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U.S. Government's Uncompetitive Manufacturing Policy Hinders Economic Growth in North Carolina

A Report by the American Manufacturing Trade Action Coalition

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Introduction

The U.S. government's uncompetitive manufacturing **policy** is responsible for much of the steep decline in North Carolina's manufacturing employment and investment that significantly hinders the state's economic growth. U.S. manufacturing will continue to suffer unless Congress and the Bush Administration intervene with policies that encourage rather than discourage more manufacturing investment in the United States. The first step in that process is countering the predatory trade practices of China and other countries. But as long as the current status quo on the U.S. government's manufacturing policy continues, North Carolina and the United States will have much more difficulty ameliorating the pain an economic recession will inflict on its citizenry in a timely manner. If the United States comprehensively were to address its manufacturing competitiveness policy problems, however, North Carolina's manufacturers likely would rebound strongly. This is because only the most efficient, productive, nimble, and innovative companies have been able to survive the severe manufacturing economic downturn since 2001.

North Carolina Suffers Plunging Manufacturing Employment

As with the rest of the country, North Carolina's hemorrhaging of manufacturing jobs has hindered net new job creation. Between January 2001 and January 2008, manufacturing employment in North Carolina plunged by 28.5 percent, a loss of 211,100 jobs. Not only is North Carolina's manufacturing job loss considerably worse even than the record shattering U.S. figure of 19.7 percent, only Rhode Island and Michigan experienced a greater percentage of loss.[1] Five manufacturing sectors in North Carolina each lost more than 16,000 between 2001 and 2008.[2]

North Carolina Manufacturing Employment Gain/Loss from 2001 to 2008 by Metropolitan Statistical Area (MSA)[3]

MSA	January 2001	January 2008	Gain/Loss	Percent
Asheville	27,300	20,600	(6,700)	-24.5
Burlington	18,100	10,900	(7,200)	-39.8
Charlotte/Gastonia/Concord*[4]	95,000	69,900	(25,100)	-26.4
Durham	44,200	41,300	(2,900)	-6.6
Fayetteville	15,000	9,900	(5,100)	-34.0
Greensboro/High Point	78,400	61,900	(16,500)	-21.0
Greenville	9,900	7,100	(2,800)	-28.3
Hickory/Lenoir/Morganton	77,600	48,600	(29,000)	-37.4
Raleigh/Cary	39,000	32,500	(6,500)	-16.7
Rocky Mount	13,600	9,300	(4,300)	-31.6
Wilmington	12,500	8,900	(3,600)	-28.8
Winston-Salem	37,300	28,900	(8,400)	-22.5
North Carolina MSAs Total*[5]	467,900	349,800	(118,100)	-25.2
Rest of State*[6]	273,200	180,200	(93,000)	-34.0
Statewide	741,100	530,000	(211,100)	-28.5

Source: U.S. Bureau of Labor Statistics

[1] Source is the U.S. Bureau of Labor Statistics (BLS). Analysis is by Dr. Charles W. McMillion, President and Chief Economist of MBG Information Services. Also see Appendix page A-10.

[2] See Appendix page A-2 for North Carolina manufacturing employment loss by sector.

[3] See Appendix page A-1 for North Carolina MSA definitions.

[4] This data is an estimate only for manufacturing employment gain/loss in the North Carolina portion of the Charlotte/Gastonia/Concord MSA. The MSA consists of Anson County, NC; Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC, and York County, SC. Manufacturing employment in York County, SC was 10,900 in January 2001 and 10,200 in October 2007, the latest date for which statistics are available from the U.S. Bureau of Labor Statistics. The York County, SC manufacturing totals were subtracted from the MSA's total manufacturing employment numbers of 105,900 in January 2001 and 80,100 in January 2008 to obtain the estimate listed.

[5] This figure is an estimate based on Footnote #2 above.

[6] This figure is an estimate based on Footnote #2 above.

North Carolina Manufacturing Investment Plummets Too

Accompanying North Carolina's steep decline in manufacturing employment is a corresponding lack of investment in manufacturing in the state. According to the U.S. Census Bureau's Annual Survey of Manufactures ASM), North Carolina manufacturers invested $4.415 billion in capital expenditures for plant and equipment in 2006 in nominal terms. While this annual figure is up from each of the years 2003-05 inclusive, it is down from each of the years 1993-2002 inclusive.

Even more troubling is the inflation-adjusted data for North Carolina manufacturing capital expenditures for plant and equipment. The inflation adjusted figure for 2006 not only was lower for each of the years 1992-2003 inclusive, it also was lower than both 1987 and 1982! Comparing inflation-adjusted capital expenditures for plant and equipment from 1995-2000 to 2001-2006 expenditures declined from the first six-year period to the second by 28.7 percent or $9.63 billion, falling from $33.51 billion for 1995-2000 to $23.88 billion for 2001-2006. Inflation-adjusted capital expenditures by individual North Carolina manufacturing sector are available in the Appendix.[7]

North Carolina Manufacturing Capital Expenditures for Plant and Equipment in Inflation-Adjusted Year-2000 Dollars

Year	Inflation-Adjusted Expenditures
2006	$3,787,902,170
2005	$3,612,378,840
2004	$3,339,843,866
2003	$3,805,112,989
2002	$4,250,733,446
2001	$5,085,644,500
2000	$5,346,615,000
1999	$6,908,949,746
1998	$5,112,238,574
1997	$5,465,293,344
1996	$5,199,640,000
1995	$5,481,699,300
1994	$5,552,130,060
1993	$5,031,101,600
1992	$4,683,649,600
1987	$4,041,584,200
1982	$4,126,228,400
1977	$3,146,656,700

Source: U.S. Census Bureau, Annual Survey of Manufactures. Analysis by AMTAC.

[7] See Appendix pages A-3 through A-9.

Manufacturing Job Losses Hinder New Job Creation in North Carolina

As a result, although North Carolina added 246,800 jobs and saw its employment growth rate of 6.4 percent eclipse the national rate of 4.2 percent in the last seven years[8], the employment growth rate was barely more than half of North Carolina's estimated population growth rate of 12.5 percent.[9] Moreover, North Carolina's job losses from the worsening trade deficits with China doubled from slightly more than 27,000 in 2000 to nearly 59,000 in 2007, a loss of 32,000 jobs.[10]

As High-Wage Jobs Are Lost, North Carolina Incomes Fall While Debt Rises

The loss of higher-wage jobs in manufacturing and in other sectors (almost certainly) caused household incomes to lose purchasing power in North Carolina and in the United States for the first time during any business cycle since the Depression. The U.S. Census Bureau has not yet released household income figures for 2007, but inflation-adjusted median incomes in North Carolina fell by 11.3 percent, declining by $5,065 from $44,862 in 2000 to $39,797 in 2006.[11] Only Missouri, Mississippi, and Minnesota suffered greater declines. In comparison, inflation-adjusted median income nationally fell by just 2.0 percent, declining by $962 from $49,163 in 2000 to $48,201 in 2006. The purchasing power of median household incomes is thought to have stagnated or perhaps fallen slightly in 2007. That is, most households in North Carolina and throughout the United States entered the current 2008 recession with less real income than they had in 2000.

North Carolina Job Growth Concentrated in Sectors of Economy Not Subject to Globalization

As throughout the country, the new jobs generated by North Carolina's economy are in industries that do not face import competition, are not easily offshored, and do not export. As an example, the state's job growth in *Health Care and Social Assistance* (114,400 new jobs), *State and Local Governments* (72,800 new jobs) and *Food Services and Drinking Places* (62,700 new jobs), was greater than all North Carolina net job growth (246,800) since 2001.[12]

New North Carolina Jobs Pay Less than Those Lost

Importantly, detailed compensation data from 2006 illustrates that the average (not median) annual compensation in North Carolina for jobs in *Health Care and Social Assistance* is $41,406, 29.9 percent less than the average North Carolina *Manufacturing* job which pays $58,516.[13] Jobs in North Carolina *State and Local Governments* pay $45,099, 22.9 percent less than *Manufacturing*; and jobs in *Food Services and Drinking Places* pay $15,348, 73.8 percent less than *Manufacturing*.[14] Consequently, between 2001 and 2006, North Carolina suffered a net loss of 6,384 jobs in sectors of its economy that paid better than the average North Carolina *Manufacturing* job of $58,516.

Very few industries with annual compensation higher than *Manufacturing* added jobs in North Carolina in recent years. Of those that did, few faced global competition or engaged in exporting, and many appear closely related to the recent debt-fueled boom in housing and national security.

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[8] Source is the U.S. Bureau of Labor Statistics (BLS). Analysis is by Dr. Charles W. McMillion, President and Chief Economist of MBG Information Services. Also see Appendix page A-11.

[9] The U.S. Census Bureau does not track population estimates for states on a monthly basis. Census reported that North Carolina's population grew from 8,079,077 on July 1, 2000 to 8,203,565 on July 1, 2001, a total increase of by 124,488. It also reported that North Carolina's population grew from 8,869,442 on July 1, 2006 to and 9,061,032 July 1, 2007, an increase of 191,590. Assuming population growth to be uniform on a monthly basis, we extrapolate North Carolina's population to be an estimated 8,142,021 on January 1, 2001 and an estimated 9,156,827 on January 1, 2008 using the Census figures above.

[10] Source is the U.S. Bureau of Labor Statistics (BLS). Analysis is by Dr. Charles W. McMillion, President and Chief Economist of MBG Information Services. Also see Appendix page A-12.

[11] Sources are the U.S. Dept. of Commerce and the U.S. Bureau of Labor Statistics (BLS). Analysis is by Dr. Charles W. McMillion, President and Chief Economist of MBG Information Services. Also see Appendix page A-13.

[12] Sources are the U.S. Dept. of Commerce and the U.S. Bureau of Labor Statistics (BLS). Analysis is by Dr. Charles W. McMillion, President and Chief Economist of MBG Information Services. Also see Appendix page A-14 and A-15.

[13] Id.

[14] Id.

National Manufacturing in Crisis Despite Record Debt Stimulus

Like manufacturing in North Carolina, U.S. manufacturing is mired in the midst of a crisis unprecedented since the Great Depression. Deeply flawed U.S. trade policy is the single most important root cause of the illness, undermining U.S. manufacturing competitiveness on a global basis.

Absent a rational U.S. trade policy, U.S. manufacturing should be experiencing the best of times. Consider the following. Since 1950, U.S. Gross Domestic Production (GDP) has grown 550 percent in inflation-adjusted terms[15] while the U.S. population has doubled from 150 million to 303 million. Since 1990, U.S. GDP has grown by a little more than 50 percent in inflation-adjusted terms while the U.S. population has increased by 54 million.[16]

Moreover, the percentage of U.S. GDP used for consumer consumption has been above 70 percent in each of the previous six years.[17] Noting this figure, it should not be surprising that U.S. household and federal government debt has skyrocketed to unprecedented levels. Together, household and federal debt almost have doubled over the past seven years, soaring by $10.4 trillion to reach $23.1 trillion, an amount 64 percent larger than the entire Gross Domestic Product (GDP).[18] In comparison, total U.S. household and federal debt was 27 percent larger than GDP at the end of 2000. While the current record debt level is the basis for the debt crisis that now has plunged the United States into a new and possibly severe recession, in recent years it should have served as the greatest stimulus to U.S. manufacturing since the need for production to fight and win World War II.

Indicators of the National Manufacturing Crisis

Rather than showing strong gains in employment, capacity, output, and investment that normally would be expected in an economy experiencing the level of consumer stimulus that the United States has seen in recent years, the evidence instead demonstrates that U.S. manufacturing has slumped severely.

Last year, the United States ran a trade deficit of $708.5 billion, including a $498.9 billion deficit in manufacturing goods. The cumulative numbers even are more troubling. Since 1980, the cumulative U.S. trade deficit is $6.365 trillion, with manufacturing goods accounting for $5.249 trillion of that figure. Of even greater concern, almost 59 percent of that trade deficit in manufactured goods, $3.08 trillion, has been accumulated since 2001. Even the U.S. dollar's 24.2 percent fall against the U.S. Federal Reserve Board's price-adjusted "Broad" Index of world currency values since January 2002[19], has failed to increase U.S. exports enough materially to stanch the trade red ink.

The United States cannot continue to withstand the problems associated with a runaway trade deficit indefinitely. But don't just take AMTAC's word for it; others agree:

- "The present level of the current account deficit is enormous, it is unprecedented and I believe it is unsustainable."
  - Martin Feldstein, Professor of Economics at Harvard University, former Chairman, Reagan Council of Economic Advisors

- "[T]he United States must now attract almost $7 billion of capital from the rest of the world every working day to finance its current account deficit and its own foreign investment outflows."
  - C. Fred Bergsten, Director, Institute for International Economics

- "[O]ur trade deficit has greatly worsened, to the point that our country's "net worth," so to speak, is now being transferred abroad at an alarming rate. A perpetuation of this transfer will lead to major trouble."
  - Warren Buffet, Chairman, Berkshire Hathaway

This begs a question. How can it be that the United States, a country that possesses the most sophisticated industrial complex in the world, spends billions on research and development and product innovation, and has one the world's most advanced transportation, communication, and higher educational infrastructures, cannot run a trade surplus in virtually any manufacturing sector?

[15] See Appendix page A-18.
[16] See Appendix page A-19.
[17] See Appendix page A-20.
[18] See Appendix page A-21.
[19] See Appendix page A-22.

2007 U.S. Trade Deficits in Key Manufacturing Sectors

- $ 115.7 billion in vehicles
- $ 105.1 billion in TVs, VCRs, and other electronics
- $ 88.9 billion in textiles and apparel
- $ 71.9 billion in computers and office machines
- $ 44.4 billion in "Advanced Technology Products"
- $ 28.8 billion in furniture and parts thereof
- $ 16.9 billion in iron and steel mill production
- **$ 498.9 billion in all manufactured goods**

Source: U.S. Bureau of the Census and MBG information Services

The reason why the United States runs massive trade deficits in products where free trade theory posits America should have a comparative advantage is because foreign government intervention negates comparative advantage with value-added tax schemes, manipulated currencies, state sponsored subsidies, lack of protections for intellectual property rights, below market interest rates, and non performing loans that create an absolute advantage for their manufacturers.

These foreign predatory practices often are compounded by other factors such as pennies-per-hour labor, blatant disregard for environmental protection, lack of reasonable labor rights and workplace safety standards, and lack of basic benefits such as health care.

Consequently, it should surprise no one that other key economic health indicators for U.S. manufacturing show either an industry in distress or the weakest growth on record in the last six decades.

The U.S. manufacturing sector's inflation-adjusted capital expenditures for plant and equipment have plunged dramatically. The 2006 expenditure amount of $116.6 billion was smaller than each of the amounts for 1978 ($120.7 billion), 1979 (124.2 billion), and 1980 ($129.7 billion) respectively, the last three years of President Jimmy Carter's administration. Furthermore, it was considerably lower than the $158.8 billion expenditure peak in 1997.[20]

U.S. manufacturing capacity also has grown at a slower rate in the 2000s than in any of the past six decades. Growth was 50 percent for the 1950s, 63 percent for the 1960s, 38 percent for the 1970s, 25 percent for the 1980s, and 57 for the 1990s. Projected growth for the 2000s has fallen to a mere 16 percent or 1.6 percent per year.[21]

U.S. manufacturing output numbers tell a similar tale as output in the 2000s has grown at a slower rate than in any decade since the 1950s. Output growth was 69 percent for the 1950s, 54 percent for the 1960s, 40 percent for the 1970s, 23 percent for the 1980s, and 56 percent for the 1990s. Projected output growth for the 2000s is an anemic 13 percent or 1.3 percent per year.[22]

Finally, U.S. manufacturing employment collapsed between 2000 and 2003 and has yet to recover from the downturn. It now has plummeted to 13.6 million, its lowest level since May 1950 one month prior to the eruption of the Korean War.[23]

[20] See Appendix page A-23.
[21] See Appendix page A-24.
[22] See Appendix page A-25.
[23] See Appendix page A-26.

U.S. Manufacturing Employment in Millions

Figures are for January of each year, not seasonally adjusted.

1950 – 13.122
1955 – 14.939
1960 – 15.559
1965 – 16.044
1970 – 18.254
1975 – 17.115
1980 – 19.132
1985 – 17.680
1990 – 17.648
1995 – 17.133
2000 – 17.179
2005 – 14.142
2008 – 13.638

Source: U.S. Bureau of Labor Statistics

Pollyannas arguing that little is wrong with U.S. manufacturing cite U.S. manufacturing productivity increases as the main reason for employment decline. Although U.S. manufacturing productivity indeed has doubled in recent years, U.S. demand for manufactured goods has tripled. Because U.S. growth in demand for manufactured goods exceeds growth in productivity, the United States should be adding manufacturing jobs instead of losing them if it were maintaining its market.

The real culprit in the loss of U.S. manufacturing jobs is the loss of markets and the loss of domestic markets to offshore producers in particular. Since 1980, U.S. demand for durable manufactured goods has soared nearly 400 percent. U.S. production of durable manufactured goods, however, only has grown by 40 percent of that total.[24] To further illustrate this point, U.S. Business and Industry Council Research Fellow Alan Tonelson conducted a study on import penetration rates for 114 high tech and other capital-intensive industries in the U.S. manufacturing sector. His research showed that import penetration rates for those industries jumped by 58.6 percent from a penetration rate of 21.4 percent in 1997 to 33.9 percent in 2006.[25]

New Trade Policy Needed to Restore Health of U.S. Manufacturing

Considering the undeniable plight of U.S. manufacturing, comprehensive new U.S. trade policy desperately are needed.

