



# **Buying American**

It can be said with certainty that the everexpanding global economy, and our nation's weakened position in it, is of America's doing. Many Americans have grown to accept — and even demand — that they are consumers and recipients of government services.

Our vast, unconstitutional government has been more than willing to accommodate them. Thus, low-cost overseas production and its associated inexpensive consumer goods came about due to America's demand for items at prices and varieties that were not possible within our borders due to the high cost of business created by out-of-control taxes and restrictive regulations which inhibit the free market. Only in the Chinas and Indias of the world could our insatiable materialism be satisfied at prices we are willing to pay.



From this transfer of production the global economy has become at once a Godsend and a death knell for our national economy. It allows people from all class levels to purchase consumer goods and durables that they were unable to purchase before, assuring that low-income people can appreciate consumer goods once only afforded by middle-and-upper income earners. But, for all this good, outsourcing comes with an undesirable side effect, one the impact of which will bring about the long-term decay of our economy and a lower standard of living for all Americans, especially those who currently benefit from globalization: the private sector of the United States is gradually transforming into what is predominantly a service economy, taking away the incredible economic benefit that comes with a powerful manufacturing sector.

Service economies have limited economic impact because they either take what is made elsewhere and sell it or they use humanity to appease humanity. Therefore, the value-added effect is relatively slim because there is minimal investment of resources, technology, and personnel to "create" what is produced or offered.

Mathematically stated, the service sector generates an additional 71 cents of economic activity for every one dollar in sales. By comparison, for every dollar of manufactured goods sold to a consumer, another \$1.43 is created in sectors outside of manufacturing. Unlike a service economy, a manufacturing economy creates true wealth for a nation. This is because manufacturing creates or empowers a multitude of support functions. It needs people and equipment to extract resources and create and or commodities used in the manufacturing process. It needs the transportation sector and its people to get goods from point A to point B. And, it needs the service sector to market and sell its products.



### Written by **Robert Confer** on September 4, 2009



The fact that manufacturing is over twice as financially important as servicing is only part of the story. The human factor — employment — is the other part of the equation. On average, those employed in the manufacturing sector receive wages and benefits that are 17 percent higher than the compensation packages found in all other sectors combined. And, these well-compensated jobs — in a fashion similar to the economic driver — create employment in other sectors. According to federal statistics, just a handful of years ago manufacturing employed 15 million Americans and required another 8 million workers in other sectors as a means of support. That number has decreased since then, a result of two government-induced catalysts; the recession and outsourcing, combined, have stripped our country of 2.5 million manufacturing jobs since the recession began.

You may be wondering how we prevent further losses in manufacturing and keep the economy strong with American-made goods. Since the government has done little to rectify the impediments that affect American manufacturing, we cannot leave it to the powers-that-be to address the issue (as a matter of fact, the ongoing bailouts and stimuli, as well as healthcare reform, will only make matters worse). It requires instead a veritable grassroots effort by each and every one of us as consumers to act in a patriotic fashion and use our role in the free market to our nation's advantage.

You will see grocery shoppers smartly traversing the aisles investigating cartons and labels to see what a food item is made of and how much the product might yield. Yet rarely do you see that same sort of inquisitiveness in department stores. Those shoppers might buy only on the factors of impulse, name brand, and price, satisfied only with the visual presentation of the products and the brief product description plastered on the face of the carton. Rarely do they turn the carton over to see if the item was manufactured here in America or someplace on the other side of the world.

Such label shopping would not be in vain, for goods are still manufactured in the United States and, believe it or not, at growing levels in some sectors. A quick search at a website directory like www.madeinusa.com will show countless thousands of American manufacturers and their products and manufacturing services. While we may be losing in what could be considered manufactured "commodities," the United States still produces durable goods, vehicles, and more, all ripe for our purchase. Buying American-made products does not make one a bad shopper either, for, despite global market trends, many American products remain very competitive in pricing and all are vastly superior in the quality of engineering, usability, and durability.

We as nation of consumers need to buy smartly. We need to buy American. Doing so not only satisfies our buying urge but it also help to keep real, honest-to-goodness Americans (our friends, families, and neighbors) employed and our economy strong.





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