



## California Bleeding Manufacturing Jobs, Report Shows

By FOXNews.com

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California is shedding manufacturing jobs faster than any other state thanks to heavy regulation and high taxes, according to a new study.

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The new numbers suggest that the federal government might want to think twice before following in California's footsteps and instituting sweeping regulations on the energy industry and elsewhere.

Otherwise the Golden State might not be the only one that's losing its luster.

"Without manufacturing, where is the wealth going to be produced to hire the accountants, to hire the attorneys, to pay the actors and actresses?" said Tim Strelitz, president of California Metal-X. Strelitz' company is one of the few heavy manufacturers left in California, and it's half the size it was seven months ago.

Strelitz said that while California's manufacturing jobs are moving to other states in North America, a lot of them are going straight to Asia, "where they have no pollution controls and no health controls."

Christopher Thornberg, with Beacon Economics in Los Angeles, suggested that efforts to rescue manufacturing jobs will have to wait as the state grapples with its budgetary crisis.

"Can our business environment be improved? Absolutely. Would it be good for the state? Absolutely. Can manufacturing be fostered? Absolutely. Is this the time to be worrying about it, absolutely not," he said.

But American manufacturing has been on a steady decline for decades and some economists say they fear that if the trend is not addressed soon the U.S. industrial base will disappear for good.

After World War II, manufacturing accounted for one in every three American jobs. Now it's one in 10 and falling.

The Milken report blamed California's exportation of manufacturing jobs on heavy regulation, a hostile legislature and the highest tax rate in the United States.

Milken economist Perry Wong said the state lost about 25 percent of its employment base in manufacturing and about 33 percent in the high-tech sector.

The Milken report suggested that California streamline its regulatory procedures for manufacturers, launch a campaign to encourage state workers to pursue careers in the manufacturing field and create a network of training and research centers throughout the state for the sector.

*FOX News' William La Jeunesse contributed to this report.*