Require Reciprocity – U.S. trade policy must be redirected to its original roots in reciprocity, a concept clearly not present in the global economy's chief trade regime, the World Trade Organization (WTO). In the Uruguay Round, the United States agreed to lower or eliminate most barriers to its market for manufactured products without receiving commensurate market access from the rest of the world in return. Today, the average U.S. bound tariff for industrial products is 3 percent, while the average worldwide bound tariff is 30 percent.[26] Moreover, the average trade weighted U.S. industrial tariff stands at less than 1.7 percent.

In this regard, one significant problem is the ability of WTO members to self-designate themselves as "developing countries", a status granting them more favorable trading privileges than self-designated "developed" countries such as the United States. The ability of WTO members to self-designate their country status must be eliminated and replaced with objective criteria that accurately measure a country's ability to compete in the global trading arena.

Take China for example. While it may be a developing country in many respects, it is an international superpower in terms of global trade. In both 2006 and 2007 China exported more manufacturing goods to the world than did the

[24] See Appendix page A-27.
[25] See USBIC Research Alert, *New Data Show Import Growth Depressing U.S. Industrial Output; Advanced U.S. Manufacturers Keep Losing Ground in Home Market*, by Alan Tonelson and Sarah Linden, January 8, 2008.
[26] Statement of Senator Charles Grassley at Senate Finance Hearing on WTO negotiations 10/27/2005.

United States.[27] Yet under the current WTO regime, China is allowed to maintain high tariff walls and other substantial non-tariff barriers to market access as a self-designated "developing country".

The ongoing Doha Round negotiations only further would exacerbate the lack of reciprocity afforded to U.S. producers. The Doha Round's Non-Agricultural Market Access (NAMA) text grants numerous exemptions to developing countries such as that contained in the Hong Kong Declaration's paragraph 14, *"Take fully into account the special needs and interests of developing countries including through less than full reciprocity in reduction commitments."* The NAMA Chairman's July 2007 text states, "There is almost unanimous support that a simple Swiss formula with two coefficients should be adopted." Finally, for developed countries such as the United States, the maximum industrial tariff allowed proposed in the current NAMA negotiations is to be between 8 and 9 percent. In contrast, developing countries such as China will be allowed a tariff ceiling that would fall between 19 and 23 percent.

Offset the VAT Border Tax Disadvantage – Currently, 149 countries, accounting for approximately 95 percent of all U.S. trade, utilize a border-adjusted, value-added (VAT) tax system implemented at average rate of 15.4 percent. This tax often is among a country's most significant revenue sources to pay for such expenditures as nationalized health care and other vital government services.

Countries utilizing value-added tax systems impose those taxes on the cost of an import plus all shipping, handling, insurance and tariff expenses. They also rebate any VAT paid on a domestically produced good that is exported. Meanwhile, the United States neither rebates the taxes paid by a producer upon the export of a good nor imposes a significant tax burden on imports.

Consequently, goods produced in VAT countries have a built-in price advantage over their U.S. counterparts. Producers in VAT countries often are able to export goods at a price that deducts the U.S. equivalent of payroll and other taxes that are used to pay for social security, unemployment insurance, and health care costs. U.S. producers not only pay those U.S. taxes in the process of manufacturing domestically produced goods, they also are forced to pay them in other countries the moment a U.S. export is slapped with a VAT. AMTAC estimates that border-adjusted VAT schemes disadvantaged U.S. producers and service providers by a staggering $428 billion in 2006.

Ordinarily, a VAT would be viewed as an impermissible export subsidy under current trade rules. Unfortunately, in the years following World War II, the United States agreed to a loophole under the old General Agreement on Tariffs and Trade (GATT) the exempted VAT subsidies. Since allowing that loophole, use of the VAT grew from just France to almost the rest of the world, 149 countries. And as one would expect, VAT rates often have risen as tariff rates have fallen, creating a constant, but less visible barrier to U.S. exports. For the European Union (EU), the average barrier to U.S. exports has remained nearly constant at 23.8 percent since 1968.[28] Although the average EU tariff has dropped from 10.4 percent in 1968 to 4.4 percent in 2006, the average EU VAT has risen from 13.4 percent to 19.4 percent.

Last year, Congressmen Bill Pascrell (D-NJ), Duncan Hunter (R-CA), Mike Michaud (D-ME), and Walter Jones (R-NC) introduced H.R. 2600, the Border Tax Equity Act, to offset the VAT disadvantage to U.S. producers and service providers. North Carolina Congresswoman Sue Myrick (R) also is among the 15 total (7 Democrats and 8 Republicans) House members currently sponsoring the bill. H.R. 2600's swift enactment is a key to restoring U.S. manufacturing health.

Make Currency Manipulation an Actionable Subsidy – U.S. congressional and executive inaction against blatant currency manipulation by China is inexcusable. For years that country has pegged the value of its currency, the yuan, to the U.S. dollar at an artificially low rate. Factoring inflation, the value of the yuan has risen in value by less than 5 percent against the U.S. dollar since its peg was "loosened" to a basket of currencies in 2005. This policy has enabled China to simultaneously lower the cost of its exports and raise substantial barriers to imports.

Since 2001, the year China joined the WTO, the U.S. merchandise trade deficit with that country has exploded from around $80 billion to a staggering $256 billion in 2007.[29] The cumulative U.S. trade deficit with China during that same time period for manufactured goods was a staggering $1.2 trillion!

The United States imported $313.6 billion in manufactured goods from China in 2007. If, for example, China were undervaluing its currency by 35 percent, a figure not unreasonable to many experts, it would amount to a subsidy of nearly $110 billion to Chinese manufacturing exporters. With subsidies like this, its should surprise no one that less

[27] See Appendix page A-28.
[28] See Appendix page A-29.
[29] See Appendix page A-30.

productive and efficient Chinese manufacturers can ship their products halfway around the world to the United States and still undercut the prices of their U.S. competitors.

Congressmen Tim Ryan (D-OH) and Duncan Hunter (R-CA) have introduced H.R. 2942, the Currency Reform for Fair Trade Act of 2007, to discourage currency manipulation by China, Japan, and other countries. U.S. Representatives Howard Coble (R), Robin Hayes (R), Walter Jones (R), Sue Myrick (R), and Heath Shuler (D) from North Carolina are among the 42 Democrats and 31 Republicans (73 House members total) sponsoring the bill.

H.R. 2942's strongest deterrent is a provision that would make currency manipulation an actionable subsidy under U.S. countervailing duty (CVD) law. Enactment of this legislation is imperative if the United States is to reduce its manufacturing and trade policy competitiveness gap with China, Japan and others.

Separate Trade Enforcement from the Office of the U.S. Trade Representative – It is unreasonable to expect that an office who on one hand is charged with negotiating trade agreements with other countries to then be able to turn around and impartially punish them when they run afoul of U.S. trade law. The conflicts of interest inherently are too great. As such, all enforcement of U.S. trade law should be separated from the Office of the U.S. Trade Representative (USTR).

A separate U.S. governmental entity should be set up as an independent agency or in another cabinet-level department, such as the U.S. Department of Commerce, to enforce U.S. trade law. This body would be charged with aggressively pursuing dumping, subsidy and intellectual property rights violation cases within the U.S. judicial and regulatory system and at the WTO. The anti-competitive dumping and illegal subsidy practices revealed in recent cases against China (the case on coated free sheet paper is a good example) should provide enough work to keep any enforcement agency busy for years.

Also as part of this reform, the U.S. government should reduce the cost and barriers to U.S. manufacturers attempting to bring trade enforcement cases. Presently, anti-dumping and CVD cases often cost millions for U.S. manufacturers to prosecute effectively. Even after making such a financial commitment, a favorable outcome is not guaranteed. In addition, U.S. manufacturers in a product's supply chain often have almost no access to trade law remedies due to a lack of standing. Only the assemblers of the final product and/or its workers, i.e. a union, usually effectively have standing to file a case. These costs and barriers deter the filing of many legitimate trade cases. The United States should consider adopting reforms to mimic the European Union where manufacturers would submit data indicating a likelihood of dumping or CVD infraction and the government then would investigate them and render a decision.

Stop Negotiating FTAs With Countries That Cannot Buy Finished U.S. Goods – Finally, the United States should stop negotiating free trade agreements with countries or economic regions that either are unwilling or unable to buy finished U.S. goods at the same rate they export to the United States.

Flawed U.S. free trade agreements demonstrably have fueled the U.S. trade deficit. Measuring U.S. government data for domestic exports[30] minus imports for consumption,[31] the U.S. trade deficit with our free trade partners has skyrocketed since 1989 from $13.55 billion to a whopping $187.84 billion in 2007.[32] With just Canada and Mexico between 1994 and 2007, the United States ran a cumulative trade deficit in manufacturing goods of $397.6 billion, a merchandise trade deficit of $1.071 trillion, and a current account deficit in goods and services of $942.2 billion.

[30] Domestic Exports are defined as exports of domestic merchandise include commodities which are grown, produced or manufactured in the United States, and commodities of foreign origin which have been changed in the United States, including U.S. Foreign Trade Zones, or which have been enhanced in value by further manufacture in the United States.
[31] Imports for Consumption measure the merchandise that has physically cleared Customs either entering consumption channels immediately or entering after withdrawal from bonded warehouses under Customs custody or from Foreign Trade Zones.
[32] See Appendix page A-31.

U.S. Trade Deficits with FTA Partners 1989-2007

1989 (Israel + Canada): -$13,549,305,466

1990 (Israel + Canada): -$13,395,009,866

1991 (Israel + Canada): -$12,206,751,399

1992 (Israel + Canada): -$15,179,629,034

1993 (Israel + Canada): -$19,088,159,601

1994 (Israel, Canada, Mexico): -$25,429,628,843

1995 (Israel, Canada, Mexico): -$49,369,863,070

1996 (Israel, Canada, Mexico): -$58,021,526,324

1997 (Israel, Canada, Mexico): -$52,183,393,917

1998 (Israel, Canada, Mexico): -$57,504,788,445

1999 (Israel, Canada, Mexico): -$83,674,235,439

2000 (Israel, Canada, Mexico): -$114,509,613,954

2001 (Israel, Canada, Mexico): -$118,007,897,734

2002 (Israel, Canada, Mexico, Jordan): -$123,167,746,864

2003 (Israel, Canada, Mexico, Jordan): -$137,750,076,888

2004 (Israel, Canada, Mexico, Jordan, Singapore, Chile): -$162,306,487,398

2005 (Israel, Canada, Mexico, Jordan, Singapore, Chile, Australia): -$174,084,390,236

2006 (Israel, Canada, Mexico, Jordan, Singapore, Chile, Australia, Morocco): -$189,415,360,242

2007 (Israel, Canada, Mexico, Jordan, Singapore, Chile, Australia, Morocco, El Salvador, Honduras, Nicaragua, Guatemala, Bahrain): -$187,843,239,265

Source: U.S. International Trade Commission

Instead of seeking out negotiating partners in small or developing countries, the United States should be targeting agreements or economic alliances with countries that have lucrative consumption markets and a settled rule of law. Japan or the European Union would be examples of two good candidates. These trade partners both have sufficient large populations and high standards of living to buy sizeable quantities of U.S. exports if a good free trade agreement were negotiated and properly enforced.

Conclusion

Despite the hardships it has faced, the health of U.S. manufacturing quickly can be restored if the United States fixes its broken trade policy. Weak and inefficient U.S. manufacturers closed their doors years ago. Only the strongest and most efficient U.S. manufacturers have been able to survive in such a hostile competitive atmosphere. These companies will be well placed to ramp up new investment, reclaim lost market share, and add employment if the U.S. government removes trade policy obstacles impeding their success.

The American Manufacturing Trade Action Coalition is a lobbying organization representing domestic manufacturers. Our mission is to preserve and create American manufacturing jobs through the establishment of trade policy and other measures necessary for the U.S. manufacturing sector to stabilize and grow.

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Appendix

U.S. Bureau of Labor Statistics MSA Definitions for North Carolina

11700 Asheville, NC Metropolitan Statistical Area
Principal City: Asheville
Counties: Buncombe County, Haywood County, Henderson County, Madison County

15500 Burlington, NC Metropolitan Statistical Area
Principal City: Burlington
Counties: Alamance County

16740 Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area
Principal Cities: Charlotte, NC; Gastonia, NC; Concord, NC, Rock Hill, SC
Counties: Anson County, NC; Cabarrus County, NC; Gaston County, NC; Mecklenburg County, NC; Union County, NC, York County, SC

20500 Durham, NC Metropolitan Statistical Area
Principal City: Durham
Counties: Chatham County, Durham County, Orange County, Person County

22180 Fayetteville, NC Metropolitan Statistical Area
Principal City: Fayetteville
Counties: Cumberland County, Hoke County

24660 Greensboro-High Point, NC Metropolitan Statistical Area
Principal Cities: Greensboro, High Point
Counties: Guilford County, Randolph County, Rockingham County

24780 Greenville, NC Metropolitan Statistical Area
Principal Cities: Greenville
Counties: Greene County, Pitt County

25860 Hickory-Lenoir-Morganton, NC Metropolitan Statistical Area
Principal Cities: Hickory, Lenoir, Morganton
Counties: Alexander County, Burke County, Caldwell County, Catawba County

39580 Raleigh-Cary, NC Metropolitan Statistical Area
Principal Cities: Raleigh, Cary
Counties: Franklin County, Johnston County, Wake County

40580 Rocky Mount, NC Metropolitan Statistical Area
Principal City: Rocky Mount
Counties: Edgecombe County, Nash County

48900 Wilmington, NC Metropolitan Statistical Area
Principal City: Wilmington
Counties: Brunswick County, New Hanover County, Pender County

49180 Winston-Salem, NC Metropolitan Statistical Area
Principal City: Winston-Salem
Counties: Davie County, Forsyth County, Stokes County, Yadkin County

North Carolina Manufacturing Employment Gain/Loss by Sector

Manufacturing Sector	January 2001	January 2008	Gain/(Loss)	Percent
Food Manufacturing 311	50,700	53,600	2,900	5.7
Beverage & Tobacco Manufacturing 312	19,000	14,700	(4,300)	(22.6)
Textile Mills 313	101,700	38,900	(62,800)	(61.8)
Textile Product Mills 314	18,500	9,200	(9,300)	(50.3)
Apparel 315	42,100	15,700	(26,400)	(62.7)
Wood Products 321	29,100	23,900	(5,200)	(17.9)
Paper Manufacturing 322**	22,169	18,727	(3,442)	(15.5)
Printing & Related Support Activities 323	17,800	15,500	(2,300)	(12.9)
Chemical Manufacturing 325	46,100	41,100	(5,000)	(10.8)
Plastics & Rubber Products 326	41,600	33,800	(7,800)	(18.8)
Nonmetallic Mineral Product Mfg 327**	21,614	17,595	(4,019)	(18.6)
Primary Metal Manufacturing 331**	8,271	8,034	(237)	(2.9)
Fabricated Metal Product Manufacturing 332	45,100	40,300	(4,800)	(10.6)
Machinery Manufacturing 333	39,700	33,200	(6,500)	(16.4)
Computer and Electronic Product Manufacturing 334	60,500	41,400	(19,100)	(31.6)
Electrical Equipment, Appliance, & Component Manufacturing 335	41,200	24,400	(16,800)	(40.8)
Transportation Equipment Manufacturing 336	36,100	33,700	(2,400)	(6.6)
Furniture and Related Product Manufacturing 337	77,300	48,700	(28,600)	(37.0)
Miscellaneous Manufacturing 339**	16,830	15,009	(1,821)	(10.8)

**Data only through September 2007

Source: U.S. Bureau of Labor Statistics and the Quarterly Census on Employment and Wages.

Capital Expenditures for Plant and Equipment
by Individual Manufacturing Sector in North Carolina

Inflation-adjusted figures are adjusted to the year 2000.

