

June 23, 2009

The venues could not have been more different, but in Detroit and Washington last week members of the National Association of Manufacturers (NAM) achieved some of the most concentrated, effective communication I have seen on behalf of manufacturing. The three-day “National Summit” organized by the Detroit Economic Club brought an impressive group of top CEOs to the city starting on Monday. I joined NAM Executive Committee member Chip McClure, CEO of ArvinMeritor, at a town hall on Monday on manufacturing competitiveness; on Tuesday former NAM Chairman Dick Dauch of American Axle & Manufacturing and I participated in a forum on structural costs.

Media coverage was intense – I did more than a dozen interviews– and the message was clear: Even in the midst of a serious recession, U.S. government policies are making it more difficult for manufacturers to compete in the global economy. I repeatedly made this point: We used to have 50 states knocking each other out to compete for jobs, doing everything they could to attract a plant or encourage expansion. Now 100 countries are engaged in the same competitive battle, and there’s only one country that chooses not be in the game. Unfortunately, it’s ours.

The NAM’s Executive Committee met in Washington on Wednesday, a day highlighted by extraordinarily useful discussions with top Obama Administration officials. We started with White House economic adviser Larry Summers, had an interesting session with the chief economist and the chief of staff of the Council of Economic Advisors and spent nearly an hour with Commerce Secretary Gary Locke. To cap the day, the Executive Committee went to Capitol Hill for a positive and productive meeting with Senate Majority Leader Harry Reid.

The Administration officials stressed several themes:

The importance of manufacturing: Manufacturing is an essential element in achieving the Administration’s economic goals. Summers even said, “What’s good for manufacturing is good for America, and what’s good for America is good for manufacturing.”

Recovery: Ending the recession is the Administration’s priority, from President Obama on down.

White House priorities: Health care reform and improved financial regulation count as major policy initiatives the White House intends to get done, as does Majority Leader Reid.

Communication: The Administration wants to maintain open lines of communication with the NAM and wants input and ideas from manufacturers.

Executive Committee members were direct in making their points, including:

Costs and burdens: Manufacturers are increasingly concerned they are being asked to shoulder the burden of new programs and regulatory initiatives like health care and climate change legislation.

Taxes: The Administration does not fully comprehend the serious, long-term impact of its proposed tax policy on U.S. competitiveness, especially for companies with a major overseas presence.

Concerns over the stimulus: Stimulus dollars are not getting out fast enough, and social programs are realizing the benefits first.

I also highlighted the value of infrastructure (modernized air traffic control system, inland waterways, and the smart grid) as well as nuclear power as immediate opportunities for creating jobs.

Commerce Secretary Locke – whom I also met with in Detroit – also heard about the importance of modernized export controls, free trade agreements and improved visa programs. I think we were especially encouraged by his emphasis on the pending free trade agreements and a real, substantive Doha Round as priorities.

Clearly the White House and the Senate Majority Leader regard the NAM and manufacturers as key contributors if the United States is going to emerge from the current deep recession. They are listening, and our job now is to continue communicating the message – and making sure they act.

John Engler
President