

EDITORIAL



Photo by Jennifer Short

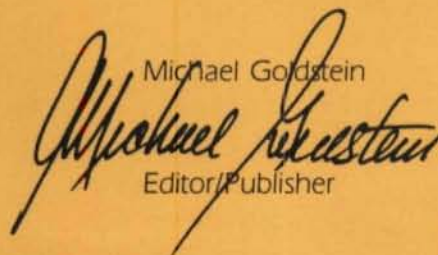
Three things have happened in the last few weeks, that lead me to believe the worst is over — not that great times are ahead, but that things will get better.

The strength of the dollar has probably been the single most important reason that our industries are simultaneously facing an onslaught of imported goods and finding themselves unable to export. On September 22, the finance ministers of the five leading industrial nations agreed to a plan to lower the value of the dollar. This is the first "official" action along these lines.

The next day, President Reagan, who is as staunch a "free-trader" as can be found, advocated a "fair-trade" program. For the first time, the President has turned his attention to the plight of manufacturers and farmers, if only to hold off the multitude of protections bills working their way through Congress.

Several weeks ago, an economist at the Federal Reserve requested data from the Machinery Dealers National Association (of which I am an Executive Committee member) to help determine the rates of deterioration and obsolescence of machine tools. This government agency is obviously concerned about the declining efficiency of old equipment and the increased productivity of technological improvements, a more hopeful approach than that of the Treasury or the Administration who play with the Investment Tax Credit and depreciation periods for political or budget balancing purposes.

Why are these 3 events important? Because it indicates that various branches of our government will no longer treat the problems facing American industry with neglect. As the dollar slowly drops, the President takes a more assertive stance on trade, and the government starts to research ways to make America's industry more competitive, things will stop getting worse. When the effect of these and other changes take hold, I think most everyone will agree, that things will begin to get better.

Michael Goldstein

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