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Food Manufacturing 311		
1997	$283,600,000	1.0481	$297,241,160
1998	$247,661,000	1.0366	$256,725,393
1999	$333,880,000	1.0218	$341,158,584
2000	$344,352,000	1	$344,352,000
2001	$256,235,000	0.9766	$250,239,101
2002	$309,735,000	0.9598	$297,283,653
2003	$244,670,000	0.9398	$229,940,866
2004	$305,193,000	0.9136	$278,824,325
2005	$312,873,000	0.885	$276,892,605
2006	$354,565,000	0.8579	$304,181,314

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Beverage & Tobacco Manufacturing 312		
1997	$341,698,000	1.0481	$358,133,674
1998	$149,997,000	1.0366	$155,486,890
1999	$165,283,000	1.0218	$168,886,169
2000	$126,205,000	1	$126,205,000
2001	$135,412,000	0.9766	$132,243,359
2002	$165,530,000	0.9598	$158,875,694
2003	$187,669,000	0.9398	$176,371,326
2004	$323,543,000	0.9136	$295,588,885
2005	$336,171,000	0.885	$297,511,335
2006	$262,591,000	0.8579	$225,276,819

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Textile Mills 313		
1997	$811,244,000	1.0481	$850,264,836
1998	$769,218,000	1.0366	$797,371,379
1999	$752,171,000	1.0218	$768,568,328
2000	$659,686,000	1	$659,686,000
2001	$520,660,000	0.9766	$508,476,556
2002	$360,167,000	0.9598	$345,688,287
2003	$262,508,000	0.9398	$246,705,018
2004	$180,202,000	0.9136	$164,632,547
2005	$186,811,000	0.885	$165,327,735
2006	$177,185,000	0.8579	$152,007,012

Year	Nominal Capital Expenditures for Plant and Equipment **Textile Product Mills 314**	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
1997	$49,075,000	1.0481	$51,435,508
1998	$77,780,000	1.0366	$80,626,748
1999	$75,128,000	1.0218	$76,765,790
2000	$53,094,000	1	$53,094,000
2001	$40,490,000	0.9766	$39,542,534
2002	$48,461,000	0.9598	$46,512,868
2003	$27,582,000	0.9398	$25,921,564
2004	$40,929,000	0.9136	$37,392,734
2005	$50,469,000	0.885	$44,665,065
2006	$46,325,000	0.8579	$39,742,218

Year	Nominal Capital Expenditures for Plant and Equipment **Apparel 315**	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
1997	$134,215,000	1.0481	$140,670,742
1998	$116,247,000	1.0366	$120,501,640
1999	$151,703,000	1.0218	$155,010,125
2000	$135,534,000	1	$135,534,000
2001	$115,790,000	0.9766	$113,080,514
2002	$74,599,000	0.9598	$71,600,120
2003	$59,217,000	0.9398	$55,652,137
2004	$53,503,000	0.9136	$48,880,341
2005	$52,962,000	0.885	$46,871,370
2006	$31,632,000	0.8579	$27,137,093

Year	Nominal Capital Expenditures for Plant and Equipment **Wood Products 321**	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
1997	$203,437,000	1.0481	$213,222,320
1998	$231,150,000	1.0366	$239,610,090
1999	$301,180,000	1.0218	$307,745,724
2000	$156,117,000	1	$156,117,000
2001	$83,576,000	0.9766	$81,620,322
2002	$114,353,000	0.9598	$109,756,009
2003	$91,775,000	0.9398	$86,250,145
2004	$151,613,000	0.9136	$138,513,637
2005	$183,663,000	0.885	$162,541,755
2006	$176,328,000	0.8579	$151,271,791

Year	Nominal Capital Expenditures for Plant and Equipment **Paper Manufacturing 322**	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
1997	$388,379,000	1.0481	$407,060,030
1998	$328,907,000	1.0366	$340,944,996
1999	$169,352,000	1.0218	$173,043,874
2000	$284,767,000	1	$284,767,000
2001	$230,400,000	0.9766	$225,008,640
2002	$183,748,000	0.9598	$176,361,330
2003	$204,475,000	0.9398	$192,165,605
2004	$155,881,000	0.9136	$142,412,882
2005	$143,113,000	0.885	$126,655,005
2006	$255,745,000	0.8579	$219,403,636

Year	Nominal Capital Expenditures for Plant and Equipment **Printing & Related Support Activities 323**	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
1997	$128,918,000	1.0481	$135,118,956
1998	$140,383,000	1.0366	$145,521,018
1999	$132,992,000	1.0218	$135,891,226
2000	$158,228,000	1	$158,228,000
2001	$127,092,000	0.9766	$124,118,047
2002	$95,462,000	0.9598	$91,624,428
2003	$127,230,000	0.9398	$119,570,754
2004	$95,106,000	0.9136	$86,888,842
2005	$116,225,000	0.885	$102,859,125
2006	$100,161,000	0.8579	$85,928,122

Year	Nominal Capital Expenditures for Plant and Equipment **Chemical Manufacturing 325**	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
1997	$587,869,000	1.0481	$616,145,499
1998	$577,702,000	1.0366	$598,845,893
1999	$1,688,197,000	1.0218	$1,724,999,695
2000	$786,753,000	1	$786,753,000
2001	$695,656,000	0.9766	$679,377,650
2002	$833,498,000	0.9598	$799,991,380
2003	$870,472,000	0.9398	$818,069,586
2004	$616,125,000	0.9136	$562,891,800
2005	$646,144,000	0.885	$571,837,440
2006	$746,458,000	0.8579	$640,386,318

Year	Plastics & Rubber Products 326	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Nominal Capital Expenditures for Plant and Equipment		
1997	$359,902,000	1.0481	$377,213,286
1998	$405,307,000	1.0366	$420,141,236
1999	$378,173,000	1.0218	$386,417,171
2000	$413,167,000	1	$413,167,000
2001	$456,530,000	0.9766	$445,847,198
2002	$375,784,000	0.9598	$360,677,483
2003	$361,072,000	0.9398	$339,335,466
2004	$320,094,000	0.9136	$292,437,878
2005	$387,756,000	0.885	$343,164,060
2006	$380,581,000	0.8579	$326,500,440

Year	Nonmetallic Mineral Product Mfg 327	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Nominal Capital Expenditures for Plant and Equipment		
1997	$299,370,000	1.0481	$313,769,697
1998	$181,802,000	1.0366	$188,455,953
1999	$327,668,000	1.0218	$334,811,162
2000	$212,093,000	1	$212,093,000
2001	$511,918,000	0.9766	$499,939,119
2002	$139,839,000	0.9598	$134,217,472
2003	$203,330,000	0.9398	$191,089,534
2004	$160,549,000	0.9136	$146,677,566
2005	$189,832,000	0.885	$168,001,320
2006	$188,905,000	0.8579	$162,061,600

Year	Primary Metal Manufacturing 331	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Nominal Capital Expenditures for Plant and Equipment		
1997	$67,404,000	1.0481	$70,646,132
1998	$56,717,000	1.0366	$58,792,842
1999	$56,582,000	1.0218	$57,815,488
2000	$58,011,000	1	$58,011,000
2001	$81,521,000	0.9766	$79,613,409
2002	$43,737,000	0.9598	$41,978,773
2003	$19,695,000	0.9398	$18,509,361
2004	$39,638,000	0.9136	$36,213,277
2005	$52,331,000	0.885	$46,312,935
2006	$114,816,000	0.8579	$98,500,646

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
Year	**Fabricated Metal Product Manufacturing 332**		
1997	$242,594,000	1.0481	$254,262,771
1998	$290,525,000	1.0366	$301,158,215
1999	$272,111,000	1.0218	$278,043,020
2000	$278,199,000	1	$278,199,000
2001	$248,589,000	0.9766	$242,772,017
2002	$212,043,000	0.9598	$203,518,871
2003	$185,138,000	0.9398	$173,992,692
2004	$221,049,000	0.9136	$201,950,366
2005	$210,931,000	0.885	$186,673,935
2006	$215,210,000	0.8579	$184,628,659

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
Year	**Machinery Manufacturing 333**		
1997	$303,027,000	1.0481	$317,602,599
1998	$300,440,000	1.0366	$311,436,104
1999	$318,826,000	1.0218	$325,776,407
2000	$322,573,000	1	$322,573,000
2001	$242,699,000	0.9766	$237,019,843
2002	$199,300,000	0.9598	$191,288,140
2003	$152,821,000	0.9398	$143,621,176
2004	$166,718,000	0.9136	$152,313,565
2005	$206,141,000	0.885	$182,434,785
2006	$171,305,000	0.8579	$146,962,560

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
Year	**Computer and Electronic Product Manufacturing 334**		
1997	$290,384,000	1.0481	$304,351,470
1998	$246,217,000	1.0366	$255,228,542
1999	$744,951,000	1.0218	$761,190,932
2000	$537,288,000	1	$537,288,000
2001	$295,821,000	0.9766	$288,898,789
2002	$443,900,000	0.9598	$426,055,220
2003	$332,539,000	0.9398	$312,520,152
2004	$207,899,000	0.9136	$189,936,526
2005	$277,096,000	0.885	$245,229,960
2006	$432,944,000	0.8579	$371,422,658

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Electrical Equipment, Appliance, & Component Manufacturing 335		
1997	$219,549,000	1.0481	$230,109,307
1998	$238,227,000	1.0366	$246,946,108
1999	$352,039,000	1.0218	$359,713,450
2000	$281,433,000	1	$281,433,000
2001	$233,162,000	0.9766	$227,706,009
2002	$192,690,000	0.9598	$184,943,862
2003	$197,643,000	0.9398	$185,744,891
2004	$125,541,000	0.9136	$114,694,258
2005	$130,799,000	0.885	$115,757,115
2006	$164,307,000	0.8579	$140,958,975

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Transportation Equipment Manufacturing 336		
1997	$248,023,000	1.0481	$259,952,906
1998	$291,034,000	1.0366	$301,685,844
1999	$254,640,000	1.0218	$260,191,152
2000	$264,735,000	1	$264,735,000
2001	$706,689,000	0.9766	$690,152,477
2002	$387,080,000	0.9598	$371,519,384
2003	$363,699,000	0.9398	$341,804,320
2004	$251,863,000	0.9136	$230,102,037
2005	$410,244,000	0.885	$363,065,940
2006	$384,811,000	0.8579	$330,129,357

Year	Nominal Capital Expenditures for Plant and Equipment	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
	Furniture and Related Product Manufacturing 337		
1997	$149,313,000	1.0481	$156,494,955
1998	$181,316,000	1.0366	$187,952,166
1999	$172,292,000	1.0218	$176,047,966
2000	$162,909,000	1	$162,909,000
2001	$139,573,000	0.9766	$136,306,992
2002	$147,399,000	0.9598	$141,473,560
2003	$80,339,000	0.9398	$75,502,592
2004	$76,008,000	0.9136	$69,440,909
2005	$72,959,000	0.885	$64,568,715
2006	$72,439,000	0.8579	$62,145,418

Year	Nominal Capital Expenditures for Plant and Equipment **Miscellaneous Manufacturing 339**	Inflation Adjusted Multipler	Inflation-Adjusted Capital Expenditures for Plant and Equipment
1997	$96,068,000	1.0481	$100,688,871
1998	$89,488,000	1.0366	$92,763,261
1999	$104,263,000	1.0218	$106,535,933
2000	$103,967,000	1	$103,967,000
2001	$75,826,000	0.9766	$74,051,672
2002	$81,691,000	0.9598	$78,407,022
2003	$65,871,000	0.9398	$61,905,566
2004	$129,115,000	0.9136	$117,959,464
2005	$90,900,000	0.885	$80,446,500
2006	$100,348,000	0.8579	$86,088,549

Source: U.S. Census Bureau Annual Survey of Manufactures (ASM) and STATS Indiana.

The Recent Jobs Record in the States

Rank	(States: 1,000 of jobs)	------- January of Each Year ------ 2001	2007	2008	Change: 2008/2007 1,000	(PERCENT)	Change: 2008/2001 1,000	(PERCENT)
1	Michigan	4,511.7	4,186.2	4,139.0	-47.2	-1.1%	-372.7	-8.3%
2	Ohio	5,488.3	5,324.2	5,320.1	-4.1	-0.1%	-168.2	-3.1%
3	Massachusetts	3,317.0	3,198.5	3,221.9	23.4	0.7%	-95.1	-2.9%
4	Illinois	5,906.2	5,843.2	5,881.2	38.0	0.7%	-25.0	-0.4%
5	Connecticut	1,665.2	1,666.5	1,679.2	12.7	0.8%	14.0	0.8%
6	New York	8,523.9	8,532.9	8,618.2	85.3	1.0%	94.3	1.1%
7	Vermont	301.7	305.8	305.7	-0.1	-0.0%	4.0	1.3%
8	Wisconsin	2,770.7	2,814.4	2,809.0	-5.4	-0.2%	38.3	1.4%
9	Indiana	2,901.7	2,921.6	2,941.9	20.3	0.7%	40.2	1.4%
10	Maine	588.5	596.1	597.0	0.9	0.2%	8.5	1.4%
11	Louisiana	1,897.3	1,876.5	1,925.3	48.8	2.6%	28.0	1.5%
12	Mississippi	1,128.8	1,138.4	1,147.3	8.9	0.8%	18.5	1.6%
13	Pennsylvania	5,613.1	5,679.4	5,707.3	27.9	0.5%	94.2	1.7%
14	Rhode Island	468.4	481.9	476.4	-5.5	-1.1%	8.0	1.7%
15	Missouri	2,688.3	2,729.0	2,743.7	14.7	0.5%	55.4	2.1%
16	New Jersey	3,922.5	3,993.6	4,008.0	14.4	0.4%	85.5	2.2%
17	Kansas	1,330.1	1,341.2	1,362.5	21.3	1.6%	32.4	2.4%
18	Minnesota	2,648.8	2,711.4	2,725.9	14.5	0.5%	77.1	2.9%
19	Tennessee	2,673.4	2,744.9	2,754.8	9.9	0.4%	81.4	3.0%
20	West Virginia	719.0	740.5	741.2	0.7	0.1%	22.2	3.1%
21	New Hampshire	622.1	632.0	641.6	9.6	1.5%	19.5	3.1%
22	California	14,513.5	14,938.0	14,975.1	37.1	0.2%	461.6	3.2%
23	Iowa	1,446.7	1,482.6	1,493.2	10.6	0.7%	46.5	3.2%
24	Kentucky	1,791.5	1,830.8	1,854.9	24.1	1.3%	63.4	3.5%
25	Delaware	410.9	425.8	427.6	1.8	0.4%	16.7	4.1%
	US Totals	**132,469**	**137,108**	**138,056**	**948**	**0.7%**	**5,587**	**4.2%**
26	Arkansas	1,139.8	1,184.9	1,190.3	5.4	0.5%	50.5	4.4%
27	Colorado	2,210.5	2,262.6	2,314.6	52.0	2.3%	104.1	4.7%
28	Georgia	3,931.3	4,094.3	4,135.9	41.6	1.0%	204.6	5.2%
29	Alabama	1,894.4	1,974.9	1,997.5	22.6	1.1%	103.1	5.4%
30	Nebraska	901.3	938.1	956.2	18.1	1.9%	54.9	6.1%
31	Oklahoma	1,467.5	1,528.8	1,558.0	29.2	1.9%	90.5	6.2%
32	North Carolina	3,884.8	4,053.7	4,131.6	77.9	1.9%	246.8	6.4%
33	Maryland	2,415.0	2,550.8	2,571.6	20.8	0.8%	156.6	6.5%
34	South Carolina	1,808.5	1,904.3	1,931.5	27.2	1.4%	123.0	6.8%
35	Virginia	3,472.6	3,699.8	3,718.2	18.4	0.5%	245.6	7.1%
36	Oregon	1,593.1	1,688.3	1,707.9	19.6	1.2%	114.8	7.2%
	District of Columbia	640.7	681.8	691.0	9.2	1.3%	50.3	7.9%
37	South Dakota	369.2	391.9	399.0	7.1	1.8%	29.8	8.1%
38	Washington	2,670.9	2,843.3	2,909.4	66.1	2.3%	238.5	8.9%
39	Texas	9,423.5	10,106.1	10,374.8	268.7	2.7%	951.3	10.1%
40	North Dakota	322.5	348.5	356.2	7.7	2.2%	33.7	10.4%
41	New Mexico	739.8	824.4	828.8	4.4	0.5%	89.0	12.0%
42	Alaska	264.8	296.3	298.4	2.1	0.7%	33.6	12.7%
43	Florida	7,096.7	8,010.9	8,008.0	-2.9	-0.0%	911.3	12.8%
44	Hawaii	546.9	614.9	621.9	7.0	1.1%	75.0	13.7%
45	Montana	379.8	427.0	434.4	7.4	1.7%	54.6	14.4%
46	Idaho	549.3	628.2	636.4	8.2	1.3%	87.1	15.9%
47	Utah	1,069.2	1,219.2	1,251.0	31.8	2.6%	181.8	17.0%
48	Arizona	2,239.4	2,630.7	2,647.1	16.4	0.6%	407.7	18.2%
49	Wyoming	233.1	275.1	283.5	8.4	3.1%	50.4	21.6%
50	Nevada	1,033.8	1,268.2	1,277.4	9.2	0.7%	243.6	23.6%

