

Real Facts About the Real Economy

- **You either “manufacture or borrow” (until you can’t anymore). We have reached that point.**
 - Currently the U.S. national debt is \$11.7 trillion.¹ Tight credit markets are making this borrowing strategy difficult.²
 - Our yearly trade deficit alone was \$706.1 billion in 2008.³
 - We borrow approximately \$2 billion a day from the Chinese.⁴
 - The U.S. is now the world’s largest debtor.⁵
- **We can’t make up the deficit with high-tech service industries as was previously thought.**
 - America had an \$821 billion trade deficit in goods in 2008.⁶
 - America has an \$80 billion surplus in high-end services (education, financial and insurance services, telecommunications; and all other business, professional, technical services).⁷
 - Increasingly these high-end services, like software development, are moving overseas.⁸
 - Global cross-border software and service outsourcing are expected to reach \$1.6 trillion in 2010.⁹
- **The green economy is rapidly being outsourced as well!**
 - The U.S. invented solar cells. But 90 percent of the solar cells we use are now imported from China.¹⁰
 - Roughly 50 percent of our windmills now come from overseas, mostly China and Europe.¹¹
 - Only 8 percent of computer circuit boards are now made in the U.S.¹²
- **Almost every country has some sort of policy to promote domestic manufacturing – except the U.S.**
 - The Italian government bailed out Fiat during the global economic downturn on the condition that manufacturing remain in Italy.¹³
 - At the same time, the U.S. government supported General Motors despite its plans to outsource more production to China and Mexico.¹⁴
 - China requires that at least 80 percent of the equipment in its own solar power plants be made in China, and wind turbines installed in China must contain 70 percent domestic content. Meanwhile, China exports more than 95 percent of its solar energy products to the United States and Europe.¹⁵
 - Canada negotiated exceptions to WTO agreements for government procurement of steel, coal and motor vehicle production for all provinces and sectors.¹⁶
- **Manufacturing isn’t gone from America yet, but it’s at serious risk of leaving.**
 - Manufacturing employs 14 million people, generates nearly 12 percent of U.S. gross domestic product and accounts for 60 percent of U.S. exports.¹⁷
 - Manufacturing is at least the third- largest sector or greater in 40 states.¹⁸
 - But manufacturing has sharply declined from 27 percent of GDP in 1950 to only 11.5 percent today.¹⁹
 - And a quarter of the nation’s 282,000 remaining manufacturing companies -- 90,000 in all -- are now deemed severely "at risk."²⁰

In order for America to make it, we must make it in America.

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- ¹ “U.S. National Debt,” US Debt Clock.org, <http://www.usdebtclock.org/>
- ² “Weak Treasury Auctions Raise Worries About US Debt Burden,” *Reuters* 29 July 2009. <http://www.cnbc.com/id/32201716>
- ³ Martin Crutsinger, “Current Account Trade Deficit Drops to \$101.5B,” *Associated Press*, 17 June 2009. <http://finance.yahoo.com/news/Current-account-trade-deficit-apf-15546959.html>
- ⁴ U.S. Department of Treasury, “Major Foreign Holders of Treasury Securities,” Federal Reserve Board, 16 July 2009. <http://www.ustreas.gov/tic/mfh.txt>
- ⁵ World Bank, “Cross-Country Tables, Table C1: Gross External Debt Position,” Quarterly External Debt Statistics, 2009. http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?REPORT_ID=13532&REQUEST_TYPE=VIEW
- ⁶ Line 49 in, U.S. Department of Commerce, “U.S. International Transactions Accounts Data: Table 3a. Private Services Transactions,” Bureau of Economic Analysis, 17 June 2009. http://www.bea.gov/international/bp_web/simple.cfm?anon=75772&table_id=22&area_id=3
- ⁷ Lines 13-19 in, U.S. Department of Commerce, “U.S. International Transactions Accounts Data: Table 3a. Private Services Transactions,” Bureau of Economic Analysis, 17 June 2009. http://www.bea.gov/international/bp_web/simple.cfm?anon=75772&table_id=22&area_id=3
- ⁸ William M. Bulkeley, “IBM to Cut U.S. Jobs, Expand in India,” *Wall Street Journal*, 26 March 2009. <http://online.wsj.com/article/SB123799610031239341.html>
- ⁹ “New Measures to Boost Service Outsourcing,” *China Daily*, 2 Feb. 2009. http://www.chinadaily.com.cn/bizchina/2009-02/02/content_7439338.htm
- ¹⁰ Keith Bradsher, “China Builds High Wall to Guard Energy Industry,” *New York Times*, 14 July 2009. http://www.nytimes.com/2009/07/14/business/energy-environment/14energy.html?_r=3&ref=business; “Apollo GreenMAP Ad: Fact Check,” Apollo Alliance, 14 April 2009. <http://apolloalliance.org/uncategorized/apollo-greenmap-ad-fact-check/>
- ¹¹ “Apollo GreenMAP Ad: Fact Check,” Apollo Alliance, 14 April 2009. <http://apolloalliance.org/uncategorized/apollo-greenmap-ad-fact-check/>; Renee Schoof, “A Second Wind: Turbine Industry Expects its Slowdown from Recession to be Only Temporary,” *McClatchy*, 30 March 2009. http://www.cleveland.com/nation/index.ssf/2009/03/a_second_wind_turbine_industry.html
- ¹² Richard McCormack, “It is Now Obama’s Economy: America’s Oldest Printed Circuit Board Company Closes its Doors,” *Manufacturing and Technology News*, v. 16 no. 13, 28 July 2009.
- ¹³ Giuseppe Fonte and Alberto Sisto, “Italy Unveils \$1.7 bln Car Stimulus Package,” *Reuters*, 6 Feb. 2009. <http://uk.reuters.com/article/idUK210309+06-Feb-2009+RTRS20090206>
- ¹⁴ “UAW Outraged Over GM Import Plans With China,” *Associated Press*, 14 May 2009. http://moneynews.newsmax.com/headlines/general_motors/2009/05/14/214251.html
- ¹⁵ Keith Bradsher, “China Builds High Wall to Guard Energy Industry,” *New York Times*, 14 July 2009. http://www.nytimes.com/2009/07/14/business/energy-environment/14energy.html?_r=3&ref=business
- ¹⁶ Exception provisions from Canadian WTO agreement on government procurements, “Government Procurement,” World Trade Organization, 1 March 2000. www.wto.org/english/tratop_e/gproc_e/cannotedoc
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