

TESTIMONY BEFORE THE INTERNATIONAL TRADE COMMISSION
REPRESENTATIVE THADDEUS G. MCCOTTER
JUNE 19, 2003

Mr. Chairman and Members of the Commission, I appreciate the opportunity to join you today to deliver a message from employers and families in my home district in the western suburbs of Detroit, Michigan.

Simply put – end the steel tariffs now...

Manufacturing moves Michigan and all America: for here, the world's finest workers manufacture the world's finest products: Final assembly of some of the world's finest cars. Primary, secondary, and tertiary suppliers providing quality parts. Tool and die shops to provide the equipment to make it all possible. And even defense manufacturers providing vital parts for the fighters, airlift, and tanker aircraft which helped to liberate Iraq and defend our freedom.

Yet, in these difficult economic times, our manufacturing sector has been decimated, with hundreds of thousands of workers idled and thousands of businesses bankrupted. Falling demand and rising prices are taking a toll.

These companies are resourceful. They can weather whatever natural forces our economy sends their way.

But I am frustrated when I see this economic devastation wrought not by factors *beyond our* control but by policies we have brought upon ourselves.

I recognize our nation's steel industry is suffering under a great period of economic hardship. Though the steel tariff of 2002 was designed to bolster the U.S. steel industry and protect American jobs, we are now just beginning to recognize the impact of these actions.

But by imposing these tariffs, we have sought to shore up the welfare and well being of one market segment at the sacrifice of the other.

Tim Tindall, owner of Spring Engineering, a steel consumer in Canton, Michigan said it best recently when he said "The tariffs made us uncompetitive overnight."

Thanks, in large part, to the steel tariff, small manufacturers have seen steel prices rise more than 70% in certain instances. Steel users face arbitrary allocations and shortages of product. Steel producers are breaking existing contracts and forcing customers to renegotiate at higher rates. Small manufacturers throughout Southeast Michigan have been forced to deal with these issues while trying stay afloat amid an economic downturn.

From their perspective, some larger businesses have the flexibility of simply expanding operations overseas where they can escape the tariffs – when those jobs leave our shores, they are gone for good.

Despite this crisis in manufacturing, there has been no intensive effort to stem the bleeding of our economy's life blood.

I have offered legislation to establish an Under Secretary of Manufacturing position at the Department of Commerce – we currently lack a central, clear voice to advocate for manufacturers or to weigh in on policy decisions such as the steel tariff before they are put in place.

This bill is *part* of the solution, but is by no means a silver bullet. We need a comprehensive, national manufacturing policy to turn this sector around and instill opportunities for real growth.

But this growth won't begin until the moment the steel tariffs end.

Members of the Commission, I urge you to listen to the men and women who fight these battles everyday, who must contend with the steel tariff as a direct threat to the employees they lead.

Their stories are far too common in my district and across the country today. We cannot afford to let these stories continue. We cannot let them be the last chapter in the storied history of American manufacturing.

Thank you very much.

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