US Dept. of Labor, BLS and MBG Information Services

The Cost in Jobs of China Trade Deficits: 2000-'07

Worsening Trade Losses Just Since 2000 Cost 1 Million Jobs

Adjusted for productivity and population changes	Goods Balance: China 2000	2007	Jobs Lost to China Deficit 2000	2007	Jobs Effect 2000-'07
	$ Billions		Number of Jobs		Change
United States	-$83,971	-$256,269	-945,983	-1,961,242	-1,015,259
California	-10,118	-31,057	-113,990	-237,681	-123,692
Texas	-6,234	-20,310	-70,226	-155,434	-85,209
Florida	-4,776	-15,507	-53,801	-118,676	-64,875
New York	-5,653	-16,396	-63,681	-125,480	-61,799
Georgia	-2,449	-8,110	-27,592	-62,063	-34,471
North Carolina	-2,404	-7,699	-27,085	-58,918	-31,833
Illinois	-3,701	-10,920	-41,699	-83,572	-41,872
Arizona	-1,538	-5,386	-17,322	-41,217	-23,895
Pennsylvania	-3,656	-10,563	-41,184	-80,842	-39,658
Ohio	-3,382	-9,743	-38,095	-74,562	-36,466
Virginia	-2,114	-6,552	-23,818	-50,147	-26,329
Michigan	-2,962	-8,557	-33,373	-65,490	-32,117
New Jersey	-2,509	-7,380	-28,266	-56,479	-28,213
Washington	-1,759	-5,496	-19,817	-42,060	-22,243
Tennessee	-1,697	-5,231	-19,119	-40,033	-20,914
Colorado	-1,288	-4,131	-14,509	-31,611	-17,102
Indiana	-1,813	-5,391	-20,421	-41,259	-20,838
Missouri	-1,668	-4,995	-18,793	-38,223	-19,430
Maryland	-1,580	-4,774	-17,803	-36,532	-18,729
Wisconsin	-1,599	-4,759	-18,016	-36,424	-18,407
South Carolina	-1,197	-3,745	-13,488	-28,660	-15,172
Minnesota	-1,468	-4,416	-16,541	-33,797	-17,256
Massachusetts	-1,893	-5,480	-21,331	-41,938	-20,608
Nevada	-601	-2,180	-6,766	-16,681	-9,914
Oregon	-1,021	-3,184	-11,502	-24,367	-12,865
Alabama	-1,325	-3,932	-14,924	-30,092	-15,168
Kentucky	-1,205	-3,604	-13,573	-27,579	-14,006
Utah	-668	-2,248	-7,524	-17,201	-9,677
Oklahoma	-1,028	-3,073	-11,579	-23,521	-11,942
Connecticut	-1,015	-2,976	-11,438	-22,773	-11,335
Arkansas	-797	-2,409	-8,979	-18,433	-9,454
Mississippi	-848	-2,480	-9,549	-18,979	-9,430
Iowa	-871	-2,539	-9,816	-19,429	-9,613
Kansas	-801	-2,359	-9,027	-18,050	-9,023
Louisiana	-1,330	-3,648	-14,981	-27,916	-12,935
New Mexico	-542	-1,674	-6,104	-12,809	-6,705
Idaho	-387	-1,274	-4,356	-9,750	-5,393
Nebraska	-510	-1,508	-5,743	-11,539	-5,795
New Hampshire	-369	-1,118	-4,158	-8,556	-4,398
West Virginia	-538	-1,540	-6,058	-11,782	-5,725
Hawaii	-361	-1,090	-4,062	-8,345	-4,283
Maine	-380	-1,119	-4,282	-8,565	-4,283
Delaware	-234	-735	-2,636	-5,623	-2,987
Montana	-269	-814	-3,028	-6,228	-3,200
Rhode Island	-313	-899	-3,523	-6,878	-3,356
South Dakota	-225	-676	-2,533	-5,177	-2,644
Alaska	-187	-581	-2,103	-4,444	-2,341
Wyoming	-147	-444	-1,656	-3,400	-1,744
District of Columbia	-170	-500	-1,917	-3,825	-1,908
Vermont	-181	-528	-2,045	-4,040	-1,995
North Dakota	-191	-544	-2,150	-4,160	-2,010

State trade balances are allocated as share of national population each year.
US Dept. of Commerce, Bureau of the Census and MBG Information Services

The Median Income of Households: 2000 to 2006

Household Incomes Constant 2006 Prices	--- Median Incomes --- 2000	2006	Percent of US Median 2000	2006	Change: 2000 to 2006 Dollars	Percent
Missouri	$52,800	$44,579	107.4%	92.5%	-$8,221	-15.6%
Mississippi	40,158	34,733	81.7%	72.1%	-5,425	-13.5%
Minnesota	63,518	56,211	129.2%	116.6%	-7,307	-11.5%
North Carolina	44,862	39,797	91.3%	82.6%	-5,065	-11.3%
Delaware	58,968	52,438	119.9%	108.8%	-6,530	-11.1%
South Carolina	43,988	39,617	89.5%	82.2%	-4,371	-9.9%
Illinois	53,933	48,671	109.7%	101.0%	-5,262	-9.8%
Alaska	61,874	56,418	125.9%	117.0%	-5,456	-8.8%
Ohio	50,301	45,900	102.3%	95.2%	-4,401	-8.7%
Michigan	53,286	48,647	108.4%	100.9%	-4,639	-8.7%
Alabama	41,475	37,952	84.4%	78.7%	-3,523	-8.5%
Kentucky	42,460	39,485	86.4%	81.9%	-2,975	-7.0%
Oregon	49,759	47,091	101.2%	97.7%	-2,668	-5.4%
Kansas	48,073	45,552	97.8%	94.5%	-2,521	-5.2%
Indiana	47,845	45,407	97.3%	94.2%	-2,438	-5.1%
Texas	45,204	43,307	91.9%	89.8%	-1,897	-4.2%
North Dakota	42,145	41,047	85.7%	85.2%	-1,098	-2.6%
New Mexico	41,088	40,028	83.6%	83.0%	-1,060	-2.6%
Nevada	53,574	52,282	109.0%	108.5%	-1,292	-2.4%
Wisconsin	52,790	51,692	107.4%	107.2%	-1,098	-2.1%
US	**$49,163**	**$48,201**	**100.0%**	**100.0%**	**-962**	**-2.0%**
Utah	55,672	54,628	113.2%	113.3%	-1,044	-1.9%
Pennsylvania	49,380	48,477	100.4%	100.6%	-903	-1.8%
Nebraska	48,882	48,145	99.4%	99.9%	-737	-1.5%
Colorado	56,480	55,697	114.9%	115.6%	-783	-1.4%
Maryland	63,851	63,668	129.9%	132.1%	-183	-0.3%
Arizona	46,579	46,657	94.7%	96.8%	78	0.2%
Hawaii	60,351	60,470	122.8%	125.5%	119	0.2%
Iowa	47,993	48,126	97.6%	99.8%	133	0.3%
Florida	45,493	45,676	92.5%	94.8%	183	0.4%
District of Columbia	48,263	48,477	98.2%	100.6%	214	0.4%
Georgia	49,058	49,344	99.8%	102.4%	286	0.6%
California	54,813	55,319	111.5%	114.8%	506	0.9%
Massachusetts	54,739	55,330	111.3%	114.8%	591	1.1%
New York	47,704	48,222	97.0%	100.0%	518	1.1%
Wyoming	46,398	47,041	94.4%	97.6%	643	1.4%
Louisiana	35,965	36,488	73.2%	75.7%	523	1.5%
Tennessee	39,920	40,693	81.2%	84.4%	773	1.9%
Oklahoma	37,972	38,838	77.2%	80.6%	866	2.3%
Virginia	55,219	57,119	112.3%	118.5%	1,900	3.4%
New Hampshire	59,625	61,970	121.3%	128.6%	2,345	3.9%
Maine	43,632	45,642	88.7%	94.7%	2,010	4.6%
Idaho	44,036	46,213	89.6%	95.9%	2,177	4.9%
Connecticut	58,742	62,404	119.5%	129.5%	3,662	6.2%
South Dakota	42,706	45,427	86.9%	94.2%	2,721	6.4%
Arkansas	34,770	37,057	70.7%	76.9%	2,287	6.6%
Montana	38,376	41,105	78.1%	85.3%	2,729	7.1%
Rhode Island	49,405	53,736	100.5%	111.5%	4,331	8.8%
Washington	49,789	54,723	101.3%	113.5%	4,934	9.9%
West Virginia	34,435	38,419	70.0%	79.7%	3,984	11.6%
Vermont	46,357	51,981	94.3%	107.8%	5,624	12.1%
New Jersey	59,015	68,059	120.0%	141.2%	9,044	15.3%

US Department of Commerce, Bureau of the Census and MBG Information Services

Compensation in North Carolina; Replacing High Wage With Low Wage Jobs

Code	Industry	Avg Compensation 2001	Avg Compensation 2006	Compensation vs Mfging 2001	Compensation vs Mfging 2006	Change in jobs: 2001-'06 Number	Change in jobs: 2001-'06 Percent
81	**Farm wage and salary employment**	$19,955	$23,681	-56.1%	-59.5%	-3,680	-13.7%
82	**Nonfarm wage and salary employment**	38,036	46,144	-16.3%	-21.1%	201,558	4.9%
90	**Private wage and salary**	37,394	44,604	-17.7%	-23.8%	137,636	4.1%
100	**Forestry, fishing, related activities**	20,717	26,371	-54.4%	-54.9%	-859	-4.8%
101	Forestry and logging	28,717	35,199	-36.8%	-39.8%	-914	-18.8%
102	Fishing, hunting, and trapping	17,682	27,168	-61.1%	-53.6%	-229	-69.4%
103	Agriculture and forestry support	17,732	23,680	-61.0%	-59.5%	284	2.2%
200	**Mining**	55,246	78,205	21.6%	33.6%	-508	-11.8%
202	Mining (except oil and gas)	53,762	79,832	18.3%	36.4%	-129	-3.5%
300	**Utilities**	N/A	94,231	N/A	61.0%	-1,692	-11.3%
400	**Construction**	38,296	45,034	-15.7%	-23.0%	17,059	7.2%
401	Construction of buildings	43,472	53,447	-4.4%	-8.7%	1,510	2.6%
402	Heavy and civil engineering construction	40,814	49,392	-10.2%	-15.6%	-2,712	-7.1%
403	Specialty trade contractors	35,528	40,978	-21.8%	-30.0%	18,261	12.8%
500	**Manufacturing**	45,449	58,516	0.0%	0.0%	-146,276	-20.7%
510	Durable goods manufacturing	48,754	60,653	7.3%	3.7%	-60,008	-16.7%
511	Wood product manufacturing	34,207	41,152	-24.7%	-29.7%	-938	-3.2%
512	Nonmetallic mineral product manufacturing	45,543	54,327	0.2%	-7.2%	-3,946	-18.3%
513	Primary metal manufacturing	49,976	70,078	10.0%	19.8%	337	4.4%
514	Fabricated metal product manufacturing	42,629	51,743	-6.2%	-11.6%	-1,764	-4.1%
515	Machinery manufacturing	47,870	63,112	5.3%	7.9%	-5,300	-14.1%
516	Computer/electronic product manufacturing	83,895	104,723	84.6%	79.0%	-17,320	-29.8%
517	Electrical equipment/appliance manufacturing	49,211	63,516	8.3%	8.5%	-12,941	-33.8%
518	Motor vehicles, bodies/trailers/parts mfging	53,995	66,385	18.8%	13.4%	-389	-1.4%
519	Other transportation equipment manufacturing	48,787	71,794	7.3%	22.7%	1,979	31.4%
521	Furniture and related product manufacturing	30,705	37,976	-32.4%	-35.1%	-18,336	-25.6%
522	Miscellaneous manufacturing	40,776	57,918	-10.3%	-1.0%	-1,390	-8.1%
530	Nondurable goods manufacturing	42,042	56,078	-7.5%	-4.2%	-86,268	-24.8%
531	Food manufacturing	30,580	36,998	-32.7%	-36.8%	410	0.8%
532	Beverage and tobacco product manufacturing	69,454	104,654	52.8%	78.8%	-3,733	-20.5%
533	Textile mills	32,726	40,083	-28.0%	-31.5%	-43,224	-46.4%
534	Textile product mills	31,437	37,582	-30.8%	-35.8%	-6,882	-40.2%
535	Apparel manufacturing	29,988	44,249	-34.0%	-24.4%	-19,218	-46.8%
536	Leather and allied product manufacturing	33,296	35,012	-26.7%	-40.2%	-443	-36.5%
537	Paper manufacturing	51,182	62,074	12.6%	6.1%	-2,710	-12.4%
538	Printing and related support activities	40,976	49,542	-9.8%	-15.3%	-1,759	-10.0%
539	Petroleum and coal products manufacturing	51,425	77,036	13.1%	31.6%	-196	-15.7%
541	Chemical manufacturing	70,069	95,143	54.2%	62.6%	-6,198	-12.8%
542	Plastics and rubber products manufacturing	44,757	52,434	-1.5%	-10.4%	-2,315	-6.3%
600	**Wholesale trade**	50,825	62,956	11.8%	7.6%	17,993	11.1%
700	**Retail trade**	24,290	27,667	-46.6%	-52.7%	8,251	1.8%
701	Motor vehicle and parts dealers	39,766	43,745	-12.5%	-25.2%	4,469	7.6%
702	Furniture and home furnishings stores	30,002	31,866	-34.0%	-45.5%	2,422	13.3%
703	Electronics and appliance stores	41,437	39,623	-8.8%	-32.3%	-855	-5.2%
704	Building material and garden supply stores	29,394	33,343	-35.3%	-43.0%	5,144	13.1%
705	Food and beverage stores	18,183	21,337	-60.0%	-63.5%	-13,754	-15.7%
706	Health and personal care stores	26,943	33,233	-40.7%	-43.2%	4,606	17.1%
707	Gasoline stations	17,717	19,554	-61.0%	-66.6%	496	1.7%
708	Clothing and clothing accessories stores	17,437	17,711	-61.6%	-69.7%	2,787	7.4%
709	Sporting goods, hobby, book and music stores	17,987	19,590	-60.4%	-66.5%	12	0.1%
711	General merchandise stores	18,067	22,302	-60.2%	-61.9%	8,918	10.4%
712	Miscellaneous store retailers	23,906	25,271	-47.4%	-56.8%	-4,453	-14.0%
713	Nonstore retailers	30,896	38,967	-32.0%	-33.4%	-1,541	-14.1%
800	**Transportation and warehousing**	43,156	48,053	-5.0%	-17.9%	-4,008	-3.2%
801	Air transportation	60,081	55,663	32.2%	-4.9%	-5,543	-31.8%
802	Rail transportation	77,827	87,252	71.2%	49.1%	111	4.4%
803	Water transportation	290,004	105,890	538.1%	81.0%	396	148.9%
804	Truck transportation	41,370	48,936	-9.0%	-16.4%	-2,432	-4.6%
805	Transit and ground passenger transportation	26,175	32,152	-42.4%	-45.1%	565	12.3%
806	Pipeline transportation	66,161	95,785	45.6%	63.7%	-22	-15.4%

Compensation in North Carolina; Replacing High Wage With Low Wage Jobs

Code	Industry	Avg Compensation 2001	Avg Compensation 2006	Compensation vs Mfging 2001	Compensation vs Mfging 2006	Change in jobs: 2001-'06 Number	Change in jobs: 2001-'06 Percent
807	Scenic and sightseeing transportation	22,688	24,726	-50.1%	-57.7%	57	15.0%
808	Support activities for transportation	45,650	47,465	0.4%	-18.9%	1,474	11.9%
809	Couriers and messengers	32,363	43,776	-28.8%	-25.2%	150	1.0%
811	Warehousing and storage	35,178	41,844	-22.6%	-28.5%	1,236	6.9%
900	**Information**	N/A	66,135	N/A	13.0%	-7,701	-9.5%
901	Publishing industries, except Internet	49,143	61,704	8.1%	5.4%	-844	-3.7%
902	Motion picture and sound recording industries	17,409	20,307	-61.7%	-65.3%	-201	-4.2%
903	Broadcasting, except Internet	47,885	59,950	5.4%	2.5%	1,648	17.4%
904	Internet publishing and broadcasting	N/A	76,609	N/A	30.9%	324	115.7%
905	Telecommunications	59,727	71,666	31.4%	22.5%	-6,509	-22.1%
906	ISPs, search portals, and data processing	66,166	87,249	45.6%	49.1%	-3,521	-23.6%
907	Other information services	62,576	68,818	37.7%	17.6%	192	31.7%
1000	**Finance and insurance**	61,879	85,114	36.2%	45.5%	16,252	11.6%
1001	Monetary authorities - central bank	N/A	76,036	N/A	29.9%	419	98.6%
1002	Credit intermediation and related activities	57,038	85,132	25.5%	45.5%	9,976	12.6%
1003	Securities, commodity contracts, investments	130,246	130,141	186.6%	122.4%	4,390	37.9%
1004	Insurance carriers and related activities	53,173	70,177	17.0%	19.9%	1,331	2.8%
1005	Funds, trusts, and other financial vehicles	N/A	112,730	N/A	92.6%	152	22.4%
1100	**Real estate and rental and leasing**	32,717	41,913	-28.0%	-28.4%	5,708	11.7%
1101	Real estate	34,658	44,496	-23.7%	-24.0%	6,018	19.1%
1102	Rental and leasing services	28,812	35,401	-36.6%	-39.5%	-390	-2.3%
1103	Lessors of nonfinancial intangible assets	63,006	86,099	38.6%	47.1%	80	49.1%
1200	**Professional and technical services**	56,244	65,055	23.8%	11.2%	23,434	14.7%
1300	**Management of companies and enterprises**	72,789	94,953	60.2%	62.3%	7,880	12.8%
1400	**Administrative and waste services**	23,856	29,372	-47.5%	-49.8%	30,088	14.5%
1401	Administrative and support services	23,452	28,938	-48.4%	-50.5%	29,026	14.4%
1402	Waste management and remediation services	37,472	43,586	-17.6%	-25.5%	1,062	17.7%
1500	**Educational services**	31,977	35,065	-29.6%	-40.1%	19,087	35.4%
1600	**Health care and social assistance**	36,519	41,016	-19.6%	-29.9%	84,273	23.9%
1601	Ambulatory health care services	51,809	53,342	14.0%	-8.8%	40,852	32.6%
1602	Hospitals	40,445	50,289	-11.0%	-14.1%	10,652	12.1%
1603	Nursing and residential care facilities	21,229	25,182	-53.3%	-57.0%	13,917	16.8%
1604	Social assistance	18,986	22,116	-58.2%	-62.2%	18,852	33.2%
1700	**Arts, entertainment, and recreation**	27,229	33,877	-40.1%	-42.1%	3,813	8.0%
1701	Performing arts and spectator sports	53,963	78,280	18.7%	33.8%	148	1.3%
1702	Museums, historical sites, zoos, and parks	22,632	27,511	-50.2%	-53.0%	458	20.8%
1703	Amusement, gambling, and recreation	18,776	20,864	-58.7%	-64.3%	3,207	9.3%
1800	**Accommodation and food services**	14,395	16,271	-68.3%	-72.2%	50,293	17.8%
1801	Accommodation	20,111	23,141	-55.8%	-60.5%	920	2.4%
1802	Food services and drinking places	13,493	15,348	-70.3%	-73.8%	49,373	20.2%
1900	**Other services, except public administration**	23,840	27,381	-47.5%	-53.2%	15,028	8.6%
1901	Repair and maintenance	30,898	35,784	-32.0%	-38.8%	466	1.3%
1902	Personal and laundry services	25,497	26,788	-43.9%	-54.2%	-132	-0.4%
1903	Membership associations and organizations	24,408	29,599	-46.3%	-49.4%	11,078	14.0%
1904	Private households	9,815	10,721	-78.4%	-81.7%	3,616	14.3%
2000	**Government and government enterprises**	40,903	52,741	-10.0%	-9.9%	63,922	8.5%
2001	Federal, civilian	65,145	85,581	43.3%	46.3%	2,080	3.4%
2002	Military	45,623	74,043	0.4%	26.5%	8,010	6.7%
2010	State and local	37,344	45,099	-17.8%	-22.9%	53,832	9.5%
2011	State government	37,973	46,275	-16.4%	-20.9%	18,650	10.5%
2012	Local government	37,059	44,559	-18.5%	-23.9%	35,182	9.0%

