

Revitalizing Rockford

In January, this column will celebrate its fifth anniversary. When Tom Fleming and I originally conceived of the idea back in 1998 (as an occasional "Letter From Rockford" to be written by various local activists), we were capitalizing on the fact that our city was considered by marketing agencies and national chains as an ideal testing ground, because, demographically—on questions of race, income, education, *etc.*—Rockford represented the national averages.

Seven years later, that is no longer true—minorities make up a greater percentage of the population than they do in the nation as a whole; average income is slightly lower (depending on which statistics you believe); educational levels have slipped. It is too early to tell whether these trends are harbingers of America's future direction, but one thing is clear: Economically, Rockford is still forecasting America's future.

For a city of 150,000 people, a solid economic base requires that income flow in from the outside. In this respect, the frenzy of commercial development on the east side of town over the past 20 years has actually decreased Rockford's economic viability, not increased it. The lion's share of every dollar spent at a national chain, such as Wal-Mart, leaves the local economy, never to return—unless, of course, it returns in the form of another local Wal-Mart Supercenter. Rockford will soon have five, positioned strategically around the city, pumping money out of the local economy and funneling it to Bentonville, Arkansas, and China—any place but here.

Contrary to the belief of government planners in both parties, sales-tax revenue, by itself, is not an accurate measure of economic health. Far more telling are such statistics as average household income (essentially flat over the last 30 years in inflation-adjusted dollars); average hours worked per household (up about 50 percent during the same period); bankruptcies (setting new records almost every month, both locally and nationally); savings rates (near the lowest point in the history of the United States); mortgage debt (at record levels, spurred on by low- and no-cost loans and reverse

mortgages, which suck the equity out from under senior citizens and break the ties between generations by ensuring that the family house cannot be passed down to the children); and credit-card debt (rising every month, as even such venerable financial institutions as Chase Manhattan offer vast credit lines to people they would not have dreamed of servicing ten years ago).

That last fact is very important, because it shows the ultimate hollowness of the consumer economy. According to CardWeb.com Inc. (www.cardweb.com), average household credit-card debt in 2004 was \$9,312, up 29 percent since 1998, when the most recent dramatic decline in manufacturing employment began. That's almost \$700 billion in outstanding credit-card debt. So while both the Clinton and Bush administrations have done little or nothing to arrest the decline of American manufacturing, we have been financing our consumption with one of the most expensive forms of debt, and that money that we never had in the first place has been leaving our communities—and some portion of it has gone to finance the expansion of "American" manufacturing in China, furthering the death spiral.

The service-economy model that was supposed to replace manufacturing has similar problems—it only increases the economic health of a community if it brings in money from outside. But service-industry execs, like their counterparts in multinational manufacturing concerns, are always looking for ways to decrease costs, and thus it was almost inevitable that such things as call centers—which did bring money into local economies—would be outsourced.

Tourism is a form of the service economy that, by definition, cannot be outsourced, and it can benefit local economies, but it only works for areas that are attractive as tourist destinations. Rockford may be a pleasant place to live, but it is Pollyannish to believe that it is more desirable as a tourist destination than similar cities of its size throughout the Midwest. Indeed, it is less desirable than, for instance, Midwestern cities on the shores of the Great Lakes.



And the economic potential of tourism to Rockford is further undercut by the fact that most of the tourists who do come here stay out in the great Wasteland on the eastern edge of town, just off the tollway. While the chain hotels and restaurants out there generate sales-tax revenue, they do not generate much money that will stay in the local economy and, thus, cannot form a solid economic base for the city's future.

And so, for better or worse, the economic health of Rockford has to be tied to businesses that bring money into the city by exporting products out. That does not necessarily mean manufactured goods—software, for instance, is an exportable product—but manufactured goods have been, and still remain, the lifeblood of this community. While it may be true that, strictly in terms of dollars, healthcare and public education today "contribute" more to Rockford's economy than manufacturing does, those are sterile "industries." G.K. Chesterton was right when he said that we cannot all make a living taking in each other's laundry, and that is even more true of warehousing children in public schools or treating each other's ailments, real or imagined.

And so we come back to production—good old-fashioned, as in many of the factories around town, or new-fangled and high-tech, such as the techniques being developed at the EigerLab (a research and development center in Rockford funded with both public and private funds). Even today, as manufacturing in Rockford begins to rise back up out of the recent economic downturn, 23 percent of Rockfordians are employed in manufacturing. Another 23 percent hold jobs that are dependent upon local manufacturers. In other words, the economic fate of almost half of the population of



A factory worker programs a machine at Rockford Acromatic.

Rockford is tied to manufacturing. That's far more people than those whose livelihood is dependent on healthcare, education, or tourism. If Rockford is to survive, the decline in manufacturing needs to be arrested, and positive steps need to be taken to increase manufacturing employment in Rockford.

That, of course, is easier said than done. But there are signs of hope. Perhaps most significant among them is the Manufacturers Alliance of the Rock River Valley (MARRV). Small manufacturers, like most small businessmen, have traditionally been an independent bunch. They haven't necessarily viewed themselves in competition with their fellow manufacturers in Rockford—though too often they have—but they are used to being solely responsible for the success or failure of their own business. And if the current manufacturing crisis has taught us anything, it's that this mind-set needs to change.

