

Who Makes the Nails?

For want of a nail the shoe was lost.

For want of a shoe the horse was lost.

For want of a horse the rider was lost

For want of a rider the battle was lost.

For want of a battle the kingdom was lost.

And all for the want of a horseshoe nail.

—Nursery Rhyme

I've been thinking a lot about the importance of manufacturing over the last couple of years, especially as I've watched more and more of it leave our country. We work in an industry that is both economically and strategically vital, but I'm concerned that most Americans do not realize the importance of manufacturing, or what will happen if it continues to dissipate.

It used to be that we made everything we needed here in America. We don't anymore. For example, one of my employees recently bought an American flag. Imprinted on the flag in tiny letters were the words "MADE IN CHINA." Although the importance of manufacturing U.S. flags is more symbolic than strategic or economic, it still makes me wonder. If somebody else is manufacturing our own flag, what else are they manufacturing?

I spoke recently with an American gear manufacturer whose business is mostly aerospace- and defense-related. A while back, he lost some important gear business to a company in Eastern Europe. As it turns out, he got most of the business back because his customer was unhappy with the overseas results. This American gear manufacturer's business is up 34% over last year. I'm comforted by the fact that in this case, some crucial manufacturing capability has remained in America. But at the same time, I'm disturbed by the fact that it almost didn't.

The recent terrorist attacks on the World Trade Center and the Pentagon have pointed out the significance of our manufacturing capabilities. We need manufactured goods to respond to emergencies, rebuild what's broken and defend our nation. We need rescue equipment, construction equipment, vehicles and much more to clear away the rubble and rebuild. We need all sorts of sophisticated equipment to defend our country from further attacks.

During World War II, many factories were taken over by the government and retooled for wartime production. Then, machine tool manufacturers were told what to build and where to ship it for our defense efforts. Today, there are hardly any machine tool manufacturers left in America. Will we come to the point when we are unable to make the parts we need for our country's aircraft, tanks, missiles and other defense-related machines? Probably not, but in an extended crisis, we could easily find ourselves unable to produce what we need.

Even in times of peace, manufacturing is vital. Most people outside manufacturing don't realize how important it is to the economic well-being of a nation. Manufacturing is the creation of wealth. Manufacturers take raw materials, and by performing various processes, create something of greater value.

In addition to creating wealth, the manufacturing industries have always provided a lot of challenging, satisfying, necessary and good-paying jobs for America.

Of course, I'm not telling you anything you don't already know. You are all involved in manufacturing every day. I'm confident that, like me, you're proud to be involved in an industry that contributes so much to our nation's well-being. It would be nice, however, if the rest of America could see what we see.

I am entirely optimistic that this nation can overcome whatever challenges come its way. After all, we still operate the world's largest manufacturing economy. We make a tremendous variety of goods, and our technological capabilities continue to improve, year after year. But when things return to normal, will we forget the lessons we've learned? I hope not, because we can't afford to wait for the next crisis—strategic or economic—to find out if we'll be able to respond.



Michael Goldstein

Michael Goldstein, Publisher and Editor-in-Chief