Innovation Should Be Made in the U.S.A.

Offshoring by American companies has destroyed our manufacturing base and our capacity to develop new products and processes. It’s time for a national industrial policy.

By Sridhar Kota and Tom Mahoney

Offshoring matters—especially for a high-tech economy. While it’s still possible to argue that the offshoring of parts, assembly and final production has worked well for multinational companies focused on quarterly earnings, it is increasingly clear that offshoring has devastated the small and medium-size manufacturers that make up the nation’s supply chain and geographically diverse industrial clusters. While American federal research investments in the decades that followed enabled the invention of game-changing technologies such as the magnetic storage drive, the lithium-ion battery and the liquid crystal display, the country had, by then, already let go of consumer electronics manufacturing. Asia dominated.

In the 1980s, the off-shoring trend has accelerated, thanks to China’s entry into the World Trade Organization and major investments in research and production capacity that had not been seen in any national manufacturing sector. Asian companies began to control both design and production, and in 2000, China surpassed the United States in the number of manufacturing employment. A 2015 study by the consulting firms Strategik and PwC found that U.S. companies across sectors have been moving R&D to China to be closer to production, engineers and engineering talent—not just to reap lower costs and more dynamic markets. An estimated 50% of overseas-based field testing in China have been established by U.S. companies.

Innovation in manufacturing continues to show that the factories are American. Manufacturing leaders have now realized that the applied research and engineering necessary to introduce new products, enhance existing designs and improve production processes are best done near the factories themselves. As more engineering and design work has shifted to China, many U.S. companies have a diminished capability to perform those tasks here.

Manufacturing matters—especially for a high-tech economy. While it’s still possible to argue that the offshoring of parts, assembly and final production has worked well for multinational companies focused on quarterly earnings, it is increasingly clear that offshoring has devastated the small and medium-size manufacturers that make up the nation’s supply chain and geographically diverse industrial clusters. While American federal research investments in the decades that followed enabled the invention of game-changing technologies such as the magnetic storage drive, the lithium-ion battery and the liquid crystal display, the country had, by then, already let go of consumer electronics manufacturing. Asia dominated.

In the 1980s, the off-shoring trend has accelerated, thanks to China’s entry into the World Trade Organization and major investments in research and production capacity that had not been seen in any national manufacturing sector. Asian companies began to control both design and production, and in 2000, China surpassed the United States in the number of manufacturing employment. A 2015 study by the consulting firms Strategik and PwC found that U.S. companies across sectors have been moving R&D to China to be closer to production, engineers and engineering talent—not just to reap lower costs and more dynamic markets. An estimated 50% of overseas-based field testing in China have been established by U.S. companies.

Innovation in manufacturing continues to show that the factories are American. Manufacturing leaders have now realized that the applied research and engineering necessary to introduce new products, enhance existing designs and improve production processes are best done near the factories themselves. As more engineering and design work has shifted to China, many U.S. companies have a diminished capability to perform those tasks here.

Manufacturing matters—especially for a high-tech economy. While it’s still possible to argue that the offshoring of parts, assembly and final production has worked well for multinational companies focused on quarterly earnings, it is increasingly clear that offshoring has devastated the small and medium-size manufacturers that make up the nation’s supply chain and geographically diverse industrial clusters. While American federal research investments in the decades that followed enabled the invention of game-changing technologies such as the magnetic storage drive, the lithium-ion battery and the liquid crystal display, the country had, by then, already let go of consumer electronics manufacturing. Asia dominated.

In the 1980s, the off-shoring trend has accelerated, thanks to China’s entry into the World Trade Organization and major investments in research and production capacity that had not been seen in any national manufacturing sector. Asian companies began to control both design and production, and in 2000, China surpassed the United States in the number of manufacturing employment. A 2015 study by the consulting firms Strategik and PwC found that U.S. companies across sectors have been moving R&D to China to be closer to production, engineers and engineering talent—not just to reap lower costs and more dynamic markets. An estimated 50% of overseas-based field testing in China have been established by U.S. companies.

Innovation in manufacturing continues to show that the factories are American. Manufacturing leaders have now realized that the applied research and engineering necessary to introduce new products, enhance existing designs and improve production processes are best done near the factories themselves. As more engineering and design work has shifted to China, many U.S. companies have a diminished capability to perform those tasks here.

