

Senator Debbie Stabenow
Testimony Before the U.S. Congress Joint Economic Committee
“Manufacturing in the USA: Why We Need a National Manufacturing Strategy?”
June 22, 2011

Chairman Casey and Vice Chairman Brady, thank you for the invitation to testify at today’s hearing on “Why We Need a National Manufacturing Strategy.” This is a critical issue for my home state of Michigan and for our country’s economic future.

In order to have a strong middle class in America, we must continue to make and grow things in this country.

Michigan led the way in the last century as the heart of American manufacturing, and we are rightfully proud that we helped create the middle class in this country.

But for too long, we’ve seen a situation where our companies are competing against other countries. Competitors as diverse as Japan, China, India and Germany all have manufacturing strategies.

Because we have lost our focus, between 1979 and 2009, the U.S. lost more than 8 million manufacturing jobs. Michigan alone lost more than 300,000 manufacturing jobs between 2000 and 2010.

During this time, countries like China have been investing heavily in emerging technologies, including renewable energy. In the next two years alone, China will invest almost \$15 billion in advanced batteries.

Japan paid for almost all of the initial research for Toyota to create batteries for its vehicles. And last year, China invested over \$20 billion in its solar industry.

Unfortunately, part of China’s manufacturing strategy is stealing our intellectual property and breaking international trade rules.

We need to hold China accountable and devote additional resources to trade enforcement – which is why I have legislation that would create a Chief Trade Enforcement Officer.

We also must make strategic investments in clean energy technologies. President Obama has challenged us to put one million electric cars on the road by 2015. He realizes that by investing in electric vehicle innovation, we can create jobs in America.

We know that by supporting American innovation and manufacturing, we can bring jobs back – we know it, because it's working.

In 2009, we put \$2 billion toward advanced batteries. Before we made this investment, the United States made only 2 percent of the world's advanced batteries. By 2015, we will have the capacity to produce 40 percent of those batteries.

Since January 2010, the U.S. has created nearly a quarter million manufacturing jobs – the first increase in over a decade.

These policies were a good start, but they are not enough. We need to invest more and be smarter about how we do it. For example, in the last decade, our production tax credit for wind turbines expired three times. Each time, there was a sharp drop in installations of wind power projects.

While China has five and ten-year plans, our policies are unpredictable. Congress needs to give our manufacturers greater certainty on whether the incentives we promise will actually be there.

Innovation has always been the reason America has the strongest economy in the world. To compete in the 21st Century, we need a strong, vibrant economy that makes advanced manufacturing a priority.

America needs to lead in all aspects of advanced manufacturing – from automobiles and wind turbines to computer chips and nanotechnology.

Opponents of having a manufacturing strategy will say that manufacturing's time has passed and should be done in developing countries. I disagree. Our workers and businesses are the most productive in the world and can compete, and win, against anyone.

With the right investments, we can create jobs today that will last for years to come.

We're in a race for the future, and I want America to win that race. We must have a strong manufacturing strategy to get there.

Thank you.