US Department of Commerce and MBG Information Services

Compensation in North Carolina; Replacing High Wage With Low Wage Jobs

Code	Industry	Avg Compensation 2001	Avg Compensation 2006	Compensation vs Mfging 2001	Compensation vs Mfging 2006	Change in jobs: 2001-'06 Number	Change in jobs: 2001-'06 Percent
1003	Securities, commodity contracts, investments....	$130,246	$130,141	186.6%	122.4%	4,390	37.9%
1005	Funds, trusts, and other financial vehicles.....	N/A	112,730	N/A	92.6%	152	22.4%
803	Water transportation.....	290,004	105,890	538.1%	81.0%	396	148.9%
516	Computer/electronic product manufacturing.....	83,895	104,723	84.6%	79.0%	-17,320	-29.8%
532	Beverage and tobacco product manufacturing..	69,454	104,654	52.8%	78.8%	-3,733	-20.5%
806	Pipeline transportation.....	66,161	95,785	45.6%	63.7%	-22	-15.4%
541	Chemical manufacturing.....	70,069	95,143	54.2%	62.6%	-6,198	-12.8%
1300	**Management of companies and enterprises....**	72,789	94,953	60.2%	62.3%	7,880	12.8%
300	**Utilities.....**	N/A	94,231	N/A	61.0%	-1,692	-11.3%
906	ISPs, search portals, and data processing.....	66,166	87,249	45.6%	49.1%	-3,521	-23.6%
802	Rail transportation.....	77,827	87,252	71.2%	49.1%	111	4.4%
1103	Lessors of nonfinancial intangible assets.....	63,006	86,099	38.6%	47.1%	80	49.1%
2001	Federal, civilian.....	65,145	85,581	43.3%	46.3%	2,080	3.4%
1002	Credit intermediation and related activities.....	57,038	85,132	25.5%	45.5%	9,976	12.6%
1000	**Finance and insurance.....**	61,879	85,114	36.2%	45.5%	16,252	11.6%
202	Mining (except oil and gas).....	53,762	79,832	18.3%	36.4%	-129	-3.5%
1701	Performing arts and spectator sports.....	53,963	78,280	18.7%	33.8%	148	1.3%
200	**Mining.....**	55,246	78,205	21.6%	33.6%	-508	-11.8%
539	Petroleum and coal products manufacturing.....	51,425	77,036	13.1%	31.6%	-196	-15.7%
904	Internet publishing and broadcasting.....	N/A	76,609	N/A	30.9%	324	115.7%
1001	Monetary authorities - central bank.....	N/A	76,036	N/A	29.9%	419	98.6%
2002	Military.....	45,623	74,043	0.4%	26.5%	8,010	6.7%
519	Other transportation equipment manufacturing..	48,787	71,794	7.3%	22.7%	1,979	31.4%
905	Telecommunications.....	59,727	71,666	31.4%	22.5%	-6,509	-22.1%
1004	Insurance carriers and related activities.....	53,173	70,177	17.0%	19.9%	1,331	2.8%
513	Primary metal manufacturing.....	49,976	70,078	10.0%	19.8%	337	4.4%
907	Other information services.....	62,576	68,818	37.7%	17.6%	192	31.7%
518	Motor vehicles, bodies/trailers/parts mfging.....	53,995	66,385	18.8%	13.4%	-389	-1.4%
900	**Information.....**	N/A	66,135	N/A	13.0%	-7,701	-9.5%
1200	**Professional and technical services.....**	56,244	65,055	23.8%	11.2%	23,434	14.7%
517	Electrical equipment/appliance manufacturing...	49,211	63,516	8.3%	8.5%	-12,941	-33.8%
515	Machinery manufacturing.....	47,870	63,112	5.3%	7.9%	-5,300	-14.1%
600	**Wholesale trade.....**	50,825	62,956	11.8%	7.6%	17,993	11.1%
537	Paper manufacturing.....	51,182	62,074	12.6%	6.1%	-2,710	-12.4%
901	Publishing industries, except Internet.....	49,143	61,704	8.1%	5.4%	-844	-3.7%
510	Durable goods manufacturing.....	48,754	60,653	7.3%	3.7%	-60,008	-16.7%
903	Broadcasting, except Internet.....	47,885	59,950	5.4%	2.5%	1,648	17.4%
500	**Manufacturing.....**	45,449	58,516	0.0%	0.0%	-146,276	-20.7%
522	Miscellaneous manufacturing.....	40,776	57,918	-10.3%	-1.0%	-1,390	-8.1%
530	Nondurable goods manufacturing.....	42,042	56,078	-7.5%	-4.2%	-86,268	-24.8%
801	Air transportation.....	60,081	55,663	32.2%	-4.9%	-5,543	-31.8%
512	Nonmetallic mineral product manufacturing.....	45,543	54,327	0.2%	-7.2%	-3,946	-18.3%
401	Construction of buildings.....	43,472	53,447	-4.4%	-8.7%	1,510	2.6%
1601	Ambulatory health care services.....	51,809	53,342	14.0%	-8.8%	40,852	32.6%
2000	**Government and government enterprises.....**	40,903	52,741	-10.0%	-9.9%	63,922	8.5%
542	Plastics and rubber products manufacturing.....	44,757	52,434	-1.5%	-10.4%	-2,315	-6.3%
514	Fabricated metal product manufacturing.....	42,629	51,743	-6.2%	-11.6%	-1,764	-4.1%
1602	Hospitals.....	40,445	50,289	-11.0%	-14.1%	10,652	12.1%
538	Printing and related support activities.....	40,976	49,542	-9.8%	-15.3%	-1,759	-10.0%
402	Heavy and civil engineering construction.....	40,814	49,392	-10.2%	-15.6%	-2,712	-7.1%
804	Truck transportation.....	41,370	48,936	-9.0%	-16.4%	-2,432	-4.6%
800	**Transportation and warehousing.....**	43,156	48,053	-5.0%	-17.9%	-4,008	-3.2%
808	Support activities for transportation.....	45,650	47,465	0.4%	-18.9%	1,474	11.9%
2011	State government.....	37,973	46,275	-16.4%	-20.9%	18,650	10.5%
82	**Nonfarm wage and salary employment.....**	38,036	46,144	-16.3%	-21.1%	201,558	4.9%
2010	State and local.....	37,344	45,099	-17.8%	-22.9%	53,832	9.5%
400	**Construction.....**	38,296	45,034	-15.7%	-23.0%	17,059	7.2%
90	**Private wage and salary.....**	37,394	44,604	-17.7%	-23.8%	137,636	4.1%
2012	Local government.....	37,059	44,559	-18.5%	-23.9%	35,182	9.0%
1101	Real estate.....	34,658	44,496	-23.7%	-24.0%	6,018	19.1%
535	Apparel manufacturing.....	29,988	44,249	-34.0%	-24.4%	-19,218	-46.8%
809	Couriers and messengers.....	32,363	43,776	-28.8%	-25.2%	150	1.0%
701	Motor vehicle and parts dealers.....	39,766	43,745	-12.5%	-25.2%	4,469	7.6%

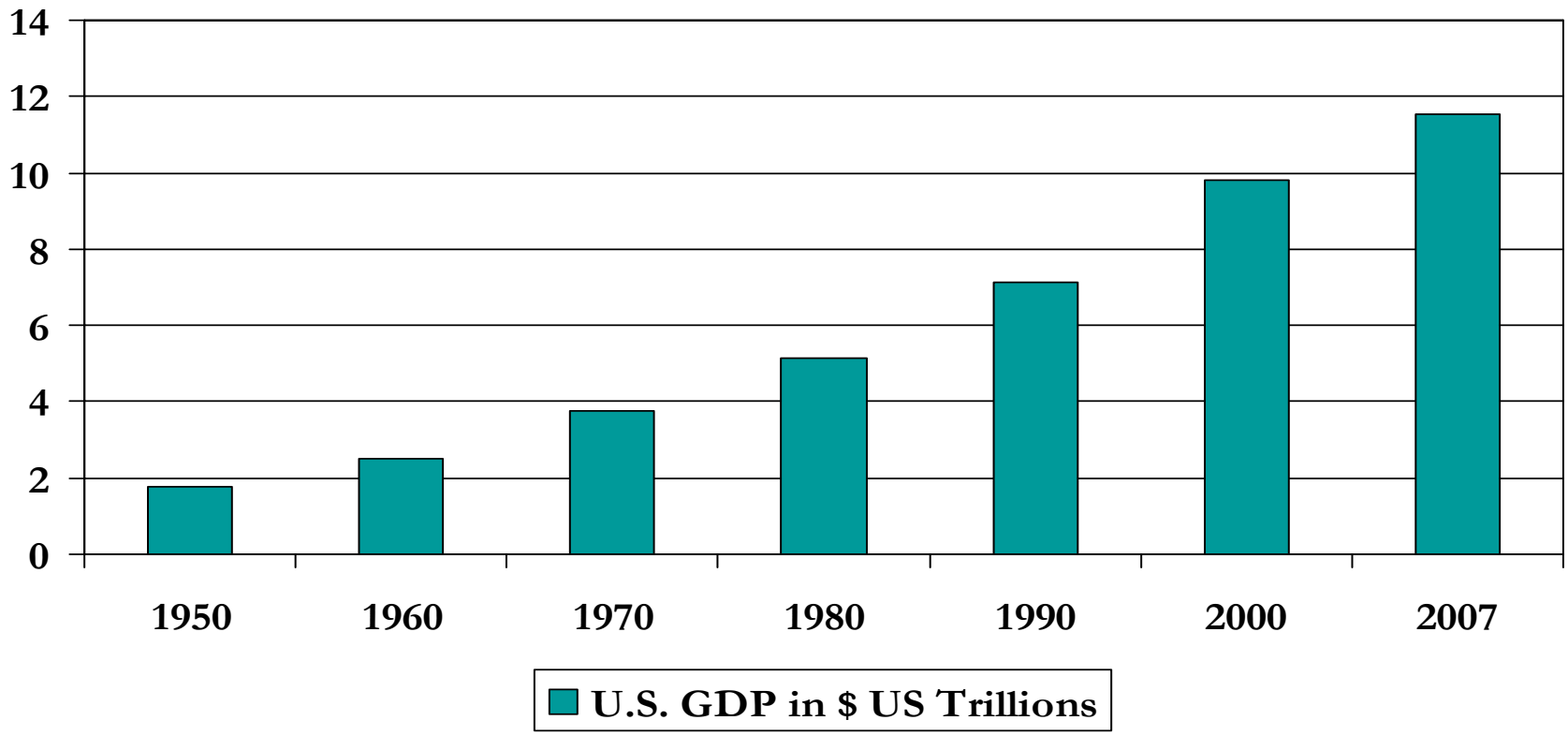
Compensation in North Carolina; Replacing High Wage With Low Wage Jobs

Code	Industry	Avg Compensation 2001	Avg Compensation 2006	Compensation vs Mfging 2001	Compensation vs Mfging 2006	Change in jobs: 2001-'06 Number	Change in jobs: 2001-'06 Percent
1402	Waste management and remediation services...	37,472	43,586	-17.6%	-25.5%	1,062	17.7%
1100	**Real estate and rental and leasing.....**	32,717	41,913	-28.0%	-28.4%	5,708	11.7%
811	Warehousing and storage.....	35,178	41,844	-22.6%	-28.5%	1,236	6.9%
511	Wood product manufacturing.....	34,207	41,152	-24.7%	-29.7%	-938	-3.2%
1600	**Health care and social assistance.....**	36,519	41,016	-19.6%	-29.9%	84,273	23.9%
403	Specialty trade contractors.....	35,528	40,978	-21.8%	-30.0%	18,261	12.8%
533	Textile mills.....	32,726	40,083	-28.0%	-31.5%	-43,224	-46.4%
703	Electronics and appliance stores.....	41,437	39,623	-8.8%	-32.3%	-855	-5.2%
713	Nonstore retailers.....	30,896	38,967	-32.0%	-33.4%	-1,541	-14.1%
521	Furniture and related product manufacturing.....	30,705	37,976	-32.4%	-35.1%	-18,336	-25.6%
534	Textile product mills.....	31,437	37,582	-30.8%	-35.8%	-6,882	-40.2%
531	Food manufacturing.....	30,580	36,998	-32.7%	-36.8%	410	0.8%
1901	Repair and maintenance.....	30,898	35,784	-32.0%	-38.8%	466	1.3%
1102	Rental and leasing services.....	28,812	35,401	-36.6%	-39.5%	-390	-2.3%
101	Forestry and logging.....	28,717	35,199	-36.8%	-39.8%	-914	-18.8%
1500	**Educational services.....**	31,977	35,065	-29.6%	-40.1%	19,087	35.4%
536	Leather and allied product manufacturing.....	33,296	35,012	-26.7%	-40.2%	-443	-36.5%
1700	**Arts, entertainment, and recreation.....**	27,229	33,877	-40.1%	-42.1%	3,813	8.0%
704	Building material and garden supply stores.....	29,394	33,343	-35.3%	-43.0%	5,144	13.1%
706	Health and personal care stores.....	26,943	33,233	-40.7%	-43.2%	4,606	17.1%
805	Transit and ground passenger transportation.....	26,175	32,152	-42.4%	-45.1%	565	12.3%
702	Furniture and home furnishings stores.....	30,002	31,866	-34.0%	-45.5%	2,422	13.3%
1903	Membership associations and organizations.....	24,408	29,599	-46.3%	-49.4%	11,078	14.0%
1400	**Administrative and waste services.....**	23,856	29,372	-47.5%	-49.8%	30,088	14.5%
1401	Administrative and support services.....	23,452	28,938	-48.4%	-50.5%	29,026	14.4%
700	**Retail trade.....**	24,290	27,667	-46.6%	-52.7%	8,251	1.8%
1702	Museums, historical sites, zoos, and parks.....	22,632	27,511	-50.2%	-53.0%	458	20.8%
1900	**Other services, except public administration..**	23,840	27,381	-47.5%	-53.2%	15,028	8.6%
102	Fishing, hunting, and trapping.....	17,682	27,168	-61.1%	-53.6%	-229	-69.4%
1902	Personal and laundry services.....	25,497	26,788	-43.9%	-54.2%	-132	-0.4%
100	**Forestry, fishing, related activities.....**	20,717	26,371	-54.4%	-54.9%	-859	-4.8%
712	Miscellaneous store retailers.....	23,906	25,271	-47.4%	-56.8%	-4,453	-14.0%
1603	Nursing and residential care facilities.....	21,229	25,182	-53.3%	-57.0%	13,917	16.8%
807	Scenic and sightseeing transportation.....	22,688	24,726	-50.1%	-57.7%	57	15.0%
103	Agriculture and forestry support.....	17,732	23,680	-61.0%	-59.5%	284	2.2%
81	**Farm wage and salary employment.....**	19,955	23,681	-56.1%	-59.5%	-3,680	-13.7%
1801	Accommodation.....	20,111	23,141	-55.8%	-60.5%	920	2.4%
711	General merchandise stores.....	18,067	22,302	-60.2%	-61.9%	8,918	10.4%
1604	Social assistance.....	18,986	22,116	-58.2%	-62.2%	18,852	33.2%
705	Food and beverage stores.....	18,183	21,337	-60.0%	-63.5%	-13,754	-15.7%
1703	Amusement, gambling, and recreation.....	18,776	20,864	-58.7%	-64.3%	3,207	9.3%
902	Motion picture and sound recording industries...	17,409	20,307	-61.7%	-65.3%	-201	-4.2%
709	Sporting goods, hobby, book and music stores..	17,987	19,590	-60.4%	-66.5%	12	0.1%
707	Gasoline stations.....	17,717	19,554	-61.0%	-66.6%	496	1.7%
708	Clothing and clothing accessories stores.....	17,437	17,711	-61.6%	-69.7%	2,787	7.4%
1800	**Accommodation and food services.....**	14,395	16,271	-68.3%	-72.2%	50,293	17.8%
1802	Food services and drinking places.....	13,493	15,348	-70.3%	-73.8%	49,373	20.2%
1904	Private households.....	9,815	10,721	-78.4%	-81.7%	3,616	14.3%

