



Back to work

To grow U.S. manufacturing, focus on taxes, trade and red tape

By Drew Greenblatt

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Hemorrhaging jobs - 5.6 million in a year - gets one focused on how we can stop this carnage. I was part of a blitz of 350 U.S. factory owners and managers who spent two days last week meeting with members of Congress to share with them some ideas on how we can reverse this trend and get back to growing manufacturing jobs in [the United States](#).

The U.S. manufacturing industry is still the biggest in the world; we want to keep it that way. Despite common misperception, our manufacturers ship more than [China](#). We employ more than 9 million Americans, and we are mostly small, family owned companies. We pay better and give richer benefits than most other industries.

Simply put: My fellow business owners and I create jobs, and we have several hot button issues that Washington must address so that manufacturers can start hiring again.

The critical issue is taxes. We need them lowered - *now*. Current tax rates leave our factories at a competitive disadvantage against adversaries such as China and India. Believe it or not, our corporate tax rates are higher than even near-socialist countries like France and Germany.

As [John F. Kennedy](#) so eloquently said, "It is a paradoxical truth that tax rates are too high today and tax revenues are too low, and the soundest way to raise the revenues in the long run is to cut the tax rates now ... the purpose of cutting taxes now is not to incur a budget deficit, but to achieve the more prosperous, expanding economy which can bring a budget surplus."

Cutting taxes now would make the playing field more level against our competitors in every low-tax country (except Japan). One sure way to grow jobs is to suspend the FICA payroll tax, which penalizes companies for hiring and retaining their talent. The beauty of this plan is that our employee would cost us 8 percent less - and every employee would have 8 percent more money in his or her pocket.

In this spirit, two Maryland congressmen are proposing reducing the burden on investing and creating businesses. Dutch Ruppersberger is pursuing a permanent reduction of the capital gains tax to 10 percent. This will reward people who invest in America. And Frank Kratovil has a plan for increasing the deduction for small business start-ups.

The second critical way to grow the U.S. manufacturing base is for us to sell to more markets. Last week, my wire basket manufacturer in Baltimore exported to Brazil. This week, we are

exporting highly engineered wire forms to Singapore. We need to ratify the trade deals with South Korea, Panama and Colombia. Our goal should be to knock down trade barriers so we can ship to more countries.

Lastly, we need to ease the paperwork burden on business. My personal tax return (I own a home and a company with fewer than 40 employees; no hedge funds and no oil fields) was 68 pages. Our fees for accounting for this modest endeavor exceeded the cost of one potential employee.

Wouldn't it be better if I could do my taxes on an index card, and use the freed-up cash to hire an unemployed welder in Baltimore City? Wouldn't that be better for our economy?

Lower the tax rates; export more; and reduce the paperwork burden. That is how we grow ourselves back to prosperity.

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<http://www.baltimoresun.com/news/opinion/oped/bal-op.jobgrowth19may19,0,5554839.story>