

Manzullo urges factory bosses to take action

By SARAH ROBERTS
Rockford Register Star

CHICAGO — Taking the podium Monday morning on the first day of National Manufacturing Week, U.S. Rep. Don Manzullo didn't hesitate to throw down the gauntlet to the 200 or so manufacturing executives in the audience.

The Egan Republican's keynote address touched on problems manufacturers routinely bring to him: leveling the international playing field, lowering the domestic cost of manufacturing and improving work force education and training. He also pointed a finger at manufacturers.

"We have to look at what we've done to make us less competitive," Manzullo told the crowd at McCormick Place in Chicago.

Manzullo blames the current corporate culture, which he says focuses too intently on stock prices and the bottom line, for sending thousands of jobs overseas and contributing to the death of small manufacturing companies.

The U.S. manufacturing sector has endured 42 consecutive months of job losses, putting nearly 3 million Americans out of work, according to the National Association of Manufacturers, which represents 14,000 manufacturing companies. The Rock River Valley has lost 11,800 manufacturing jobs since 1998, a fifth of the jobs at local factories.

"At one time a successful business was defined as reasonable profit, good quality and customer service, and a happy and satisfied work force," Manzullo said. "Now it's having a higher profit than anyone else and squeezing the other guy out."



Photos by Christina N. Elbers/Rockford Register Star

Rep. Don Manzullo signs a copy of *The Manufacturer*, which has a caricature of himself on the cover of its February edition stating "Mr. Fix-It, Don Manzullo's plan to save American manufacturing." The magazine's editor-in-chief, Kevin Hogan, looks on during the National Manufacturing Week session Monday at McCormick Place in Chicago.

Although many of Manzullo's targets were seated in the audience, the crowd responded with polite applause.

Manzullo challenged CEOs to declare "no comment" when analysts ask them about profit expectations. Rather than outsource jobs to Mexico or the Pacific Rim, he said, outsource them to smaller U.S. cities where unemployed workers would accept \$7- and \$8-an-hour jobs.

Manzullo's address at the Rally for Manufacturing included highlights from his seven-point plan for "Restoring Manufacturing in America." Manzullo has used his position as chairman of the House Small Business Committee to advance his plan while carving out a niche as unofficial media spokesman for small manufacturers.

Manzullo's plan to restore U.S. manufacturing includes:

- Ending what he considers currency manipulation by other countries, which puts the U.S. dollar at a disadvantage in trade.

- Providing tax relief for domestic manufacturers. Manzullo co-authored a bill to reduce the corporate tax rate by 10 percent for companies that keep production stateside.

- Making federal agencies buy U.S.-made products.

- Reducing health-care costs through tort reform.

- Encouraging more investment in small manufacturing companies.

- Reforming the country's export control and visa policy.

Jerry Jasinowski, president of the National Association of Manufacturers in



Rep. Don Manzullo speaks about the closing of Ingersoll Milling Machine Co. in Rockford as he gives the keynote presentation Monday at McCormick Place in Chicago.

Local angle

Local manufacturing executives are slightly more upbeat about the job outlook in the coming months, according to a survey for the Rock River Valley Economic Index. Of those surveyed, 21 percent plan to hire in the first quarter, up from 15 percent a year ago. The share of manufacturers expecting to cut jobs was 11 percent this quarter, down from 15 percent a year ago.

Washington, D.C., said Manzullo's plan is heartening to manufacturers who notice signs of economic rebound but are concerned about the United States keeping its technological edge.

"Manufacturing is the engine for economic growth, as

The Rock River Valley Economic Index is a joint project of the Rockford Register Star, Rockford Area Council of 100 and Northern Illinois University in DeKalb.

Of the 11,800 local factory jobs lost in the past five years, 92 percent made durable goods, products expected to last more than three years. Manufacturing makes up about 25 percent of the local economy.

well as technology and national security," Jasinowski said.

The association expects 30,000 attendees during the Chicago event, which concludes Thursday.

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More jobs seen for U.S. factories in 2004

Reflecting cautious optimism about 2004, a survey of U.S. manufacturers found that many more are planning to add jobs than to cut them this year amid what's forecast to be the biggest increase in manufacturing production since 1999.

Results of the survey by the National Association of Manufacturers were released Monday.

While 63 percent of the 430 manufacturers responding said they anticipate keeping employment totals the same this year, companies planning to hire workers outnumbered those expecting layoffs by a 5-to-1 margin (31 percent to 6 percent). They said the new jobs are much more likely to be skilled production and professional positions than service and support jobs.

Manufacturers' expectations for economic growth this year were mixed, even though the association's leaders projected that GDP will rise a solid 4 percent after a 4.3 percent increase in 2003.

The group also forecast that manufacturing production will jump by more than 6 percent in 2004 — the fastest pace since 1999 — after going up just 2.7 percent in 2003.

— The Associated Press