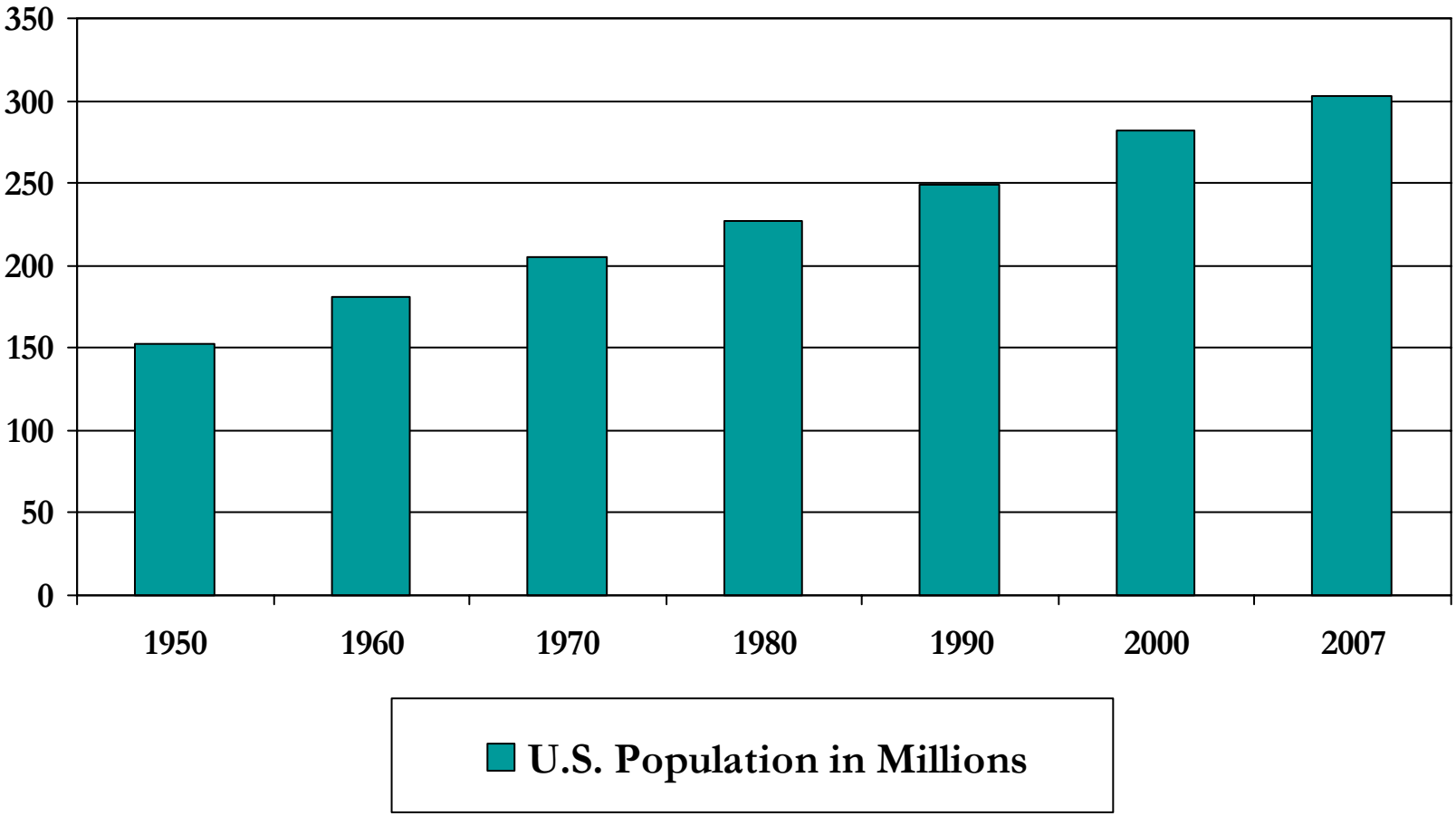
US Department of Commerce and MBG Information Services

U.S. GDP in Inflation-Adjusted $US Dollars (2000)

U.S. GDP Has Grown 550% Since 1950

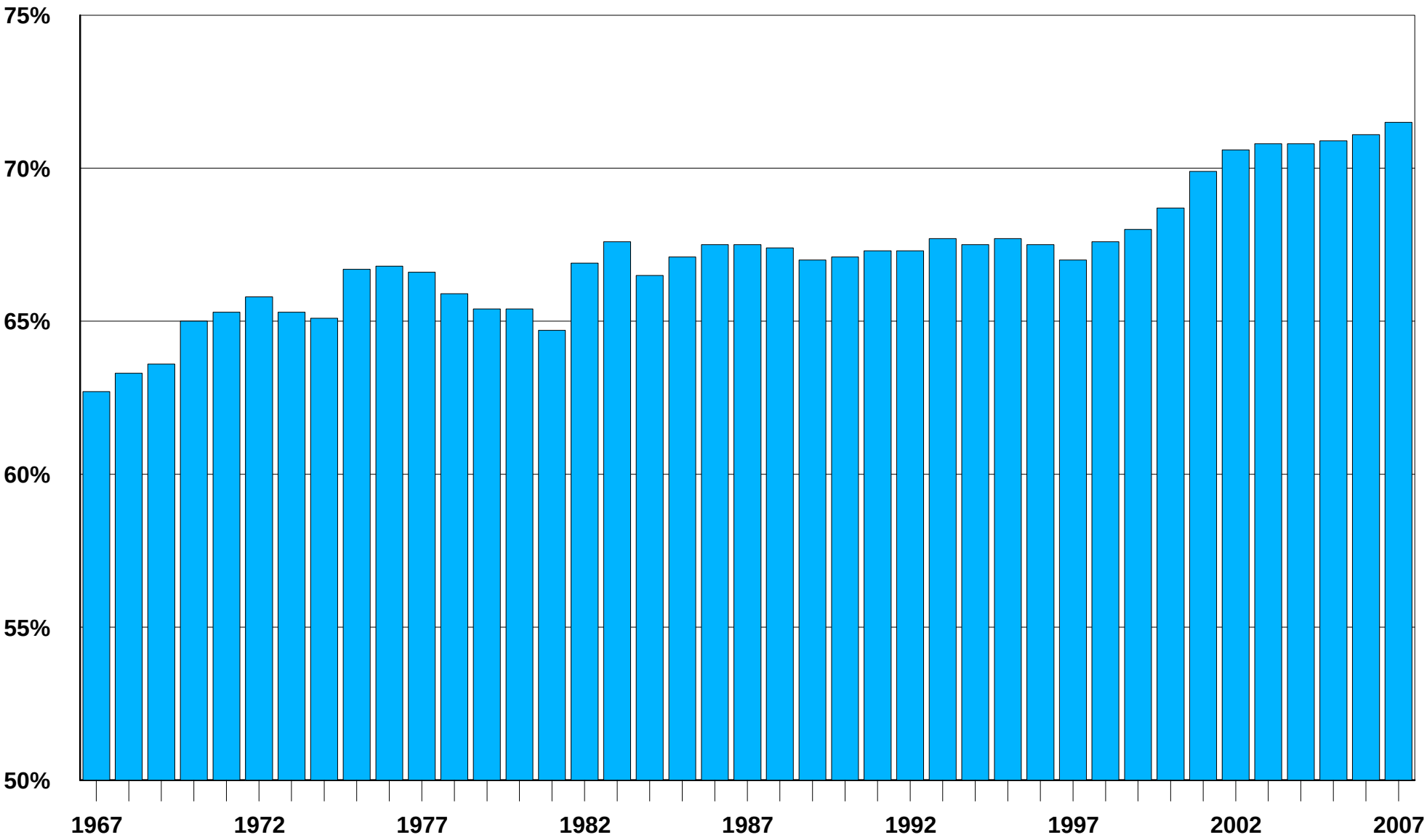


Population Growth in the United States
U.S. Population Has Grown by 54 Million Since 1990



Consumer Spending Share of GDP

% of GDP used for consumer consumption

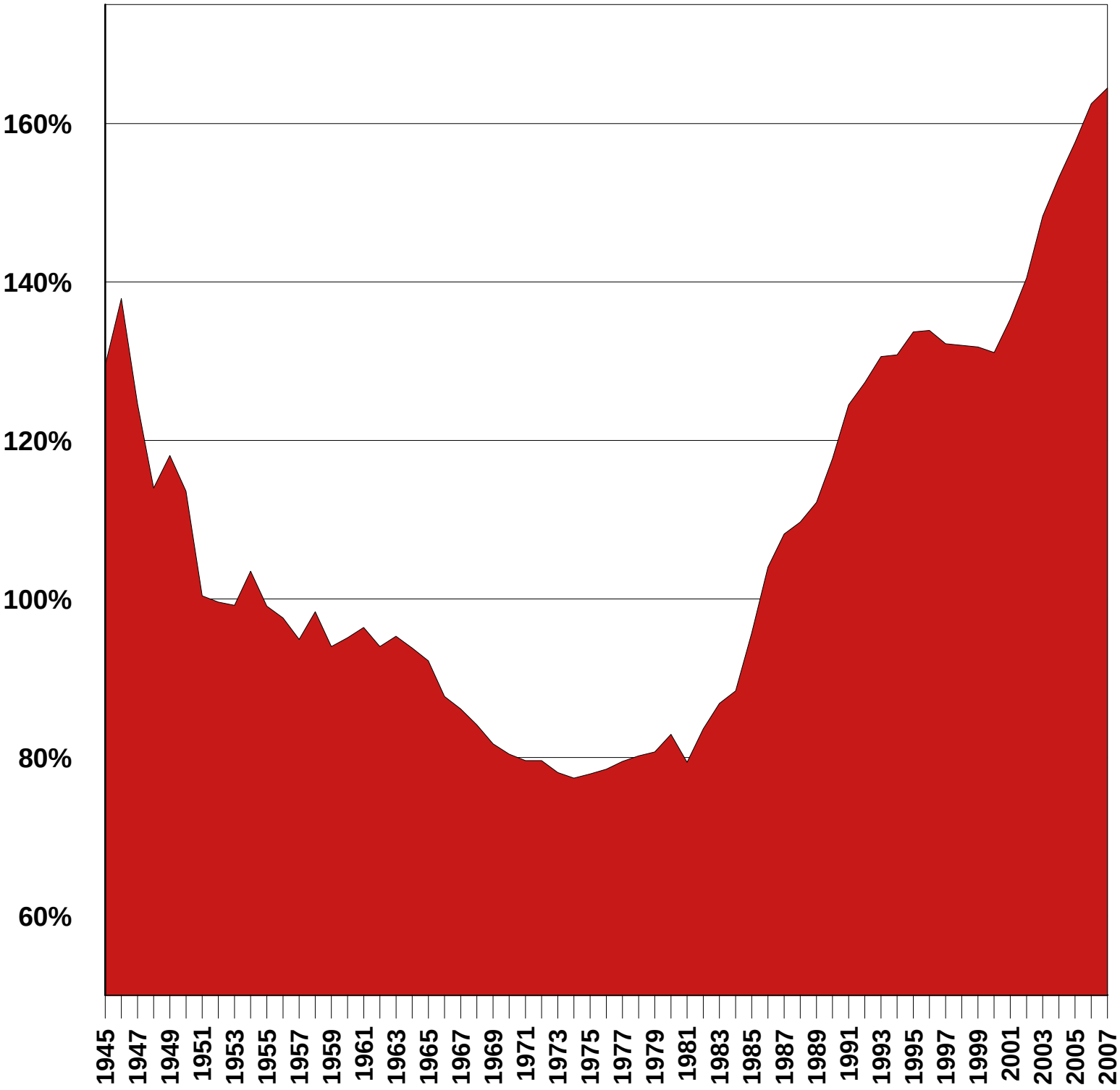


US Dept. of Commerce, BEA and MBG Information Services

Household and Federal Debt Percent of GDP:

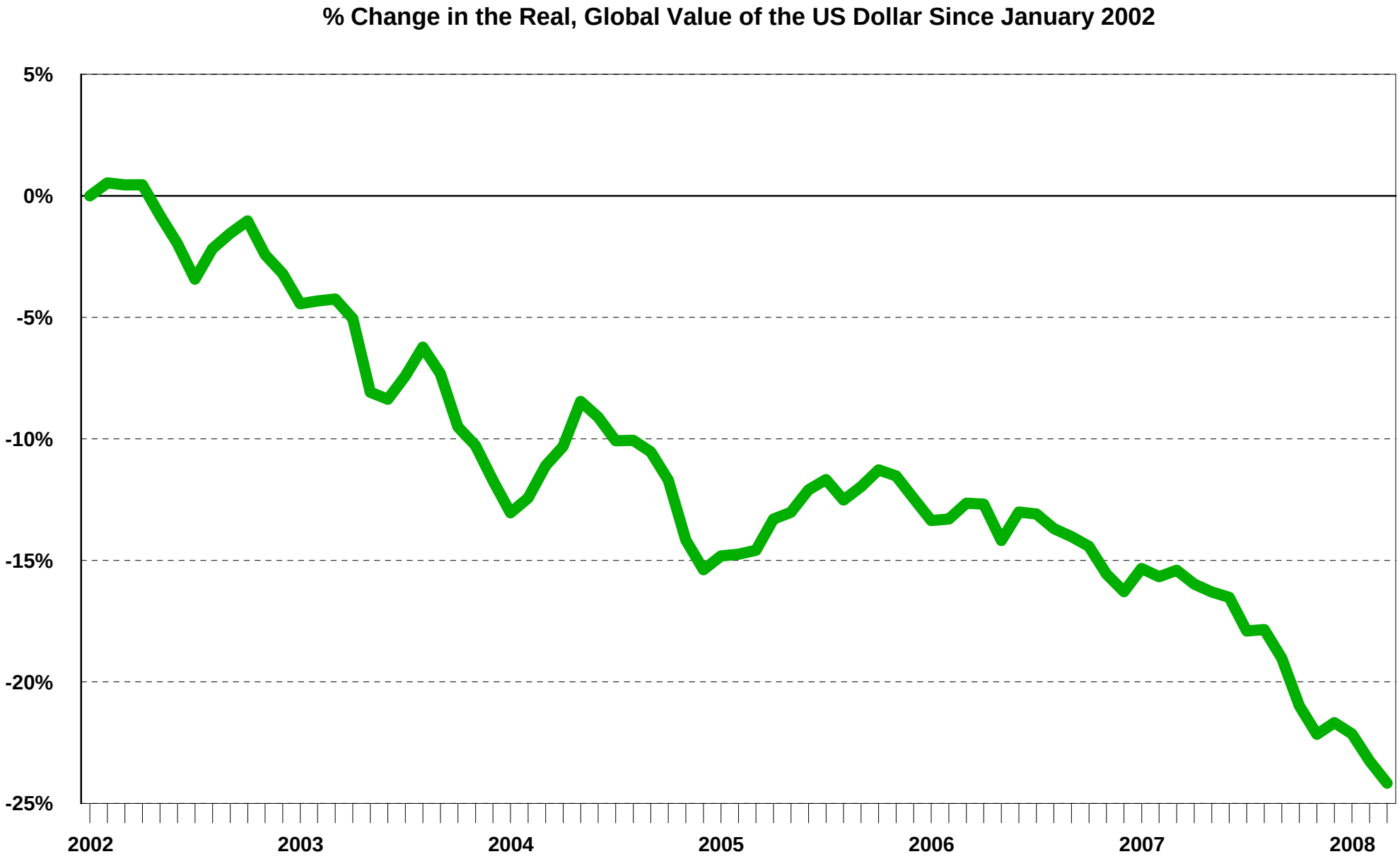
Post-WWII Debt Levels fell but have rocketed to All-Time Highs

% Debt to GDP at end of each Fiscal Year



US Depts of the Treasury and Commerce and MBG Information Services

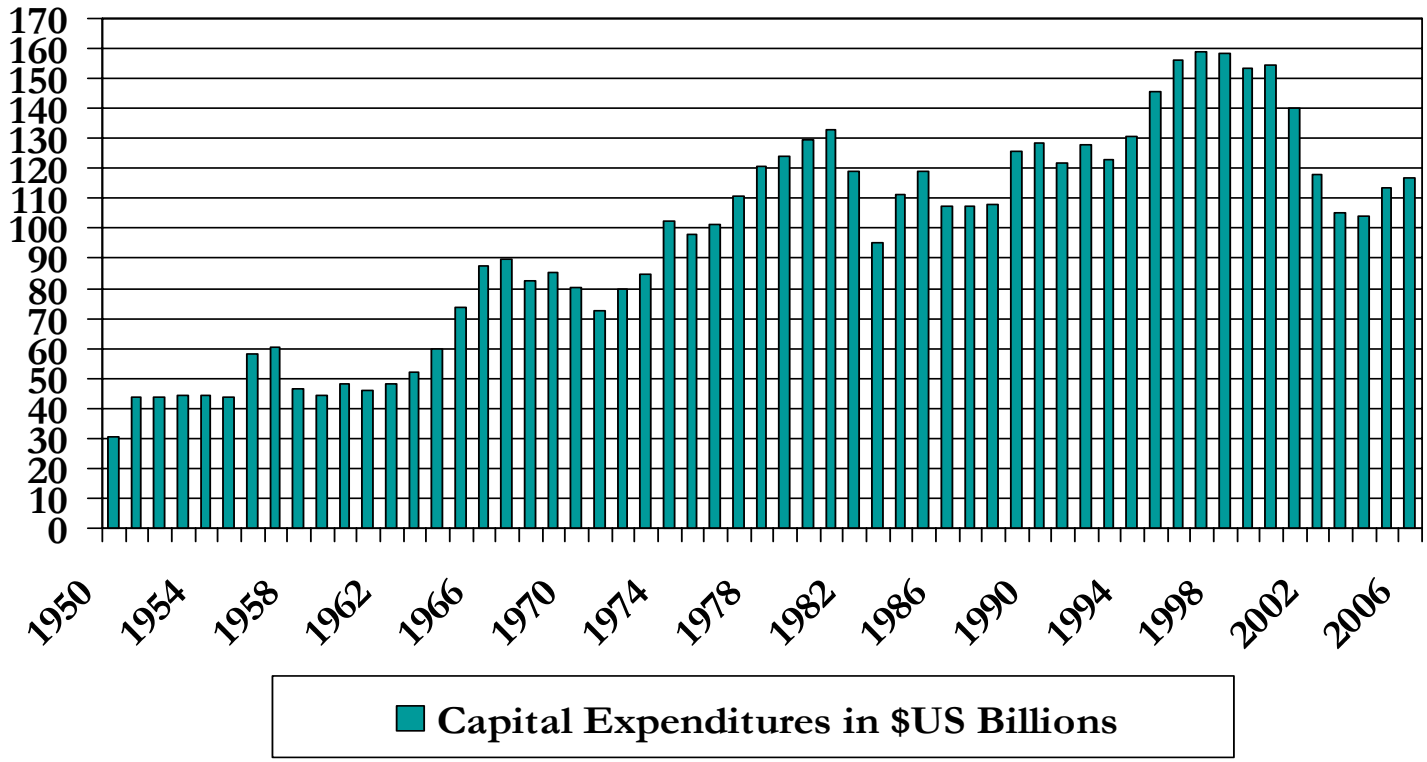
US Dollar VS. Price-Adjusted Index of World Currencies:
-24.2% Decline January 2002 to March 2008



Federal Reserve Board's price-adjusted "Broad" Index of currency values.

