

New York manufacturing

By Dean Poeth

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During a recent country drive, I decided to pull off the road by an old neglected farm to take some pictures. I couldn't help but notice the fields had succumbed to the relentless pressure of nature as weeds, brambles and even small trees had begun to take over. The paint on the farmhouse was peeled, and the broken windows made me think of the family that had once lived, laughed and cried there.

As I looked at that farm, I was reminded of the state of New York manufacturing. Through relentless foreign pressures, infighting between management and unions, and neglect by our political leaders, our manufacturing infrastructure, like that farm, is falling apart.

Yet manufacturing jobs are the foundation of a strong economy. That is why, during what may become the most severe economic downturn since the Great Depression, congressional leaders and the president have worked hard to throw Detroit's Big Three automakers a lifeline. They know this segment of the economy is critical for the long-term health of the nation, just as it is for New York.

In the 1950s and 1960s, the Capital Region was a leader in manufacturing. America's locomotives, electrical equipment, textiles, paper, leather goods and many other products were manufactured here.

COMPLACENT NEGLECT

Our success, however, also led to our downfall. Like Rip Van Winkle, New York industry slept while our competitors passed us by. In our complacency, we failed to improve our processes, increase our productivity and drive down costs. By the 1980s and 1990s, our lack of manufacturing competitiveness began to manifest itself in the closing of factories. It started with companies moving their manufacturing operations near-shore, to Mexico. When it was discovered that relocating to Asia could lower costs even more, many factories moved off-shore.

Now, touring some struggling factories in the Northeast is like taking a trip back in time. You may see 40-year-old machines, dirty floors, dim lighting and stacks of inventory, and watch as workers using obsolete methods swelter during the summer and freeze in the winter. Contrast this with several foreign-owned American factories I have toured, which are air-conditioned and utilize new machines, including many that employ automation. They are brightly lit, and so clean — several of these factories look as clean as a hospital.

We are often our own worst enemy. Despite these hard economic times, the never-ending infighting between management and unions continues while Rome burns. Contract negotiations often play out in the media like one of those Friday night TV wrestling matches, except that in this case the only real winners are our foreign competitors.

A poignant example is the recent two-month-long strike at Boeing in Seattle. Several observers have commented that the big winner in the conflict was Airbus, their European competitor. To

borrow a phrase from Ben Franklin, unions and management have little choice; they can hang together or the foreign competition will surely hang them separately.

GOOD INTENTIONS

Our political leaders, while often well-intentioned, apparently fail to both comprehend the seriousness of New York's manufacturing crisis or its solution. The recently announced exit of Super Steel from Glenville is a reminder that taxpayer-funded incentives are at best a gamble and at worse unsustainable. A more effective long-term strategy is to invest more heavily in training and mentoring New York's small manufacturers so they can become more productive and globally competitive.

Like a neglected farm, New York's manufacturing infrastructure is run-down. Only by a concerted effort by politicians, labor, and management can it once again return to its former prosperity.

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