

**STATEMENT OF CHAIRMAN ERNEST F. HOLLINGS**

**CURRENT STATE OF U.S. MANUFACTURING AND THE IMPLICATIONS OF  
INTERNATIONAL TRADE**

**JUNE 21, 2001**

OUR MANUFACTURING INDUSTRIES ARE UNDER ASSAULT. SO FAR, IN 2001 NEARLY 500,000 MANUFACTURING WORKERS HAVE LOST THEIR JOBS. THROUGH THE LAST FIVE YEARS APPROXIMATELY 750, 000 MANUFACTURING JOBS HAVE SIMPLY DISAPPEARED.

DURING THE 1990's THE U.S. NEGOTIATED AND ENTERED INTO TWO MAJOR TRADE AGREEMENTS, NAFTA AND THE WTO, DESIGNED, AT LEAST IN PART, TO INCREASE MANUFACTURING EMPLOYMENT IN THE UNITED STATES. SINCE THE UNITED STATES ENTERED THE WTO IN 1995, WE HAVE LOST 670,000 MANUFACTURING JOBS. ENOUGH TIME HAS PASSED TO DETERMINE THAT THOSE EFFORTS HAVE BEEN A COMPLETE FAILURE.

TODAY, WE HAVE FEWER MANUFACTURING WORKERS IN THE UNITED STATES, THAN AT ANY TIME SINCE 1965. WE HAVE FEWER STEEL WORKERS THAN AT ANY TIME SINCE THE GREAT DEPRESSION. WE HAVE FEWER AIRCRAFT MANUFACTURERS THAN AT ANY TIME SINCE 1950.

OVER THE NEXT 5 YEARS, STANDARDS AND POOR'S ESTIMATES THAT MEXICAN AUTO MANUFACTURING WILL INCREASE BY 40 PERCENT WITH ONLY A SLIGHT INCREASE IN AMERICAN PRODUCTION.

WHY DO WE CARE? THAT ANSWER IS SIMPLE -- BECAUSE MANUFACTURING JOBS PAY MORE THAN THE JOBS THAT WE ARE CREATING. THE AVERAGE U.S. MANUFACTURING WORKER IS PAID \$14.38 AN HOUR. SOME IN THE AUTOMOBILE MANUFACTURING SECTOR CAN EARN AS MUCH AS \$43 AN HOUR IN WAGES AND BENEFITS. IN COMPARISON, THE JOBS THAT WE ARE CREATING, FOR INSTANCE IN THE RETAIL TRADE, PAY \$9.80 AN HOUR. SINCE 1990, WE HAVE CREATED NEARLY 4 MILLION OF THESE LOWER PAYING JOBS.

IN 1997, THE WALL STREET JOURNAL REPORTED THAT WAL-MART HAD PASSED GENERAL MOTORS AS THE LARGEST U.S. EMPLOYER. IS PROFILED ONE WORKER FROM EACH COMPANY, THE GM WORKER LIVED IN A TOWNHOUSE THAT HE OWNED AND WAS ABLE TO SEND HIS DAUGHTER TO PRIVATE SCHOOL. THE WAL-MART WORKERS, A SINGLE MOM, LIVED IN A DOUBLE TRAILER.

QUITE FRANKLY, WE NEED TO FIND A WAY TO CREATE MORE MANUFACTURING JOBS IN THE UNITED STATES.

I LOOK FORWARD TO HEARING FROM THE WITNESSES ON THE CURRENT STATE

OF U.S. MANUFACTURING AND THE IMPACT ON TRADE ON THE U.S. MANUFACTURER  
AND ITS WORKER.