

CHINA, COVID AND U.S. POLICY



Until late spring 2020, I don't think many of us realized just how much we have ceded our manufacturing to China. Since then, companies that import parts or products have been in a state of complete supply chain meltdown.

Uline is a large North American distributor of boxes that, fortunately, are made in the U.S. But we also sell a lot of material handling items in which parts or the whole product are imported. And we source from U.S. companies that are experiencing massive supply chain issues.

U.S. wages, healthcare and quality of living are higher than China's. We know this. What is startling is the better equipment for manufacturing is often in China.

As I write this, Uline containers have been stuck in the Port of Long Beach, CA, for over 30 days. We have air freighted products, as much as we can, at enormous costs.

We've tried diverting goods to our Los Angeles location and putting them in expedited trucks instead of rail. Managing this nightmare is unlike anything we've ever seen.

The U.S. has two big problems:

- Publicly-held companies are too concerned about their stock share price, and they are frozen when it comes time to reinvest in new equipment and update their plants. My opinion.

- Baby boomers have sold too many companies to hedge funds that can really suck the life out of them and pile on debt.

"America First" was President Trump's policy. He made his moves to lower taxes, increase tariffs, renegotiate new trade deals, support immigration laws, stop endless wars and stop America from paying the lion's share for everything, especially NATO. I am a believer in these policies, but they take time.

Then Trump lost.

Now we have the Democrats coming in and, surely, they will have a different policy than "America First." The problem is, how are we going to compete? We need a clearly defined policy and time to make it work.

I thank our employees and all Americans who have worked long hours through this COVID pandemic. We feel terrible for those businesses that had to close their doors. And we can't wait for the kids to be back in school full time.

America sorely needs a coherent, largely united trade policy. If we don't get this done, this century belongs to the Chinese.



Liz Uihlein

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