

# Remarks on Manufacturing, Insourcing and Tax Relief, St. Louis, Missouri

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**Commerce Acting Secretary Rebecca Blank**

**Remarks on Manufacturing, Insourcing and Tax Relief, St. Louis, Missouri**

It's great to be here at Wilco, and I want to thank all of the employees for hosting us today. They don't call this the "Show-Me State" for nothing.

It's always good to visit St. Louis. I have a lot of family who live just west of here, so I've watched the St. Louis area grow and change over many years. Back in 2008, cities like St. Louis were hurting, hit by the biggest recession since the Great Depression. Our economy is still digging its way out.

The damage inflicted on the economy by the financial meltdown was enormous. It's easy to forget that at the end of 2008, we were losing about 750,000 jobs every month. But because of the Recovery Act, the president's leadership, and the hard work and resilience of businesses like Wilco, Sunnen, and others throughout Missouri, our private sector has now had 28 straight months of job growth—4.4 million jobs.

Here in Missouri, the unemployment rate has dropped from 9.7 percent two years ago to 7.1 percent last month. That's good news and we need to push it down further.

No one doubts that we have much more work to do before the economy is back to the levels of growth and activity that we all want to see.

For example, as we saw from the president today, we need to extend the middle class tax cuts for families making under \$250,000. This would help both small businesses and middle class families.

In Missouri, 2.1 million families will see their taxes increase unless these tax cuts are extended. A typical middle class family of four would see its taxes rise by \$2,200 unless we extend this tax cut through 2013.

We also need to continue making progress in critical areas...

And today, we have particularly strong momentum in when it comes to manufacturing and insourcing.

First, manufacturing.

Over the last two and a half years, we've seen the strongest growth in manufacturing jobs since the 1990s. Missouri alone has gained nearly 9,000 new manufacturing jobs over the last two-and-a-half years; the U.S. has gained a half-million. These manufacturing jobs pay about 17 percent more in wages and benefits than non-manufacturing jobs. That means more families are finding economic security due to America's renaissance in manufacturing.

Not only that, but manufacturing helps to drive American innovation. The manufacturing sector employs the majority of America's scientists and engineers, and it's responsible for 70 percent of our private sector R&D.

Today, we need to empower more manufacturers to grow and create jobs. The Commerce Department is doing just that. For example, we fund Missouri Enterprise as part of our Manufacturing Extension Partnership program. I've talked to business owners here and in Kansas City over the past two days about how Missouri Enterprise has helped local businesses with everything from employee training, to quality assurance to energy cost savings. And, I should note, this program provides a powerful bang for the taxpayer buck. For every dollar we invest in places like Missouri Enterprise, the economy gets a boost of about \$30.

So we're working hard to strengthen our manufacturing base. . . .

And along with the growth in manufacturing, we see another good trend—more insourcing. Businesses in states like Missouri are realizing that investing here at home is both the right thing to do and the smart thing to do. Many businesses are deciding to keep jobs here, bring jobs back, or set up operations in the U.S. for the first time.

Some say they're investing here because our financial industry has found a stronger footing than in other countries. Others cite our strong intellectual property protections or our stable legal and regulatory environment. Still others say it's because we have the best universities, the strongest R&D, and the most robust supply chains. Others cite our strong outlook for expanded domestic energy and lower energy prices in the U.S. And, of course, everyone knows that America has the hardest-working people, the most innovative entrepreneurs, and the strongest consumer-driven economy in the world.

These are all compelling reasons for business leaders to invest here. And frankly, I don't care which reason they give—as long as they hire Americans, realizing that this country is the place to be for a business in the years to come.

We need to do everything possible to support businesses in places like St. Louis that are thinking about insourcing.

Specifically, President Obama wants to give companies a tax credit for bringing operations and jobs back to the U.S. This would be paid for by eliminating tax breaks for companies that ship jobs overseas. This is common sense.

Last week, though, Republicans in Congress blocked a proposal that would have done just that.

Regardless, we continue to move forward.

For example, the president is calling for a national network of institutes focused on manufacturing innovation. This proposal is designed to foster new hubs of manufacturing across the country. These institutes will bring together researchers, manufacturers, and tech transfer locations like I saw this morning at Helix.

Those are the kinds of ideas that will help us improve American competitiveness and innovation in the years ahead. And, the fact is, it's not just our domestic companies that know America is the best place to grow a business. Foreign companies know this, too.

That's why we're providing foreign companies with information they need to choose America when they build that next factory or hire those next workers. It's called SelectUSA.

This approach makes sense. After all, American workers can do the job better than anyone else in the world.

And we can't stop there. We need to put construction workers back on the job to repair our crumbling infrastructure, because we want our manufacturers to be able to send their products to customers as quickly as possible.

We also need to help states and local governments hire and keep their teachers, police, and firefighters. According to independent economists, these two proposals would create a million new jobs.

So, clearly, the continued strength of American manufacturing is vital to ensuring that our economy is built to last.

We want more good, quality products stamped with Made in America... and we want more Americans proudly getting up each day to go to work at good jobs.

In short, we want to see America retain its place as the most competitive leader in a global economy.

So let's work together to make it happen. If we're successful, American businesses will keep building it here and selling it everywhere.

Thank you.