



NoPort News

A newsletter of the North Carolina International Terminal

All the news that prints to fit.

April 6, 2010

Where Have All the Dollars Gone?

Yesterday's manufacturing jobs are today's logistics jobs.
--North Carolina State Ports Authority

On March 23, the Economic Policy Institute released a new study on the effect of imports from China on US manufacturing and manufacturing jobs. It starts with this:

Since China entered The World Trade Organization in 2001, the extraordinary growth of U.S. trade with China has had a dramatic effect on U.S. workers and the domestic economy. The United States is piling up foreign debt, losing export capacity, and the growing trade deficit has been a prime contributor to the crisis in U.S. manufacturing employment. Between 2001 and 2008, 2.4 million jobs were lost or displaced, including 91,400 in 2008 alone, ...

The study identifies North Carolina as one of the three hardest-hit states. Over 95,000 jobs lost, 2.3% of total employment. Of the 20 US Congressional Districts with the greatest losses, four are in North Carolina.

The problem is not just job loss: "Competition with low-wage workers from less-developed countries has also driven down wages for other workers in manufacturing and reduced the wages and bargaining power of similar workers throughout the economy."

Here's the link: <http://www.epi.org/publications/entry/bp260/>

Now every economist since David Ricardo has been a fan of free trade and has discouraged import restraints. But free trade is one thing—subsidy is another. The Chinese subsidize the trade imbalance with currency manipulation. And, alas, the United States of America subsidizes Chinese imports by using tax dollars for deep-dredging of harbors for container ships from Asia, and the States do the same with container terminals. North Carolina does that—operating costs of ports are sometimes covered by revenues, but the capital has to come from the taxpayers.

So the Corps of Engineers and the North Carolina State Ports Authority move ahead to spend \$2.5 billion dollars for a new container terminal at the Cape Fear. This is for imports: the Port of Wilmington is quite adequate for exports, and will be for the foreseeable future.

Public Meeting

On Thursday evening, May 6, at 7:00 p.m., we shall have another public meeting of NoPort Southport NC, Inc., at the Brunswick County senior center in Smithville Crossing on North Howe Street in Southport (behind Kerr Drug and next to the Wingate).

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