

DON'T SELL US SHORT!

How is it that we woke up one day in the early 1980s to find that apparently American industry was suddenly inefficient, our workforce unproductive and our management inept? Almost overnight industry found its sales dropping dramatically, while for many companies foreign competition became excruciatingly intense. This sudden change in the economic climate proved fatal for many companies and has been nearly as hard on our collective morale. In a country used to winning, we began to hear ourselves talked of as losers.

Unfortunately, this grim diagnosis was right in some cases. The tough times of the early 1980s were, perhaps, a necessary, if cruel, awakening for American business. But these first assessments were only partial truths, and the post mortems, premature. As with Mark Twain's obituary, the reports of the death of American manufacturing have been greatly exaggerated.

While we had, perhaps, been careless and allowed ourselves to be blindsided by foreign competition, not all our troubles could be laid at the door of a soft, aging economy that had lost its edge. Industry was in a bind that no amount of competitive edge or effort could entirely overcome.

The early 1980s was a time that the American dollar and interest rates rose to their highest levels in many years. Prices for goods manufactured for export suddenly increased in terms of foreign currencies, while dollar prices of foreign products dropped, cutting off markets and making American products uncompetitive through no fault of our manufacturers. While some American companies failed because of competitive softness or bad management, most others were victims of economic circumstances over which they had no control. Even the most astute businessperson cannot overcome these kinds of economic conditions, or, for that matter, a trade or fiscal policy on the part of the government that undercuts his or her best efforts.

But American industry has always responded well under pressure. Historically, it has been pragmatic and flexible. It has learned from its own mistakes and has taken advantage of good ideas from everywhere. Its attitude in the early 1980s was no exception. In spite of the foreign exchange disadvantages, a great many companies took the steps necessary to survive. They invested in updated machines, processes and practices. They designed better, more saleable products, and they developed a savvier approach to their role in the global economy. They took some of their competitors' best ideas and used them to their own advantage. At the same time, businesspeople and, hopefully, their elected representatives, became more aware of the need for sensible government trade and economic policies.

All these hard-learned lessons are beginning to have an effect. The recent "weaker dollar" is actually a more "competitive dollar," giving American business a fairer



shot at global markets. As a result, more and more foreign companies are finding it profitable to buy from American suppliers. American companies are again becoming competitive in terms of price, quantity and delivery.

Just as important, American quality is again becoming a standard by which products can be judged. Some of our toughest competitors from overseas now buy parts from us, not because they're cheap or because it's politically advantageous to do so, but because our products are the best they can get. American ingenuity, resourcefulness and flexibility are again making a difference in our competitive stance.

Of course, things will never be the same as they were two decades ago when American products dominated every market. That era is over, probably never to return. We as a business community have had some serious problems, not all of which are yet solved, and all our troubles are not over. Because of our size, response time to changes can seem painfully slow, and current global economic realities will demand every bit of technical, manufacturing and business expertise we can muster. This country is unmatched in terms of human and physical resources and market size. Historically, we have always been able to summon the will and the means to get any job done that we really wanted done. Times and economic conditions have changed, but American resourcefulness has not. In evaluating winners and losers in the economic arena over the next few years, we should not sell ourselves short.

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

Michael Goldstein
Editor/Publisher