

**TESTIMONY OF**  
**WILLIAM M. HICKEY, JR.**  
**PRESIDENT**  
**LAPHAM-HICKEY STEEL CORP.**  
**CHICAGO, IL**

**ON H.R. 4692 ‘NATIONAL MANUFACTURING  
STRATEGY ACT’**

**BEFORE**

**U.S. HOUSE OF REPRESENTATIVES**

**COMMITTEE ON ENERGY AND COMMERCE**  
**SUBCOMMITTEE ON COMMERCE, TRADE**  
**AND CONSUMER PROTECTION**

**WEDNESDAY, JULY 14, 2010**  
**2:00 P.M.**  
**2322 RAYBURN HOUSE OFFICE BUILDING**

Good afternoon.

I want to thank Congressman Rush for the invitation to testify on H.R. 4692.

I am Bill Hickey, President of Lapham-Hickey Steel Corp. of Chicago. Lapham-Hickey Steel is a family owned and managed steel service center founded in Chicago in 1926. Today we have seven locations in the states of Illinois, Wisconsin, Ohio, Minnesota, Connecticut, and Alabama. We currently employ approximately 550 people.

The steel service center industry is at the heart of the manufacturing economy of the United States. We, as an industry and a company, purchase large quantities of steel products from producing mills and either distribute that product in smaller quantities or process that steel through specialized machinery to allow our customers lower costs in the manufacturing of their product.

Our company processes steel and sells that processed product to customers across North America. We have thousands of customers in transportation, construction, metal fabrication, HVAC, machine tool, power generation, wind energy, just to name a few of the industries in which our customers produce manufactured products.

We are also in a very strategic position as a company to view the full spectrum of the manufacturing economy in the United States. I say this since our major suppliers are steel companies that manufacture steel in the United States and the vast majority of our customers are consuming the products we sell to them in the United States.

Now that I have given you some background on my 35 years of working in the U.S. economy and what economic function the firm I lead performs. I have to tell this subcommittee that I believe we, as a country, have to grow, mine, and manufacture for our economy to create the wealth needed by our citizens and government.

We, as a country, have experienced much economic and social pain in the last several years. I believe this economic pain was caused by the massive imbalances that have occurred in our economy. Part of these economic imbalances has been this massive destruction of the manufacturing economy in the United States in the past 10 years.

Here are some of the facts on what has occurred in the manufacturing economy in the last decade.

The U.S. manufacturing workforce has declined from 17,250,000 in 2000 to 11,549,000 in January of 2010. This is a reduction of 1/3 of our

manufacturing employment in 10 years! What happened? Why did we have this massive employment reduction in just 10 years?

During this same period the United States had 42,400 factories close. This included 36% of all factory employees more than 1,000 workers.

### **The Case for H.R. 4692**

These two facts about plant closings and having 1/3 of manufacturing jobs or almost 6 million disappear in just 10 years, in my judgment, is justification to enactment of H.R. 4692.

How do we create sustainable economic growth and increase employment? This is the first point in the policies that this Congress should promote and will be required once this Act is passed into Law.

A focus of this Act, that I believe is needed today, is the manufacturing strategy task force. As a member of the DOC ITAC 12, I find it very difficult, at times, to understand what our nation's strategy is on manufacturing. I actually think the strategy today is a policy of reacting to a crisis instead of planning for the future. A recent example of this lack of focus on national economic goals was the Import-Export Bank refusing to finance mining equipment for a Wisconsin based company for reasons that seem to be the whim of the appointed official.

If we had had a National Manufacturing Strategy in place the last 10 years would we have lost or greatly diminished our manufacturing capacity in television, auto parts, bicycles, cell phones, furniture, toys, computers, textiles, and a large cross section of industries I will not list?

I keep wondering if the theory about outsourcing our manufacturing and having our economy become based on financial services has finally shown the imbalances that were created. With the National Manufacturing Strategy we, as a country, will now have the opportunity to have a real debate on how to help Main Street provide jobs to our citizens versus having Wall Street bailed out by our taxpayers.

I thank you for your time and would welcome questions.

Sincerely,

Bill Hickey