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Trump's manufacturing guru: 'We actually need more government, not less'

Joseph DiStefano

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Donald Trump last week **named Dow Chemical Co.'s lame-duck CEO, Andrew Liveris, to head his manufacturing council,** which is supposed to help Trump meet his promise of restoring vanished factories and adding **25 million jobs.**

That's a vote for state capitalism. To bring back the factories that once employed millions of American immigrant workers at union wages, "we actually need more government, not less," Liveris told me in 2011.

Yes indeed: After he reluctantly consummated his Great Recession purchase of **Philadelphia's Rohm and Haas Corp.,** before he was **pushed by hedge-fund manager** Dan Loeb to boost profits, and responded by offering to **merge his underperforming Dow Chemical Co. with DuPont Co., then break it apart,** before he agreed to retire with a fat **$53 million** parachute, before he was **caught giving his wife lucarative hospitality contracts** funded by Dow shareholders, Andrew Liveris was head of the Business Roundtable and a leading cheerleader for American manufacturing.

Liveris, along with then-DuPont boss Ellen Kullman and other big factory CEOs, pressured President Obama to cut U.S. taxes on foreign corporate profits, invest in job preparation (so business doesn't have to), lend companies money cheap (for example through the Import-Export Bank that Pa. Sen. Pat Toomey keeps trying to kill), and otherwise make it easier for manufacturers to once again "Make It In America," also the title of Liveris' book.

Liveris told Fortune last summer it didn't really matter whether Trump or Clinton became President.

More on Liveris and his manufacturing agenda **here** and in my March 27, 2011 column:

A bold call to bring American manufacturing back
By Joseph N. DiStefano; Inquirer Staff Writer

Andrew Liveris, boss at Dow Chemical Co., is an immigrant engineer with a broad agenda: He wants the U.S. government to make American manufacturing strong again.

Bring back factories? Aren't we a knowledge-based, financially driven, high-level service economy now?

"Denial," Liveris calls that view in his new book, Make It in America, which his handlers pressed on me during a recent Liveris visit to Dow's Advanced Materials division headquarters in Philadelphia.

Liveris slams the "apostles" of postindustrial America - ex-Clinton Labor Secretary Robert Reich, glib writers such as Tom Friedman at the New York Times and Gregg Easterbrook at the New Republic, policy lobbyists at the libertarian Cato Institute and the liberal Center for American Progress - and anyone else who ever called factory shutdowns and offshore outsourcing natural steps on the road to an idea-based capitalist paradise.

"What they are selling is just plain wrong," Liveris writes. "Where manufacturing goes, the ideas follow. . . . If we do nothing, we will be left with nothing."

What's he want? Corporate welfare for the manufacturing sector? "It's a false choice to say that you can either be pro-business or pro-government. They must work in concert."

In Liveris' vision, factories add more jobs than banks, or home builders, or fast-food chains; they breed suppliers, vendors, more factories. They've been leaving America, not so much for cheaper labor, but for Germany, China, and other countries that have learned the value of manufacturing, standardized math, science, and writing education, and offered progressively lower taxes and bigger subsidies to attract companies that make useful things.

Kindles and solar panels were developed here; they should be made here, not just in East Asia, he says. To get them back, "we actually need more government, not less."

Dow still employs more than half its workers in the United States, though most of its sales are overseas. Liveris, an Australian native, says he wants to keep it that way. But he says he won't be able to if manufacturing, now just 12 percent of the U.S. economy, keeps getting paid to move away.

"America has, for decades, neglected the things that matter most to its economic health," destroying millions of jobs and the middle-income lifestyle, he says.

For a lot of people whose families used to live in Philadelphia rowhouse neighborhoods ruined when the factories moved out, that sounds like common sense.

But it also sounds costly. Here's what Liveris wants the United States to do:

Copy Germany and China by boosting tax breaks for solar and wind energy and imposing clean-energy requirements that would create demand for products like Dow's solar shingles.

Start a "National Economic Growth Bank" to subsidize growth industries chosen by a "bipartisan" board of "economists, scientists, engineers," and corporate managers.

Plus a "National Infrastructure Bank" that would back highway, port, and broadband projects of national significance. (The implication: U.S. banks, cable firms, turnpike authorities, and other regulated industries charge too much and give poor service.)

Streamline federal regulations and use them to replace the confusion of local business incentives and tax, pollution, and school standards.

Who'll pay? Liveris is looking for friends, not enemies, so he doesn't say what we should tax to pay for this.

He doesn't call for cuts in the three programs that dominate federal spending: wars in Iraq, Afghanistan, and now Libya; massive federal payments for medical care; and Social Security, which is still self-funding but needs to be adjusted as more people retire. (Excerpt)