

Senate Commerce Committee
“Future of American Manufacturing” Hearing
Remarks

I want to thank Chairman Rockefeller and Ranking Member Hutchison for giving me the opportunity to speak on one of our nation’s defining challenges: strengthening and creating jobs for America’s middle class. That same goal is behind the Democrats’ Make It In America agenda. Make It In America is about creating an environment in which American businesses can thrive, innovate, and create jobs here—and it is about ensuring we have a workforce that can fill the well-paying jobs of the future. I believe that when more products are made in America, more families will be able to Make It In America.

That’s why manufacturing is so important to Make It In America and its vision of middle-class opportunity. For generations, manufacturing has been a source of reliable, well-paying, middle-class jobs. And just as manufacturing helped build the world’s most prosperous middle class here in America, it is essential to our economic recovery today.

Sadly, manufacturing employment has been in decline until very recently. From its peak in 1979, the number of manufacturing employees has been cut nearly in half: from some 20 million to fewer than 12 million today. The last decade was an especially devastating one for manufacturing employment: from 2001 to 2009, nearly a third of our manufacturing jobs disappeared.

Those jobs were especially well-paying and attractive to middle-class families: while average total compensation is about \$58,000 across all jobs, manufacturing workers receive an average of nearly \$71,000. So it’s no coincidence that the years of sharp manufacturing decline were also years of middle-class stagnation. In fact, during that period, median household income fell even as the economy as a whole expanded—the first time in our history that that has happened. When we talk about a “lost decade for the middle class,” we are talking, to a great extent, about a lost decade for manufacturing employment.

And our ability to remain the world’s innovation leader and create tomorrow’s jobs depends directly on our ability to make things here today. From computer chips to advanced display screens to precision optics to photovoltaic cells, a host of products invented in America have been rolling off assembly lines in other countries. Every time that happened, according to Intel’s Andy Grove, “not only did we lose an untold number of jobs, we broke the chain of experience that is so important in technological evolution.” We lost out not just on jobs today, but on entire industries for tomorrow. We have to break that pattern.

The good news, however, is that we are beginning to turn this record of decline around. Today, manufacturing is leading our economic recovery: in fact, that sector has grown every month for nineteen straight months. This month, we learned that the ISM Manufacturing Index, which measures the strength of the sector, is at its highest point in almost three decades.

We’ve also seen a host of success stories about manufacturers choosing to bring jobs back to America—such as General Electric’s decision to move 400 jobs from China back to the U.S., or Ford’s decision to move 2,000 back to the U.S. from Japan, Mexico, and India. We recently learned, in fact, that Ford is planning on adding another 7,000 jobs here in the U.S.

The federal government can't foster that kind of success on its own—but it can act as a smart partner for the private sector. That's what the Make It In America agenda is all about: creating the conditions that help companies large and small build here, keep jobs here, and compete in an open global market. It's an agenda that has won support from both business and labor, because all Americans benefit when our industry is more competitive.

President Obama has already signed seven Make It In America bills into law—bills that speed up innovation and patents, support our growing energy sector, create tax cuts and loans for small businesses, support science, technology, engineering, and math education, and more. Many of those bills won bipartisan support.

And manufacturing can remain an area for bipartisan cooperation in this new Congress. There is no reason why Democrats and Republicans can't come together for stronger job-training partnerships, a fair playing field for American exporters, and efforts to hold China accountable for its currency manipulation. In the coming weeks, I look forward to expanding this positive agenda for job creation.

I also believe that the federal government can fulfill its role as a smart partner for private-sector job creation by investing in the innovation, infrastructure, and education our economy needs to grow. Again, that's an idea that finds support across the spectrum. As Tom Donohue of the U.S. Chamber of Commerce and Richard Trumka of the AFL-CIO put it, "Whether it is building roads, bridges, high-speed broadband, energy systems and schools, these projects not only create jobs and demand for businesses, they are an investment in building the modern infrastructure our country needs to compete in a global economy."

It's time to recommit ourselves to manufacturing, to our middle class, and to the pride Americans have always taken in making things. Thank you for calling attention to this pressing challenge.