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PRESS STATEMENT

New Report Shows Michigan Economy in 8-Year Depression

Business and Labor Leaders Urge Candidates to Take Action on Jobs and Trade Issues

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WASHINGTON, DC – The American Manufacturing Trade Action Coalition (AMTAC) released a new report titled “Michigan’s Worsening Eight-Year Depression: Paying the Price for \$1 Trillion in U.S. Auto-Trade Losses” prepared by Dr. Charles W. McMillion, President and Chief Economist of MBG Information Services.

The report analyzed Michigan’s economic performance and showed that Michigan’s job losses from July 2000 to July 2008 percentage-wise are worse than U.S. job losses suffered during first eight years of the U.S. Great Depression from 1929-1937. It also showed that Michigan has had worse Gross Domestic Production (GDP) growth from 2000 to 2007 than did the United States during the Great Depression era of 1929-1936.

“Michigan’s economy is in a long-term depression. The collapse of manufacturing, specifically the auto sector, is the chief cause,” said AMTAC Executive Director Auggie Tantillo.

“America’s current financial crisis and Michigan’s economic pain are no accident. The United States can’t have a trade policy that causes a \$2 billion daily deficit and the loss nearly 4 million good manufacturing jobs in eight years without ripping away a pillar underpinning economy,” Tantillo continued.

“By effectively discarding manufacturing from its economic growth equation, America became too dependent on the financial bubble to maintain prosperity. To resume and assure sustainable economic growth, America must have a vibrant wealth-producing manufacturing base that provides strong middle class jobs with critical worker benefits,” Tantillo added.

“The quickest way to revive Michigan’s struggling economy is to stimulate manufacturing. That won’t happen unless America fixes its broken trade and manufacturing policies,” said former AMTAC Co-Chair Bob Fogarty.

Noting that a threshold question for any manufacturer is where to locate production, Fogarty said, “Trade policy decisions made by the federal government determine whether companies will choose to produce in the United States or elsewhere. Michigan simply can’t compete for jobs when Washington’s policies send producers offshore. If we implement policies that encourage companies to produce in America, Michigan’s deep and skilled labor pool will enable the state to compete for jobs on a more level playing field.”

Finally, the United States cannot boost output and fix its trade problems unless it combats the predatory trade policies of countries like China, Korea and Japan. A good start to accomplishing this task would be to (1) require reciprocity in all trade agreements, including for labor and environmental standards, (2) pass the anti-currency manipulation legislation sponsored by U.S. Senator Debbie Stabenow (MI), (3) aggressively enforce U.S. trade laws, (4) eliminate disadvantages to U.S. producers caused by foreign border-adjusted taxes such as valued-added (VAT) or general-service (GST) taxes, and (5) reduce U.S. dependence on imported energy.

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