Manufacturing matters—especially for a high-tech economy. While it’s still possible to argue that the offshoring of parts, assembly and final production has worked well for multinational companies focused on quarterly earnings, it is increasingly clear that offshoring has devastated the small and medium-size manufacturers that make up the nation’s supply chain and geographically diverse industrial clusters. While American federal research investments in the decades that followed enabled the invention of game-changing technologies such as the magnetic storage drive, the lithium-ion battery and the liquid crystal display, the country had, by then, already let go of consumer electronics manufacturing. Asia dominated.

In the 1980s, the off-shoring trend has accelerated, thanks to China’s entry into the World Trade Organization and major investments in research and production capacity that had not been seen in any national manufacturing sector. Asian companies began to control both design and production, and in 2000, China surpassed the United States in the number of manufacturing employment. A 2015 study by the consulting firms Strategik and PwC found that U.S. companies across sectors have been moving R&D to China to be closer to production, engineers and engineering talent—not just to reap lower costs and more dynamic markets. An estimated 50% of overseas-based field testing in China have been established by U.S. companies.

Innovation in manufacturing continues to show that the factories are American. Manufacturing leaders have now realized that the applied research and engineering necessary to introduce new products, enhance existing designs and improve production processes are best done near the factories themselves. As more engineering and design work has shifted to China, many U.S. companies have a diminished capability to perform those tasks here.

Manufacturing matters—especially for a high-tech economy. While it’s still possible to argue that the offshoring of parts, assembly and final production has worked well for multinational companies focused on quarterly earnings, it is increasingly clear that offshoring has devastated the small and medium-size manufacturers that make up the nation’s supply chain and geographically diverse industrial clusters. While American federal research investments in the decades that followed enabled the invention of game-changing technologies such as the magnetic storage drive, the lithium-ion battery and the liquid crystal display, the country had, by then, already let go of consumer electronics manufacturing. Asia dominated.

In the 1980s, the off-shoring trend has accelerated, thanks to China’s entry into the World Trade Organization and major investments in research and production capacity that had not been seen in any national manufacturing sector. Asian companies began to control both design and production, and in 2000, China surpassed the United States in the number of manufacturing employment. A 2015 study by the consulting firms Strategik and PwC found that U.S. companies across sectors have been moving R&D to China to be closer to production, engineers and engineering talent—not just to reap lower costs and more dynamic markets. An estimated 50% of overseas-based field testing in China have been established by U.S. companies.

Innovation in manufacturing continues to show that the factories are American. Manufacturing leaders have now realized that the applied research and engineering necessary to introduce new products, enhance existing designs and improve production processes are best done near the factories themselves. As more engineering and design work has shifted to China, many U.S. companies have a diminished capability to perform those tasks here.
The GOp Has Three defenses of Trump. Only One Really Works.

EDITOR AT LARGE
GERARD BAKER

He did it and shouldn’t. But it should be left to the voters to decide.

**Impeachment Hearing**

**The Wall Street Journal**

Dr. David Trump

**The One Case Against Trump**

The GOP’s key argument is that Trump did not commit the crime of bribery, which is the specific violation that led to his impeachment. The case against Trump is based on the claim that he did not offer any quid pro quo for the release of Ukrainian military aid.

**The Three Cases Against Trump**

1. **Quid Pro Quo**
   - Trump did offer something in exchange for military aid.
   - The quid pro quo was the release of Ukrainian military aid.
   - The release was in exchange for the release of key Biden son.

2. **Mere Convenience**
   - The argument is that the quid pro quo was just a side effect of a more significant transaction.
   - The quid pro quo was not the main purpose of the transaction.
   - The transaction was not primarily about corruption.

3. **Political Considerations**
   - The argument is that the quid pro quo was just a political consideration.
   - The quid pro quo was not a criminal act.
   - The transaction was not primarily about corruption.

**The Quotable Trump**

The most memorable quote from the hearing was from Trump’s lawyer, David Schoen, who said, “The only thing Trump did wrong was he self-incriminated himself, and no one has ever done that before.”

**The Evidence**

The evidence presented during the hearing included texts, phone calls, and other documents that showed Trump’s involvement in the scheme. The texts included conversations between Trump, his lawyer, and other aides discussing the release of Ukrainian military aid.

**The Conclusion**

The conclusion of the hearing was that Trump did commit the crime of bribery, and therefore, he should be impeached.

**The GOP’s Response**

The GOP’s response was to argue that the quid pro quo was not the main purpose of the transaction, and therefore, it was not a criminal act.

**The Final Word**

The final word is that the quid pro quo was not a mere convenience or a political consideration, but a clear case of bribery. Therefore, Trump should be impeached.