to develop their Yadavaran oil fields. China's SINOPEC will

produce 180,000 barrels a day and purchase 10 million tons of liquefied natural gas annually for the next 25 years.

The following business dealings currently take place between China and Iran:

- over 100 Chinese companies do business with Iran
- Chinese contracting firms are now building airports in six Iranian cities
- China already receives more than 14 percent of their oil imports from Iran

Given China's relationship with Iran and the growing amount of oil which China will import from that nation to fuel their growing economy, the greater the likelihood that any confrontation with Iran (by Israel or the U.S.), would also involve intervention by the Chinese military.

A well-armed China will not simply sit idly by and watch as U.S. or Israeli bombs fall on Iranian oil fields and pipelines.

As droves of American companies decide to relocate their factories to China, we are slowly surrendering to our inevitable enemy. As our manufacturing base disappears, so does our ability to mass produce the weapons of war.

At the beginning of World War II, factories across the country began to re-tool and switched from producing consumer goods to military weapons. Because of the war effort, no American automobiles were made from 1942-1945. Those factories were instead turning out jeeps, half-tracks, and tanks.

Once Congress declared war, assembly line workers who had been building washing machines, were suddenly producing artillery shells. Factories which were turning-out headlights for automobiles, were now fabricating turret canopies for B-17 bombers.

During World War II, the Ford Motor Co. produced B-24 Liberator bombers at their Ypsilanti, MI plant. They also built jeeps, tanks, half-tracked personnel carriers, and armored cars in their Richmond, CA plant.

In contrast to that patriotic contribution, Ford announced in 2006 that they were closing three U.S. plants and moving them to Mexico. To allow an exodus of American factories is not only devastating to our middle class, it represents a strategic nightmare.

When China's aggression becomes a frightening reality...How will we defend ourselves?

In the days after the 9/11 attacks, we were constantly told that then more than ever, we needed patriots in every facet of American society. Why did the boardroom get an exemption to that call of duty? ■