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Caterpillar Supports Jobs in America

By Jim Baumgartner, Director, Corporate Public Affairs, Caterpillar Inc.

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Some business professors just don't understand business. It's easy to preach from the pulpit of higher-education, but the right thing to do, and what America deserves, is someone willing to tell them the truth.

Peter Navarro, a professor at the University of California at Irvine, recently editorialized about Caterpillar's new factory in China ("Et tu Caterpillar? Then fall America!" Commentary, Oct. 12). Unfortunately, Navarro didn't tell you the whole story before demonizing a successful American company that employs about 100,000 people around the world, and creates employment opportunities for 300,000 dealer and supplier employees.

In the past year, Caterpillar has announced a new excavator facility in Texas, a new mining facility in North Carolina, an expansion of our compact construction facility in North Carolina and a new engineering design center in South Dakota. Plus we announced a major investment to upgrade our mining-truck capacity in our Decatur, Ill., facility. Caterpillar supports jobs in America.

Although Caterpillar reduced its workforce in response to the worst economic recession since the 1930s, Navarro failed to acknowledge that in 2010, Caterpillar's workforce has increased by more than 15,000, with thousands of those jobs in the U.S.

Caterpillar's mini-excavator facility in China provides growth opportunities for us in China and here in the U.S. Navarro sees this investment as sinister and anti-U.S., but he is simply wrong. He doesn't understand the business landscape. He asserts that Caterpillar would face "a protectionist 30 percent tariff" when in fact the tariff is 8 percent. But the real barrier to competition for U.S. products exported to China is not the tariffs but the significant transportation and logistics costs.

Navarro fails to acknowledge that our expansion into China will actually create jobs in the U.S. How? As we expand our global manufacturing footprint into China and other areas, we increase sales and exports from our U.S.-based operations to China. We are proud that Caterpillar is a net exporter from the U.S.

What is Navarro's solution to counter trade competition from China? Criticize the successful? Start a trade war? Cede the world's fastest-growing export market to our overseas competitors? That's a recipe for disaster!

Caterpillar has been competing and winning in the global economy for years — creating jobs around the world, especially here in the U.S. We are outspoken supporters of policies designed to keep America competitive. Caterpillar's commitment to the U.S. is clear.

What America really needs is solutions — not complaints from an ivory tower.