

**Statement of the Honorable Fred Upton**  
**Subcommittee on Commerce, Manufacturing and Trade**  
**Hearing on "Where the Jobs Are: Can**  
**American Manufacturing Thrive Again?"**

**April 19, 2012**

*(As prepared for delivery)*

I am pleased we have Secretary Bryson with us today to discuss the administration's efforts to improve the manufacturing climate in America. I am heartened by our collective recognition of the importance of manufacturing to our global competitiveness and the future of our economy. Our economy has changed over decades and our labor force is now predominately service-oriented. But the title of the hearing is a question of great importance: can manufacturing thrive once again in America?

While many of our manufacturers have suffered over the past 20 years, we are seeing some welcome signs of manufacturing growth in Michigan. Year-over-year, manufacturing job growth exceeds five percent in recent months, and we have hope for further improvement. We now have over 520,000 Michiganders working directly in manufacturing according to the Bureau of Labor Statistics, representing almost 13 percent of our nonfarm payroll employment. And we have expectations of continued job growth in manufacturing for 2012.

But it is more than just the direct jobs manufacturing supports: manufacturing in Michigan – as in most states – supports many more related jobs, in the supply chain and in the service sector. I am proud to say Michigan ranks second – behind only California (the largest state in the Union) – in research and development spending, led by the auto industry. It is in our national interest to continue to lead the world in innovation. But this is a more difficult task when manufacturing output and employment is declining.

Before we identify solutions, I think we first need to understand why manufacturing has declined in America. We compete in a global economy and we lost a lot of jobs to competition and in some cases offshoring. The question is, why is it more attractive to manufacture in another country? If our policies and regulations are so burdensome that they hinder U.S. competitiveness and drive companies to relocate their plants, it will be difficult to revitalize the manufacturing sector until we correct those policies. We are all well aware that we now have the highest corporate tax rate of any OECD country.

Another policy we can address is the role trade can have in boosting our exports to support manufacturing and other industries. The vast majority of Michigan's exports – 94 percent – were manufactured goods and were primarily exported to Canada and Mexico – our free trade partners. I am encouraged by the Administration's stated commitment to double our exports. Opening additional markets for our products through free trade agreements puts our companies in a better position to compete. It is one of the easiest policy changes we can make that will yield immediate results; it should remain a top priority.

I look forward to our discussion.

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