MARRV is a big step in the right direction. So far, over 40 local small manufacturers have come together to form a flexible network. Large manufacturers from outside the area, who are outsourcing more and more of their component production, now have one point of contact in Rockford that can help them find the right small manufacturer—or several small manufacturers—to fill their needs. And manufacturers who are members of MARRV do not need to worry about being unable to fulfill a customer's request and possibly losing that customer as a result—they can turn to their fellow members as backup.

If this sounds a bit like a Frank Capra movie, well, all the better. Talking to

such local manufacturers as Bob Trojan and Teresa Beach-Shelow and Mike Molander and Char Vincer, all of whom have been indispensable in getting MARRV off the ground, it is possible to believe that Frank Capra is alive and well. In their mouths, "cooperation" and "collaboration" and "combining resources" and "helping each other out" become more than buzzwords: They represent an older morality—a better morality—that disappeared long ago from the boardrooms and corporate offices of all-too-many large manufacturers who are now American in name only.

But for small manufacturers—locally owned and operated—this remains a way of life. And there is an increasing realization—among manufacturers themselves, among politicians, among those who live in cities such as Rockford—that manufacturing is not a monolith. Publicly held, multinational corporations have a different set of priorities—a different morality—from the small manufacturers who make up the economic backbone of Rockford.

The problem in American manufacturing is not simply foreign competition. NAFTA, GATT, WTO, permanent normal trading relations with China—all of these came at the tail end of one of the most extensive periods of mergers, acquisitions, and centralization in the history of American industry. And those mergers were driven by an obsession among corporate leaders with quarterly profit-and-loss statements that overshadows any other concern, including questions of national security and the well-being of their fellow Americans (their workers, their workers' families, and the small manufacturers further down the production line).

The prosperity of America in the 20th century was built not on General Motors and Ford and Chrysler and General Dynamics but on the small manufacturers, often with 100 employees or less, who provided the lion's share of manufacturing employment in this country—like such local companies as Rockford Acromatic and AutoMeter and Rockford Linear Actuation and LJ Fabricators and Dial Machine and the 40-plus companies that make up MARRV.

At one time, the interests of large manufacturers largely coincided with those of small manufacturers, but with the increasing mobility of capital and labor, their interests have now diverged. Cor-

porate tax law, trade agreements, and even environmental and healthcare regulations have been structured to benefit large manufacturers—especially those who have the ability to move offshore and who have the resources to fund congressional and presidential campaigns.

Organizations such as MARRV represent one way of leveling the playing field. But we have to pursue a multipronged approach. We need federal tax reform that removes barriers to American competitiveness, such as the border-adjusted value-added tax that Rockford Institute board chairman David Hartman has proposed. (See "America for Sale" and "Taxation for Economic Survival" in the November and December 2004 issues of *Chronicles*.) We need to reduce taxes and regulatory burdens here in Illinois, so that Rockford can compete effectively with other cities in the United States. We need better schools, so that children in Rockford will be equipped with the skills and critical thinking necessary for modern manufacturing. We need local political leaders who understand that the economic health of this community depends on its manufacturing base. And we need citizens who once again take pride in Rockford's role as a manufacturing center and who stop steering their children away from manufacturing as a career—and stop encouraging the best and brightest of the next generation to move away from their hometown.

America's prosperity was built on manufacturing, and Rockford's was as well. Our downtown was built upon a manufacturing base—and it can be rebuilt upon a revitalized manufacturing sector. Our park system, of which we are justifiably proud, was a legacy of our industry. Our river played an important role in the growth of manufacturing in Rockford, and the converted factories along its banks should serve as a constant reminder of what Rockford once was—and can be again.

Most importantly of all, manufacturing once formed the basis of Rockford as a community—of people bound together in a common cause, caring about the welfare of their neighbors and proud of their hometown. We don't need, in the words of an old, failed marketing slogan, "A different kind of greatness"—we can have the old greatness back. The small manufacturers of Rockford still have pride in their hometown. It's time the rest of us—here in Rockford, and across America—discovered it as well.

Letter From Alabama

by Michael Hill

Taking Down the Fiddle

The 75th anniversary of the publication of *I'll Take My Stand* ought to cause traditionalist Southerners and other Americans to look closely not only at the current state of our society but at their own personal spheres of community, family, and church. The authors warned that the South was in danger of being snatched from its organic agrarian roots and given over to the artificial and contrived, if it accepted modern industrialism. Music is one of the areas deeply affected by the triumph of modern industrialism.

