

## Buy American Mention of the Week

Pondering Walmart's patriotic pledge

By Roger Simmermaker

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Walmart, the nation's biggest retailer and largest employer, recently juiced the headlines with the announcement that it will stock its shelves with \$50 billion of American-made merchandise over the next decade while hiring 100,000 veterans starting in May 2013. But does this new seemingly patriotic pledge mean that consumers who value the Made in USA label on the products they buy should start shopping (or shop more often) at Walmart as a result? After all, it is fairly well-known that many self-described patriotic consumers have avoided Walmart for years and even decades because they source many of their products from overseas and other various reasons I will discuss in this article. First of all, Walmart won't need any increase in consumer traffic to sell those \$50 billion of American-made goods over the next 10 years, and they won't need new customers to keep the 100,000 newly-hired veterans employed. In other words, you can bet that Walmart isn't relying on customers like me who have refused to shop there for several years returning to patronize their stores their pledge profitable and worthwhile. The end result of Walmart carrying billions of dollars more American-made goods over the next decade will be that the existing customers will be buying them instead of the imports that were replaced on the shelves. But what are some of those various reasons I mentioned earlier that have kept customers like me away from Walmart over the years?

### 1. Walmart has too much control over the domestic market

It's no secret that if you have a product that could be carried by Walmart, you want Walmart to carry it. But if your good is domestically produced, Walmart has a history of pressuring you to cut your costs to a point that many companies have had to lay off workers, or shutter their American factories altogether and move overseas in order to meet Walmart's price demands. A National Knitwear and Sportswear Association spokesman once pointed out that Walmart "forces domestic manufacturers to compete, often unrealistically, with foreign suppliers who pay their help pennies on the hour."

### 2. Financial lessons learned

If the recent financial crisis has taught us anything, it's that we shouldn't be putting all of our investment eggs into the same basket. Shopping is also a form of investing. We can either use our consumer dollars to invest in the American economy by supporting American workers or invest in the economies of other countries by supporting workers in foreign countries. Just like your financial investments should be diversified, so shouldn't your consumer investments.

### 3. Retail diversity is good for the economy

Not only do consumers need to direct their dollars away from foreign-made goods to American-made goods if they want to help our economy to continue to recover, but we should also direct our shopping away from retailers that have too much market influence, and has a history of using it in a way that harms our economy.

#### 4. Discrimination against minorities

According to the December 17, 2001 Wall Street Journal, Wal-Mart was ordered to pay \$6.8 million in fines for trying to screen hopeful job seekers with disabilities.

#### 5. Disregarding court orders

Walmart was found guilty in 1999 in federal court for not paying its pharmacists overtime, violating labor laws. A Denver court ordered a defiant Walmart to pay back wages to their affected employees. But then again, Wal-Mart has disregarded court orders before. In July of the same year, Wal-Mart was ordered to pay Tommy Hilfiger \$6.4 million for ignoring court orders to stop selling fake Hilfiger apparel.

#### 6. Walmart often carelessly causes American market and job disruptions

Wal-Mart once allowed Rubbermaid to sell 15% of its products to them. But when Rubbermaid tried to increase prices to offset a rise in the cost of raw materials, Wal-Mart switched to Rubbermaid's competitors. In 1995, Rubbermaid announced layoffs for 9 percent of its workers as it closed nine factories.

#### 7. Misleading media messages

Wal-Mart bears little resemblance to founder Sam Walton's original vision of old, except the low prices. Shortly after Sam Walton's passing Wal-Mart acquired over 100 Canadian Woolco stores and ran full-page ads claiming "Wal-Mart is a Canadian company, managed by Canadians and staffed with Canadian Associates." Were you to visit stores in Mexico or Canada in the mid-1990s, you would find Buy Mexican and Buy Canadian campaigns just as prominent as the Buy American campaign back home. All told, the current day media message is that Walmart claims that about 66 percent of the goods it sells at its U.S. stores are sourced, grown, or made in the United States is misleading if you are using such percentages to determine where to spend your consumer dollars. Since Walmart now dominates the grocery market, where goods are typically sourced domestically or locally anyway, this number percentage sounds higher than it really is. It's difficult to find imported grocery items like bath soap, laundry detergent, or dishwashing liquid. That means Walmart uses these goods to offset the low percentage of percentage of apparel and other accessories in its stores are typically imported. It's likely that your nearby supermarket has a higher percentage of American-made products in its stores than Walmart does. I do applaud Walmart's announcement, and I do hope it will give the American economy a much needed boost and gives veterans opportunities they might not otherwise have. But again, my main point is that if you don't already shop at Walmart for whatever reason, Walmart doesn't need you to start shopping there again to move the \$50 billion in extra U.S. goods or keep the veterans that they do hire employed.

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Roger Simmermaker is the author of *How Americans Can Buy American* and *My Company 'Tis of Thee: 50 Patriotic American Companies American Consumers Should Know About*, and writes "Buy American Mention of the Week" articles for wnd.com and his website [www.howtobuyamerican.com](http://www.howtobuyamerican.com). Roger has a degree in Electronics Engineering Technology, is president of his local Machinists Union, has been a frequent guest on Fox News, CNN, and MSNBC, and has been quoted in *The Wall Street Journal*, *USA Today*, and *Business Week* among many other publications.