Monroenews.com: Forget terrorism, cheap labor will kill us
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Recently, I listened with interest as John Bruskotter, president of the American Welding Society, talked about potential welding careers with a group of welding students and others at Monroe County Community College.

The rapt attention and interest of the students was inspiring probably because, as a group, they seemed to be mostly "non-traditional students." That means they're older, usually have some work experience, perhaps were laid off or displaced from a previous career, and basically are trying to reinvent themselves.

A lot of them appeared to be making a smart choice. If they can excel at welding, they should be able to excel at making a living.

With the economy still in the relative dumps, this was encouraging.
Another bright spot came recently when Gerdau Macsteel said it would expand its Monroe mill, investing about $67 million.
Gerdau, based in Brazil, is a world player in the steel market. They have their fingers on the pulses of many economies around the globe. To be sure, their plan to invest in the Monroe mill is a bit of a gamble, given the world economy, but it's also a monumental vote of confidence in the future of the U.S. economy.

Gerdau recognizes some of the truisms that has escaped many captains of industry: The U.S. might not have the cheapest labor force, but it still has the best and most productive. This generally holds true whether the American worker is a greeter at Meijer, a schoolteacher in Monroe County, a truckdriver on I-75, a UAW member in Dundee or Flat Rock, or the workers at your favorite fast-food restaurant.

Despite long-standing complaints from employers that good help is hard to find, most American workers are good help. Productivity statistics bear this out when compared with almost every other nation in the world.

this measure alone, the U.S. economy should be thriving.
But global forces continue to work against us.

Our manufacturing sector has taken great hits — not because it cranks out garbage, but because labor elsewhere in the world is cheaper. In some industries, this works well for corporations. If you can lower the labor cost, you can lower the price of consumer goods and services.

But cheap labor also can crank out garbage. Mr. Bruskotter told welding students that welders in China make 50 cents an hour, compared with the $12 to $17 an hour a beginning welder might make in the U.S.

He also said welding in foreign lands often is beset by weld-rejection rates that are abysmal. It's a scary proposition considering that many products imported into this country have welded parts.
Somewhere along the line, someone has forgotten the adage that "you get what you pay for." And in the case of many Americans suffering in this recession, the cheap products they get sometimes are the only products they can pay for.

Gerdau knows that the U.S. steel industry can produce a ton of steel using two man-hours. Producing a ton of steel in China takes 12 man-hours. But, once again, 12 Chinese man-hours are cheaper — and more dangerous — than two American man-hours, and Chinese steel produces three times the amount of pollution as American steel.

Yet, much of what Americans still buy — TVs, clothes, computers, cell phones — are foreign-made. A large chunk of our U.S. economy now relies on less tangible things, such as services, health care, finances.

There are reasons that American companies can't compete globally that go beyond cheap labor. Many of those reasons have to do with foreign governments that manipulate their currencies, provide huge subsidies for industries, and simply look the other way when it comes to environmental and safety rules.

What's worse is that, almost as a matter of survival, U.S. firms are exporting manufacturing overseas and much of their research and development efforts are following. This might make sense from a short-term, bottom-line perspective. Wall Street loves companies that cut costs and boost profits, regardless of the toll on people or the economy.

But it doesn't make sense in the long run. Someone needs to realize that American workers are still the most productive in the world and American consumers are still driving much of the world's economy. If we grind down consumer spending power by exporting all of our jobs to cheap labor, who will buy the world's products?

One could argue that Americans still will buy those products, but simply use more credit to do so. Which is what Wall Street and our largest creditor — China — would think is fine.