

AMTAC

American Manufacturing Trade Action Coalition

910 16th ST NW STE 760
Washington, DC 20006

www.amtacdc.org
amtac@amtacdc.org

Telephone (202) 452-0866
Facsimile (202) 452-0739

PRESS STATEMENT

“Buy American” Critical to U.S. Economic Recovery

CONTACT: Lloyd Wood, Dir. of Membership and Media Outreach
(202) 452-0866 or lwood@amtacdc.org

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WASHINGTON, DC – Pointing out that the United States is mired in its worst economic recession since the Great Depression and that:

- the United States has lost 6 million non-farm jobs since December 2007 and U.S. non-farm employment is lower today than it was in November 2000;
- U.S. private sector employment is lower today than it was in November 1999;
- U.S. manufacturing employment is lower today than it was in June 1941;
- U.S. manufacturing has lost 5.35 million jobs in the last decade, including 1.57 million in the last year;
- in April, the United States suffered its first 10-year drop in industrial production since 1929-39 while the U.S. resident population increased by an estimated 36.5 million people (13.5 percent growth) during the same time period;
- the United States ran a \$30 billion current account deficit with Canada in 2008 and has run a cumulative \$331 billion current account deficit with Canada since 1998;
- the United States ran a \$673 billion current account deficit in 2008 and has run a cumulative \$5.85 trillion current account deficit since 1998;
- combined U.S. household and federal debt stood at \$24.9 trillion at the end of 2008, doubling since the bursting of the dot.com financial bubble in 2000; and,
- the combined U.S. and federal household debt of \$24.9 trillion was 175 percent of the \$14.2 trillion U.S. Gross Domestic Product (GDP) at the end of 2008;

American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo said, “Buy American’ is critical to U.S. economic recovery. The only way for the U.S. economy to climb out of recession is for people to start buying more American-made goods and services, including the U.S. government.”

“By holding a joint press conference today with the Canadian Manufacturers and Exporters to decry the ‘Buy American’ provisions in the stimulus, the U.S. Chamber of Commerce is effectively suggesting that America needs to buy more Canadian to dig out of our economic hole. That position doesn’t pass the U.S. economic interest laugh test,” Tantillo continued.

“The U.S. Chamber in Washington should change its name to the ‘Chamber for Offshoring U.S. Jobs’ to properly reflect its policy positions,” Tantillo added.

“Main Street thinks that buying American is a great idea. Outside of Washington, D.C. and Wall Street, the average American understands that the \$787 billion stimulus package will not create jobs if it is used to buy foreign-made goods. They know that running up trade deficits causes more job losses,” Tantillo continued.

"Just because some of the Chamber's multinational members are put in a spot of difficulty doesn't mean that the United States should reverse its 'Buy American' policy. What is good for one company or even a handful of companies is not necessarily what is good for the rest of the U.S. economy," Tantillo said.

Tantillo also noted that the stimulus package was written in a manner consistent with U.S. international trade obligations and that Canada's trade agreements also explicitly allow them to exclude U.S.-produced goods and services from Canadian government procurement.

Commenting on America's broader economic troubles, Tantillo said, "America's economic disaster was the logical outcome of an economic policy doomed to fail."

"America is facing its greatest economic crisis since the Great Depression because it thought it could substitute debt to mask a shortfall in U.S. production. America will not be able to borrow its way out of this crisis; it will need to manufacture its way out to keep its standard of living," Tantillo continued.

"The quickest way to boost U.S. manufacturing is to start producing here at home more of the cars, trucks, computers, software, electronics, pharmaceuticals, furniture, construction materials, and textiles that Americans and their government will consume. That's what will create the millions of middle-class jobs needed to get America out of this mess," Tantillo stressed.

"To boost production, America must reinvest in manufacturing and revive weakened supply chains. Far more research and development must be kept onshore and emerging high-tech and green-energy industries must be nurtured and encouraged to remain in the United States," Tantillo elaborated.

"The U.S. government is spending trillions of taxpayer dollars to bail out the very Wall Street interests responsible for driving U.S. manufacturing offshore. Meanwhile, the U.S. Chamber of Commerce seemingly is oblivious to the fact that America has run a cumulative \$5 trillion trade deficit in the last eight years that has destroyed millions of middle-class jobs," Tantillo concluded.

To stop the job losses and the bailouts, fixing America's broken trade and manufacturing policies must be the top priority for President Obama and the Congress. Smart actions to boost production and dramatically reduce the trade deficit will create millions of new jobs, restore healthy growth, and strengthen national security. This will require investing in America, creating incentives for corporations to keep jobs here and to bring others home, and reducing reliance on foreign sources for energy, critical inputs, capital, and even food. To accomplish this, America must:

- Eliminate tax disadvantages that undermine the competitiveness of U.S. producers at home and abroad, or that discourage investment in America. Specifically, America must negate the \$474 billion disadvantage to U.S. producers of goods and services caused by foreign border-adjusted taxes, such as value-added (VAT) and Canada's Goods and Services (GST) taxes.
- Quickly combat the illegal, mercantilist practice of prolonged currency misalignment, including passing legislation to make it actionable under U.S. trade law.
- Aggressively enforce U.S. laws to halt foreign illegal trade activities such as dumping, subsidization, and intellectual property theft. In addition, U.S. policy must ensure that all goods sold here meet U.S. food and product safety standards.
- Implement a comprehensive strategy to reduce U.S. dependence on imported energy.
- Ensure that the "Buy American" provisions in the recently passed stimulus are vigorously enforced.
- Promote American interests by requiring full reciprocity, fairness, and transparency in all U.S. trade agreements, including in such areas as labor and environmental standards.

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