

Our tool & die industry here is soul of U.S. manufacturing

By DELL McCLOY

As surely as Wall Street is the nation's financial heart, then Detroit is its manufacturing soul.

If it can be forged, machined, welded, stamped, plated, milled or assembled, Detroit area people can and will build it as well as it can be done anywhere on earth.

Somewhat erroneously, the Detroit area has been made synonymous with the automobile.

While it is true that if it can be put on wheels and driven, it can be built here, it is just as true that a great many other products are of Detroit origin.

One of the prime reasons for this widespread success is that the Detroit area is one of the nation's prime sources of vital technology and expertise in the critical tool-and-die industry.

FULLY 25 PERCENT of the United States' tooling capability can be found within the confines of Wayne, Oakland and Macomb counties, according to sources within the industry.

The only other area of the country which can begin to touch that concentration is the West Coast, where the heart of the aerospace industry is located—and that is a highly-specialized type of tool-making, with more limited application than what is available in this area.

If that is not a sobering revelation, it is at least an indication as to why diversified industries are being increasingly attracted to the Detroit area.

Simply put, they want to be close to where the tooling capability is.

This isn't to say that the automotive industries aren't the main clients of the hundreds of independent tooling outfits which flourish here.

They are. But that dependence is changing because of advances in technology and the laws of economics.

The people who put up the money to purchase machinery and pay people wages have discovered that a machine that can be used to make tools, jigs and fixtures for the automotive industry needn't necessarily be confined to that strict purpose.

Or, to use the words of William E. Sturton Jr., managing director of the Detroit Tooling Association: "A hole is a hole."

WHAT THAT TRANSLATES to is this: By standardizing machinery supports, motors and other related equipment, tool-making firms can keep their machines and employees making money by working for non-automotive industries.

That is important because of the cyclical nature of the automobile manufacturing process and the possibility of economic slumps within the industry.

Because of the concentration of automotive production facilities in the area, it has been said in the past that when the nation sneezes, Detroit develops pneumonia.

That "illness" at times had devastating effects on the tool-and-die shops which depended heavily on the big auto companies for their daily bread.

It was "feast" during the yearly tool-

ing-up periods and "famine" during the time of the year when the companies own experts provided maintenance and tooling alterations.

During those periods, vast layoffs occurred at scores of independent firms and some simply closed their doors for good.

Sturton, whose organization acts as sort of a clearing house for over 300 Detroit area tool-and-die companies, cited the survival instinct for the diversification in the industry and the growth of specialty shops throughout the area.

For example, a shop may specialize in intricate borings while another may only tackle plastic moldings. A third may limit its work to sheet metal die production, and so on.

"IT DOESN'T MAKE sense for a firm to spend \$250,000 for a machine to bore holes if it only has six holes to bore and then that's it," said Sturton.

"But if one company has the capability to do the specialized boring operations and other firms utilize its resources enough for it to make money, that does make economic sense."

It allows that company to also develop more sophisticated techniques and machinery within that specialty field, which all combine to allow the manufacture of products with better tolerances, more reliability, greater uniformity, etc.

If that reeks of putting all one's economic eggs in one basket, so be it.

It works.

Nobody seems to see any need for diverging from the practice of farming out specialty work, either.

A 1955 STUDY of the tool-and-die industry by the University of Michigan's Division of Research came up with these facts, which were made public by automotive industry spokesmen addressing the U.S. House of Representatives:

- American Motors relies completely on outside companies for specialty tooling and dies used in the production of component parts.

- Chrysler Corporation said its outside needs varied from year to year, but indicated its inside tool-and-die activity was providing only about 50 percent of its needs.

- Ford Motor Company said its latest figures indicated at the time that approximately 60-70 percent of its body die business was done by outside firms.

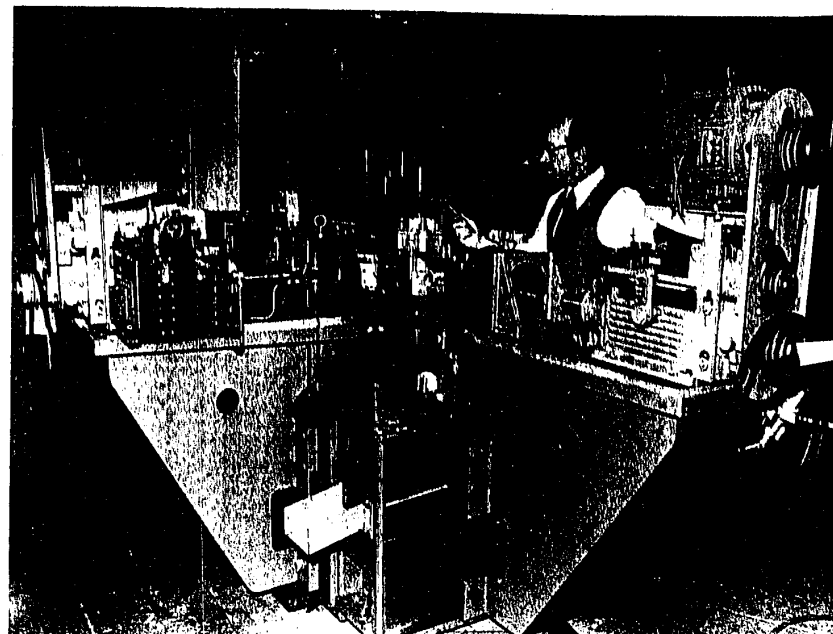
- General Motors Corporation indicated its work was split very nearly down the middle and said that when that work level did increase, it (the increase) usually went to outside sources for completion.

GM said it couldn't envision operating completely "in house" in the area of tool-and-die construction, nor could it envision doing away with its staff.

That's got to come as good news to the operators of the burgeoning tool-and-die businesses in the area, which employ upwards of 50,000 skilled craftsmen.

Generally, the specialty shops are thriving and are booked years ahead for work.

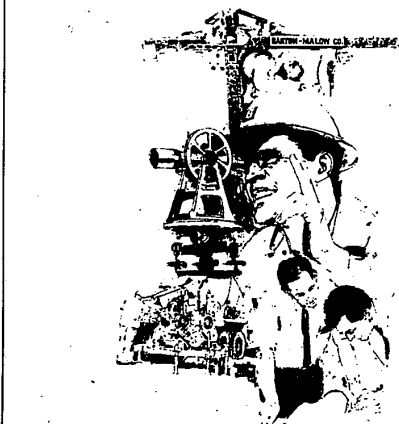
That is a solid economic indicator for the Detroit area.



A. H. Waiteo, general manager of Trio Tool Co., in Livonia, checks performance of a heater motor shaft boring machine. (Photo by Art Emanuel)



Build America



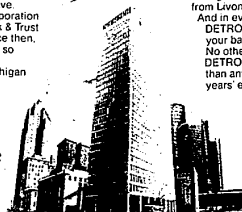
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