

LOCAL COMMENT

Why manufacturing still matters

By BILL FORD

Over the years, I've gained a reputation as being outspoken about environmental issues. I'm proud of that reputation, and happy to see the efforts to address these concerns are accelerating. But there is another critical issue that I've also talked about for many years, with more mixed results: the importance of manufacturing to local, regional and national economies.

I've given what I call my "manufacturing matters" talk all over the United States, including a number of times in Washington. My main message is that manufacturing in general, and the auto industry in particular, is a major contributor to the economy. It provides jobs and tax revenue, furthers research and education, creates new products and technologies, promotes overall prosperity, and is critical to national defense.

Unfortunately, this message has not resonated. There is a sense that manufacturing does not matter in the Information Age. Even those who are alarmed by America's dependence on

foreign oil seem indifferent to our growing dependence on foreign goods.

Other nations where Ford does business value and protect their manufacturing sectors. They do all they can do to help their industries. What I am suggesting is that our government should work to create business conditions in which winning is possible and losing isn't inevitable.

In recent years, U.S. automakers have been taking tough actions to improve our competitiveness. Unfortunately, the U.S. auto industry is being battered by a perfect storm of economic setbacks that are causing sales to plummet to their lowest level in more than 20 years.

As a result, Ford is undergoing its most rapid and far-ranging transformation since we switched to wartime production at the start of World War II. We are converting three existing truck and sport utility vehicle plants to build small cars. We are adding four-cylinder engine capacity to meet growing demand and expanding production of EcoBoost engines, six-speed transmissions and other fuel-

saving technologies.

In World War II, we built the Arsenal of Democracy. Now we are building the fuel-efficient Fleet of the Future.

The United States remains the world's largest manufacturing nation. Despite everything that has happened, the automotive industry remains the single largest manufacturing industry here. No other industry generates more manufacturing employment, trade, research and development, and retail business. But we can no longer afford to take the benefits for granted.

Conventional wisdom assumes we live in a borderless world where the location of a business is irrelevant and the fate of any one enterprise, or even an entire industry, is unimportant. In theory, someone from somewhere else can always step in to provide the products desired with no harm done.

The problem is, in the real world, there is harm done.

Factories are closed, jobs are lost, tax revenues that support universities, hospitals, social services and local schools are reduced. Over time, as the strength of its economy is eroded, the quality of life in a city, a state or an entire nation is diminished.

The principles of capitalism dictate that these disruptions, however painful, are good for the global economy in the long run. However, the principles of self-preservation suggest that rooting for the home team is not a bad idea.

Our home team — America — can no longer take its economic leadership for granted. Other countries have strategic plans and carefully thought-out growth policies. We don't have a plan, and sometimes it seems as if we don't



PAUL SANCYA/Associated Press

At right, Ford Motor Co. Executive Chairman Bill Ford (the author of this column) and Andrew Liveris, president, CEO and chairman of the board of the Dow Chemical Co., take questions Monday about plans to cohost a national convention in Detroit on the future of manufacturing, technology, energy and the environment.

have a clue.

Our economy is troubled today and threatened tomorrow. Business-as-usual is no longer acceptable. It's time for government and business to work together for a stronger, more secure, and more prosperous nation.

A good place to start is the Advanced Technology Vehicles Manufacturing Incentive Program proposed by Congress, which will help U.S. automakers accelerate their investments in fuel-efficient technologies.

We also need a meaningful dialogue about what we can do as a nation to improve our global competitiveness. Fortunately, a forum for holding this critical discussion now exists.

On June 15, 2009, America's top business, government and academic leaders will meet in Detroit at a National Summit hosted by the Detroit Eco-

nomics Club. The purpose of this three-day forum will be to define America's future in an increasingly competitive global marketplace. Participants will discuss and develop a national economic agenda that addresses the critical issues of technology, energy, the environment and manufacturing.

The National Summit offers a rare opportunity for a cross-functional group of leaders to tackle our toughest economic challenges. It will not only provide a platform for discussion, but also a springboard for action. For the sake of our children and grandchildren, we need to seize this opportunity and make the most of it.

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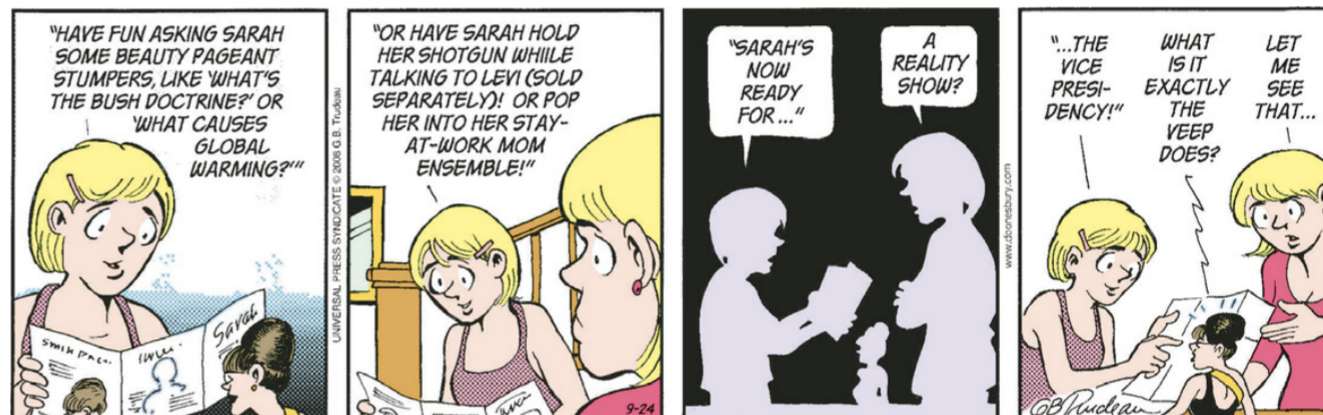
CAPTION THIS



TODD McINTURF/Associated Press

How would you caption this photo of newly sworn-in Detroit Mayor Kenneth Cockrel Jr. in his office last week? E-mail your best ideas to captionthis@freepress.com by 2 p.m. Thursday. Include your name, address and day and evening phone numbers. We'll publish the best lines Sunday and send the winners a Free Press prize.

DOONESBURY By Garry Trudeau



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