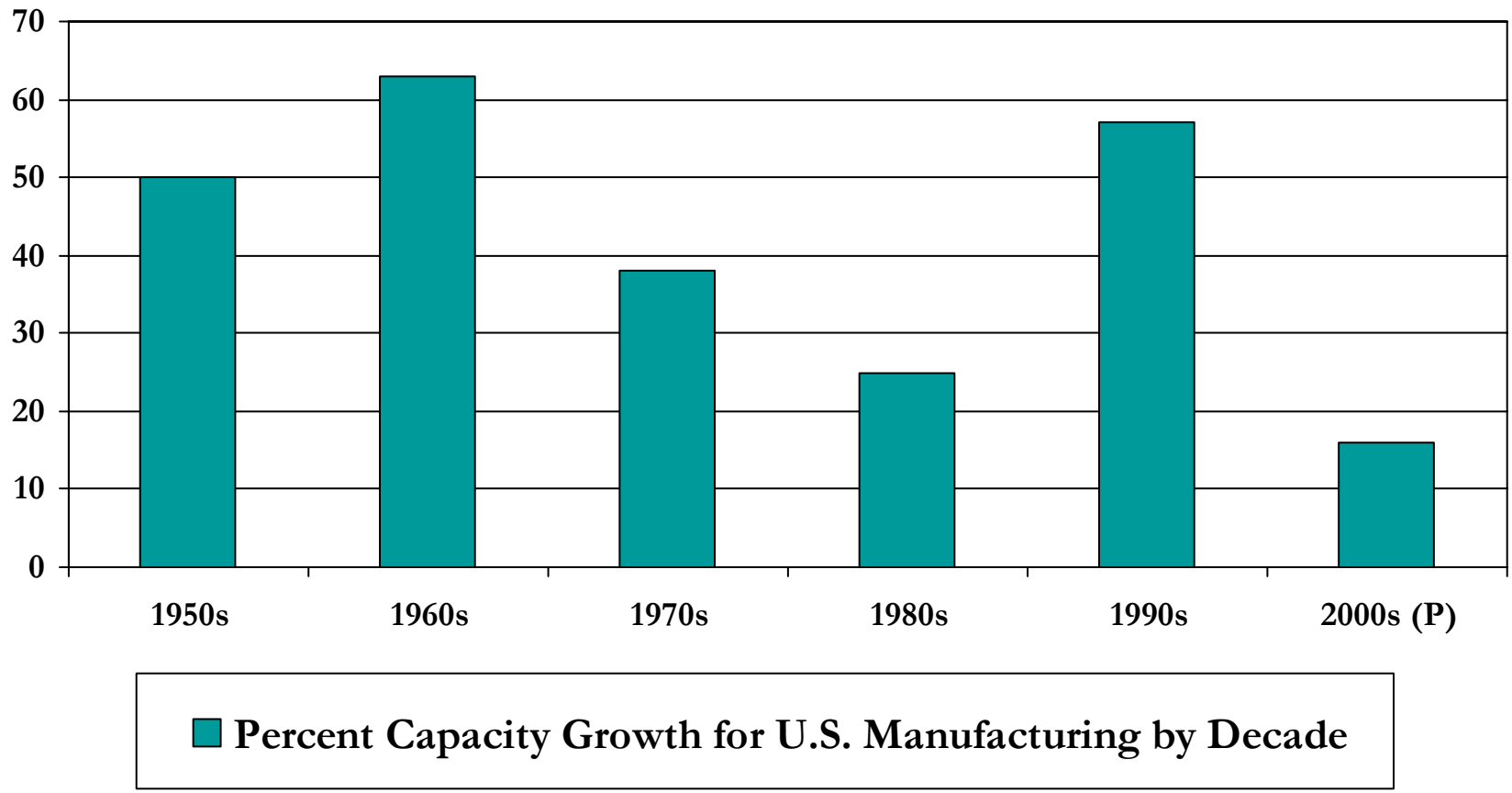
U.S. Manufacturing Capital Expenditures for Plant and Equipment in Inflation-Adjusted (2000) Dollars

Data from 1950-1991 is for new capital expenditures only. Data from 1992-2006 is for both new and used capital expenditures. Used capital expenditures averaged 4.14 percent of all capital expenditures from 1992-1996.
Source: U.S. Census Bureau, Annual Survey of Manufactures data converted to chained (2000) dollars.

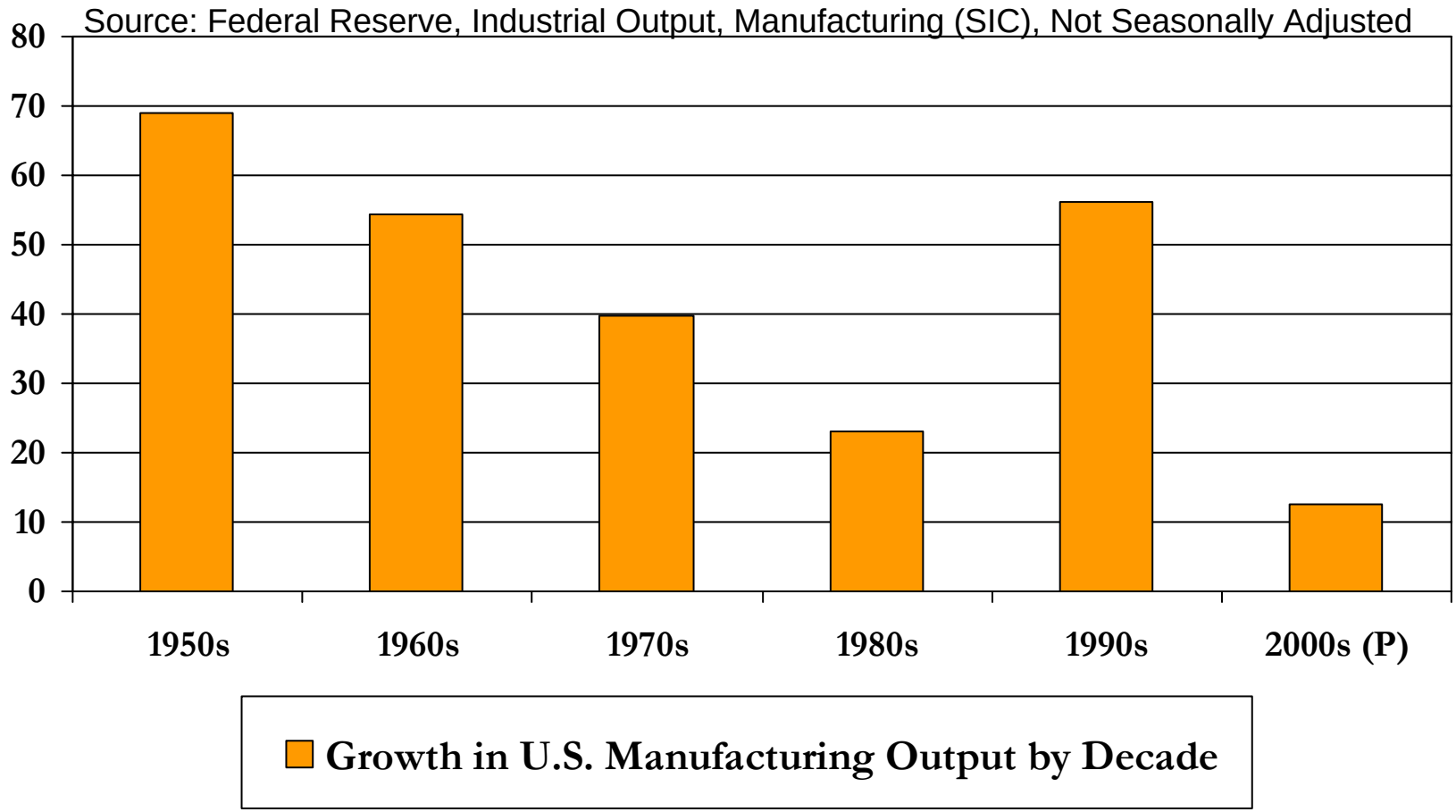


Percentage Growth in Manufacturing Capacity in the United States by Decade

Source: Federal Reserve Board, Industrial Capacity, Manufacturing (SIC), Not Seasonally Adjusted

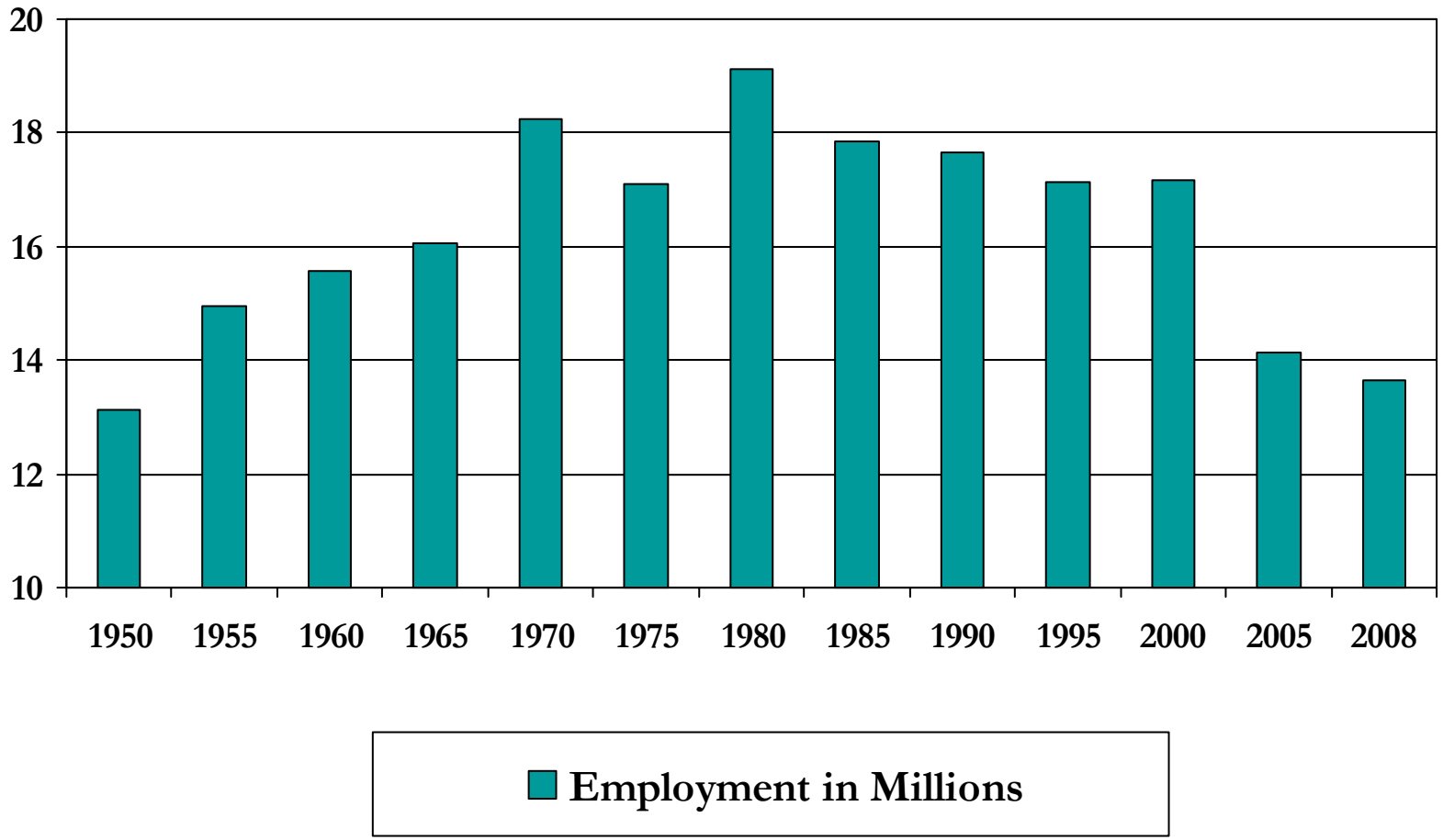


Growth in U.S. Manufacturing Output Slows



Manufacturing Employment in the United States

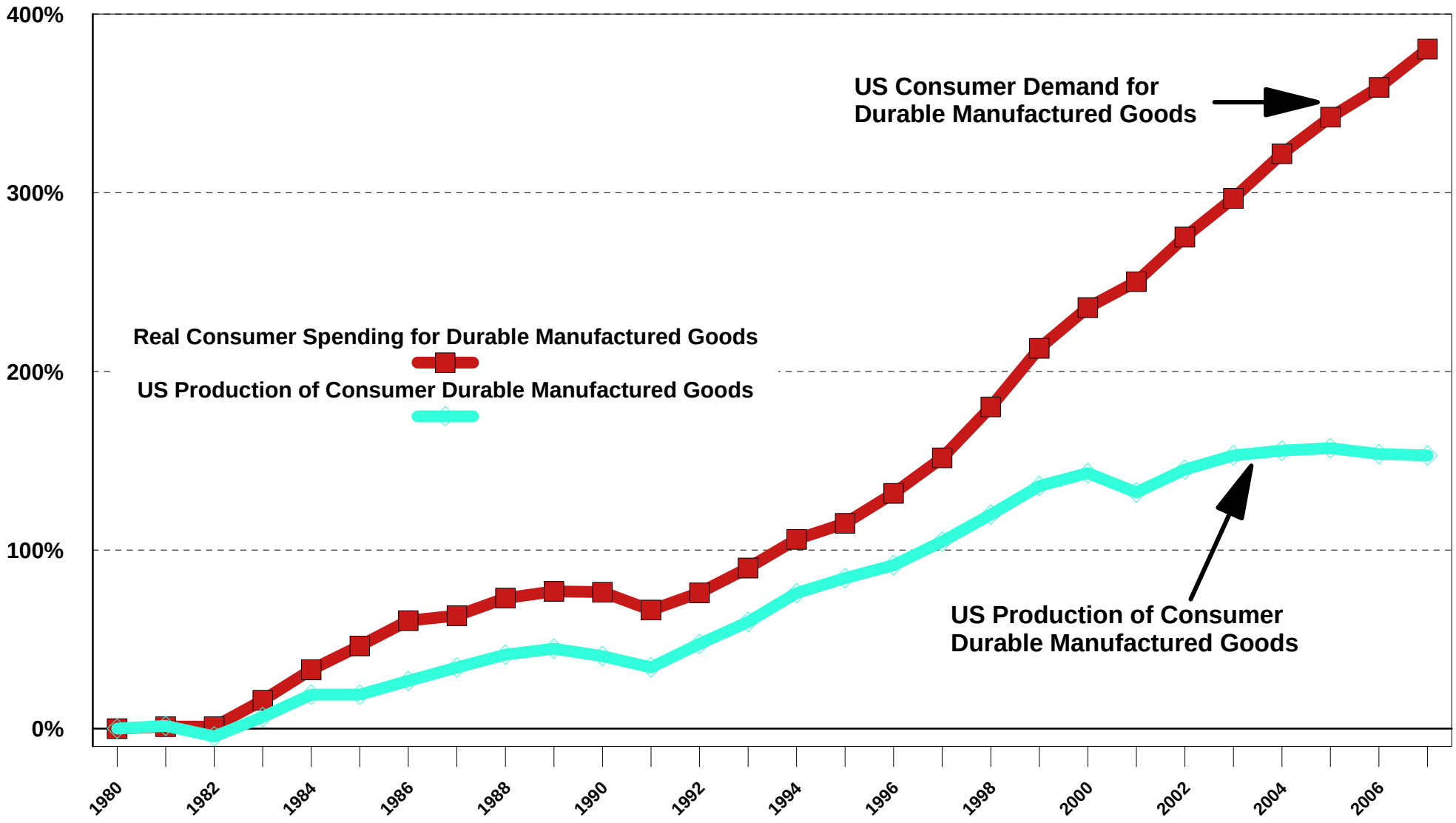
Source: U.S. Bureau of Labor Statistics, Manufacturing Employment, Not Seasonally Adjusted



