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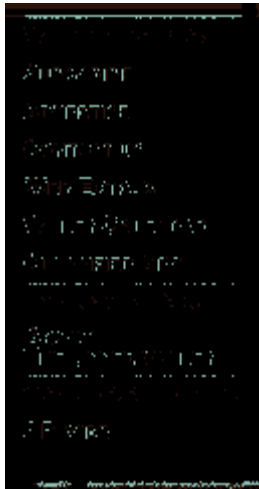
# VALLEY NEWS

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## Manufacturing Is Dead? Not So Fast

By Sarwar A. Kashmeri

For the Valley News

There is a common misperception that, with the demise of the Upper Valley's machine tool industry and the growing imports of products from low-wage countries, machinists' jobs are headed for extinction.

The reality, however, is quite different.

"There are over 10,000 people employed in the machine tool industry, in 50 or more shops within a 40 mile radius," Mitch Latva, president of Newport-based Latva Machine Inc. told me.

"We have hired 20 workers in the last six months, and would hire five more today if I could find them," he said.

Latva Machine, which was started by Mitch Latva's father with one employee in 1979 and has 90 employees now, pays an average of \$16 to \$18 an hour to its machinists, and provides a benefit package with insurance and vacations. It has to offer this level of compensation to attract new employees because all his competitors do.

The manufacturing industry itself is quite different from what it used to be. Unlike yesterday's machine tools -- the lathes, drills and cutting heads that performed one function each -- today's computer-controlled machines produce entire components without the need to manipulate any wheels or levers. Computer programs rotate a dozen or more tools mounted on a single machine as each tool in turn automatically, cuts, bores and grinds, while the operator watches through a tinted glass enclosure. What comes out is a finished product with tolerances measured in thousandths of an inch.

The machine shop itself has changed -- from a dimly lit, dirty, noisy operation to a spotlessly clean, well-lit production facility where computer displays and push-buttons have replaced the wheels and cams of yesteryear.

This is an industry with a sizeable impact on the well-being of the Upper Valley -- at the \$16 hourly rate, the 10,000 machinists within a 40-mile radius of Latva Machine account for a payroll of more than \$300 million annually.

But the misconceptions persist: that the machine-tool industry is in intensive care, without a future, with sub-standard working conditions and salaries. Few students in high school -- where early career decisions are made -- are aware of the high-tech nature of modern manufacturing and the stable career prospects the industry offers, not just in the Upper Valley, but around the country.

Why these misconceptions? What does the industry have to offer a generation of computer-savvy, creative young people? Might it offer an attractive option to middle-aged workers who want to change careers? What is being done in the Upper Valley, and nationally, to correct the misconceptions, and to overcome the persistent shortage of qualified machinists? I will focus on these questions over the next few weeks.

One reason for the misconception is confusing terminology. Many people confuse the machine-tool *building* industry with the manufacturing industry that uses machine tools to build products. It is the machine tool building industry, represented in its storied past by the many famous Springfield and Windsor names, that has largely disappeared over the years. Incredibly strong during the 1940s, '50s and '60s, the machine-tool building industry almost made it into the '70s.

"What hit it then was the same shock wave that hit the American automobile industry," Latva told me.

Detroit had stopped thinking about the needs of its customers and built cars it believed the customers ought to use. The Japanese, on the other hand, listened to the American customer and designed cars to meet their needs. These imports began to capture an increasing share of the American market.

To its credit, the American automobile industry learned from the Japanese, remade itself, and survived. Vermont's machine-tool makers, on the other hand, continued to make what they deemed were in the best interest of their customers, and got wiped out.

Virtually all modern machine tools are now made in Japan. Latva remembers calling one of Springfield's top tool makers to buy one new machine tool in 1979; he was told the company really preferred to sell its machines in lots of five or 10, and couldn't be bothered to send a salesman to Newport for a one machine sale.

When Latva called the representatives of Japanese machine-tool company, "their salesman drove up from their Connecticut offices to

see us the same day.”

The misconception about which industry got wiped out, together with the transfer of low-technology, high-labor manufacturing to Asian countries and China, has created the erroneous impression that a manufacturing career is a dead-end street.

“It is simply not true,” Latva told me. “Just think about it: There are hundreds of thousands of components in a Boeing 777, and someone has to make each one of them.”

The manufacturing industry's vibrancy in the Upper Valley is mirrored nationally. The National Association of Manufacturers points out 15 million people are employed in manufacturing across the country. The industry is growing at a rate faster than the economy as a whole, with jobs that average \$54,000 in total compensation -- 20 percent higher than the national average wage. NAM estimates there will be a shortage of 13 million to 15 million skilled machinists in the United States by 2020.

Clearly, the death of the American manufacturing industry, to paraphrase Mark Twain, has been greatly exaggerated.

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