Andrew Nelson Lytle, one of the Twelve Southerners who contributed to ITMS, admonished his fellow Southerners in 1930 to "Throw out the radio and take down the fiddle from the wall." I live in a place that, perhaps unwittingly, has taken Lytle's sage advice for some four decades. The Shoals, a four-city area (population 63,000) in northwest Alabama, comprises Florence (on the north bank of the Tennessee River) and Sheffield, Tuscumbia, and Muscle Shoals (on the south bank). It is a largely white but poor region set in a beautiful river valley bordered on the south by a range of hills and mountains along the Tennessee River Divide. Since the passage of NAFTA, the area has lost some 5,000 textile jobs, and the economic prospects of the Shoals are not favorable. Life has always been tough here for the Scots-Irish and those who settled here after them because of poor soil and rugged terrain. But the hard conditions have produced a character in the people that spills out into their music. It is rough, passionate, sweet as honey, sharp as vinegar. It can knock you down like a set of brass knuckles at a country juke joint. But it can also lift you up again like a choir of heavenly angels. Like the South, it is its own contradiction.

I am sure that, when Mr. Lytle admonished his readers to "take down the fiddle" and make their own music, he did not exactly have in mind the types of music—soul and R&B, rock and blues (in

addition to bluegrass, country, and gospel)—that have come out of the Shoals. But those musical genres, like the traditional music of Lytle's South in the 1920's-1940's, come out of the folk traditions of the rural parts of Dixie. It is not the vapid, deracinated product of Los Angeles, New York, and even Nashville today; it is the story of real people—written, sung, and played by real people.

Having grown up in this rich and fertile musical setting in the 1950's and 60's, I could not wait to get back here after some 30 years in exile. Upon my return in the spring of 2003, I began to establish (and in some cases, reestablish) contact with the folks in the Shoals music community. My first was with famed Muscle Shoals Rhythm Section bass player David Hood. Hood, along with guitarist Jimmy Johnson, drummer Roger Hawkins, and keyboardist Barry Beckett, were immortalized as "the Swampers" in Lynyrd Skynyrd's anthem "Sweet Home Alabama" in the 1970's. Hood also is chairman of the Muscle Shoals Music Association (MSMA) and currently plays bass with The Decoys, a local five-piece group.

My contact with Hood and the MSMA gave me an opening into the Shoals' still-vibrant and vital music scene. Though things have certainly changed since the 1960's and early 70's when the likes of Aretha Franklin, Percy Sledge, Wilson Pickett, Bob Dylan, and the Rolling Stones could be seen on Jackson Highway and Avalon Street, there is still something truly special about the place and its music.

Understand this: Though there are many "stars" in the musical constellation hereabouts, this ain't Hollywood or New York City. These folks are approachable and often quite humble, considering many of them are recognized worldwide by name (if not by face) as the creators of something known and revered as the "Muscle Shoals Sound." I am sure that a young Van Morrison, way over in Ireland, would have swum the ocean to have been in the Shoals in 1965 instead of listening on European radio to the soul and R&B hits coming out of northwest Alabama.

A recent event will illustrate my point. A local bar in Florence hosted a Hurricane Katrina relief jam on a Sunday afternoon and evening in mid-September. As I got out of my car in the overflow-

ing parking lot, the first person I saw was Spooner Oldham, the legendary songwriter and keyboardist. Growing up in Center Star, Alabama, about six miles from where I live at present, Spooner collaborated with Dan Penn (Pennington, of the Pennington clan of Lamar County, Alabama, which makes him my distant cousin) on such soul classics as "I'm Your Puppet" and "Out of Left Field."

Upon entering the crowded bar, I literally ran into Scott Boyer, lead singer and guitarist for The Decoys, scheduled to play a set that afternoon. Scott had founded a Southern rock band back in the 70's called Cowboy, toured and recorded with Gregg Allman, and penned a hit song for Eric Clapton entitled "Please Be With Me." To describe The Decoys as merely a "local band" is to give the impression that they are small-time. Everyone and every band must be from somewhere, however. This reminds me of when I was at the Atlanta Pop Festival in July 1970 and explained to a fellow from New Mexico that the group taking the stage was a "local band" from Macon—the Allman Brothers. He was amazed that a bunch of local boys could be so good!

The Decoys are another local band from the Shoals. Besides Scott Boyer and David Hood, the band lines up with Kelvin Holley (the Little Richard Band, Bobby "Blue" Bland, and The Amazing Rhythm Aces) on lead guitar, one of the most incredible players I've ever seen live; N.C. Thurmond (Percy Sledge, Gregg Allman, and Hank Williams, Jr.) on keys; and Mike Dillon on drums. On this particular day, The Decoys played a crisp 45-minute set of both originals and covers and then backed acclaimed Shoals performer Donnie Fritts on some of his tunes. Besides being a terrific songwriter for the likes of Ray Charles, Charlie Rich, Waylon Jennings, Jerry Lee Lewis, Dolly Parton, and The Box Tops—and one of the original movers and shakers in the Shoals music scene (along with Rick Hall of FAME studios, Billy Sherrill, Norbert Putnam, Arthur Alexander, Jerry Carrigan, David Briggs, and Dan Penn)—Fritts co-starred in several 70's-era Sam Peckinpah movies, including a role (along with buddy Kris Kristofferson) as a motorcycle tough in the cult classic *Bring Me the Head of Alfredo Garcia*.

Fritts, who stood and talked with Wayne Counts (of The Midnighters, and the best