US Demand for Durable Goods Soars

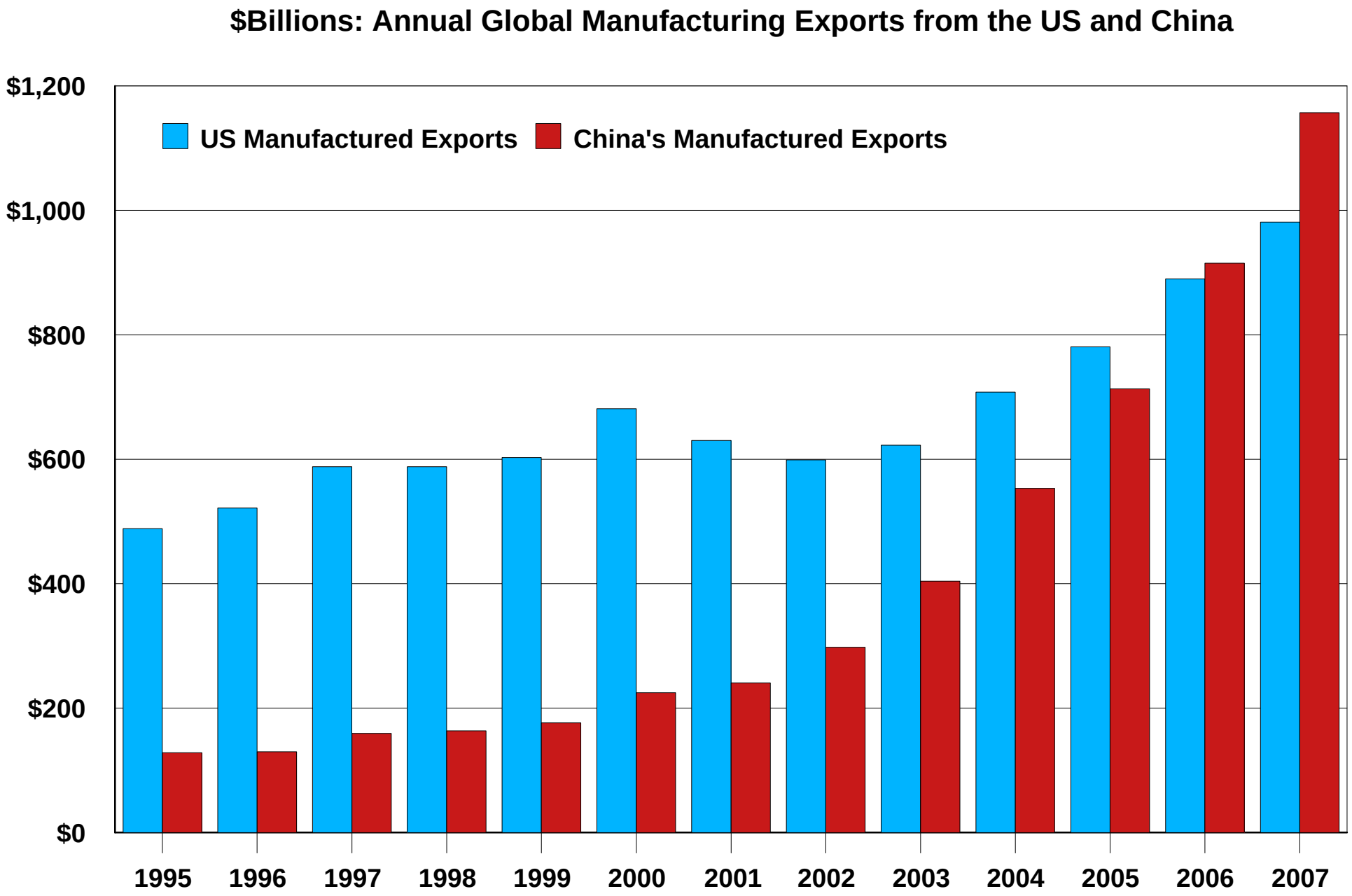
But US Production Provides only 40% of the Growth

% Volume Demand and Production Growth Since 1980



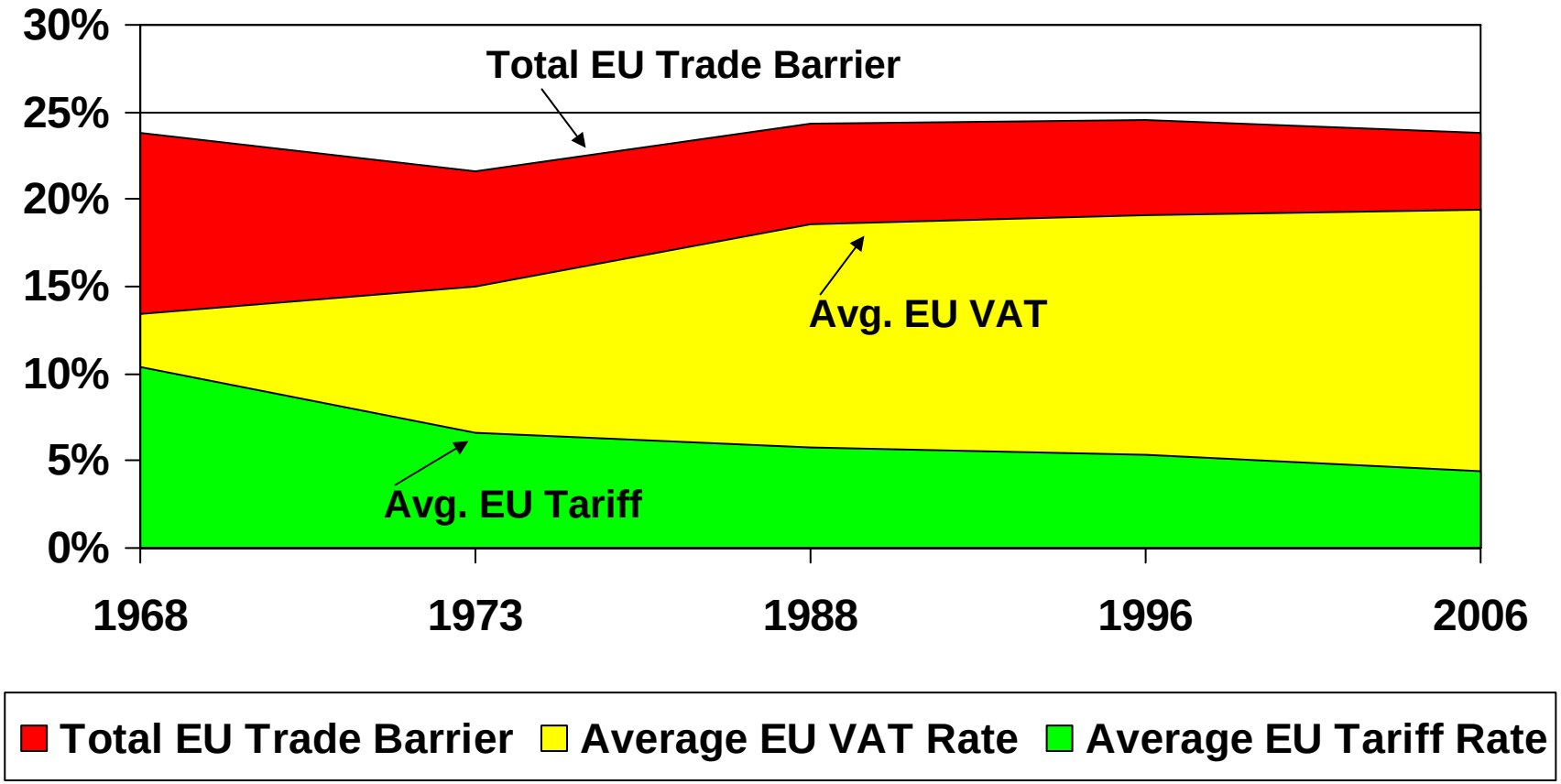
US Dept. of Commerce, Federal Reserve and MBG Information Services

China's Global Manufacturing Exports Soar Past US Totals



US Department of Commerce, China Customs and MBG Information Services Manufacturing is HS 28-96 industries

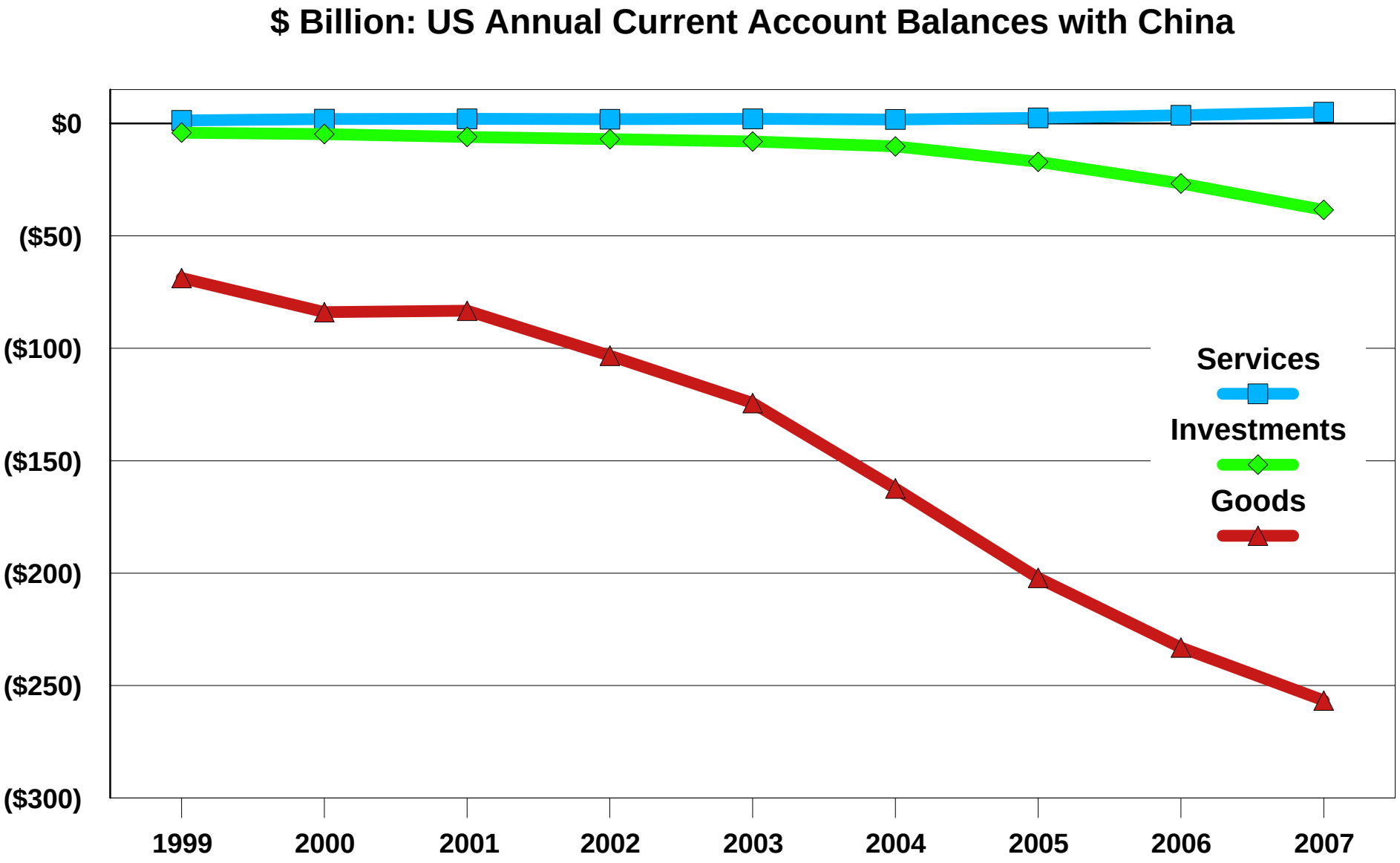
VAT Hikes Keep Aggregate European Trade Barrier Constant



Sources: Simple averages of MFN tariff rates on industrial products applied by EU countries are from the OECD and UNCTAD. For 2006, the latest available tariff rate from UNCTAD, for 2003, is assumed to remain constant. Simple averages of standard VAT rates of EU members with a VAT in effect are from the European Commission. Aggregate trade barrier is the sum of the average tariff rate and the average VAT rate for each year examined.

US Current Account Deficits With China

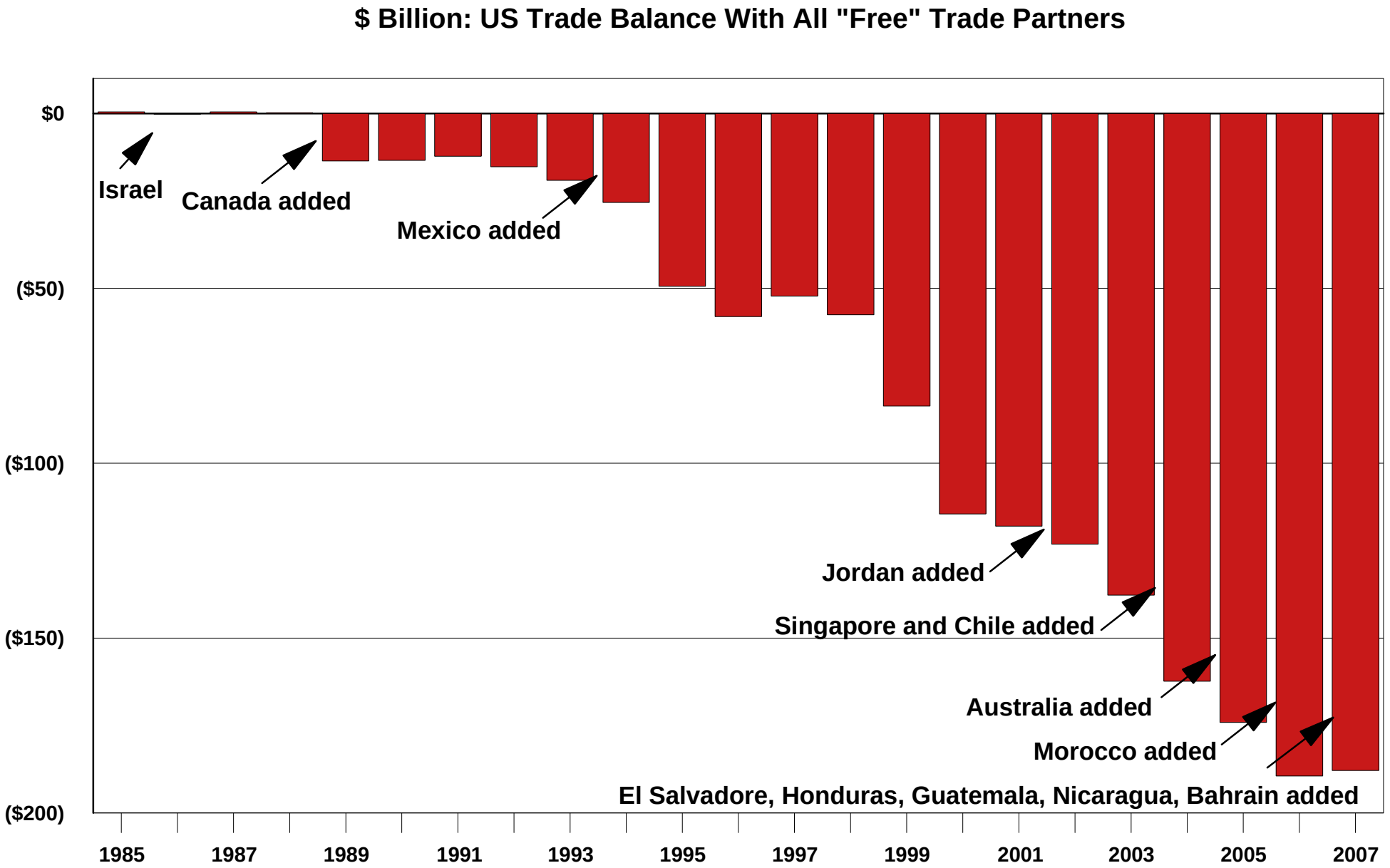
-$1.3 Trillion from 2001 to 2007



US Department of Commerce, BEA and MBG Information Services

"Free" Trade Agreements = Worse Deficits

2007: -$187.8 Billion US Trade Deficit With All FTA Partners



US Department of Commerce