

# NOTES FROM THE EDITOR'S DESK

History comes around full circle. It is interesting to talk to gear manufacturers who service the defense, aerospace, automotive and computer industries and find that their sales, production and backlogs reflect excellent and, in some cases, record breaking business. Yet companies primarily dependent upon industrial and commercial gearing, while doing slightly better, are still having difficulties.

It was not too many years ago that the currently booming industries were flat on their back. Like the industrial and commercial gear manufacturers today, those companies pared down their operations, cut their overhead, sold off or scrapped old machinery, and in other ways consolidated to become leaner and more efficient. They did this out of necessity — out of a sense of survival. When business finally started to come their way, they were ready. They have been, and are continuing to purchase the finest, latest technology available in order to produce the best product at the lowest possible cost.

We can always count on things to change, and so can those in industrial and commercial gearing. Unfortunately, the past and present do not give us a good perspective of our future. It is a human trait to assume that the future will continue to be like the present. When energy in this country was booming, almost everyone assumed that the cost of oil would continue to rise without interruption. Loans and projections were being made on the basis of fifty-sixty dollar oil. The subsequent bankruptcy of the Penn Square Bank, and the close escape of Continental Illinois National Bank, are good examples of the folly of this assumption. Two years ago, economists were projecting that inflation would continue to rise far into the future. Yet today, we live with inflation at its lowest point in twenty years.

There is a lesson in this, as history comes around full circle. While industrial and commercial gearing is now somewhat in the doldrums, and many in this field cannot see anything on the horizon to spur their business, this too will change. The recovery in many areas of manufacturing has been very slow. However, in the long run, this will be for the best because this business growth is being built on a solid foundation. The recovery is gradually reaching the industrial and commercial gear manufacturers; and although they are not yet ready to back their growing optimism with hard dollars, there is a general belief that business will be much better one year from now. How each company conducts itself as it comes out of the recession will influence the likelihood of its survival and prosperity in the 1980's.

While things are not always good, we can take heart that we can always count on things to change. Will you be ready to reap the rewards when history comes around full circle?



Michael Goldstein

A handwritten signature in dark ink that reads "Michael Goldstein". The signature is written in a cursive, flowing style.

Editor/Publisher