The Cutting Edge

Wood Machinery Manufacturers of America

Volume XVII, No. 12 December 2002

Business Briefing: Economists' Views

By Art Raymond, A.G. Raymond & Company

Ronald Reagan said that an economist is someone who sees a policy work in practice and wonders whether it will work in theory. With that definition as a backdrop, let's look at two hot topics presently being debated by economists.

Is Deflation A Risk?

The word 'deflation' conjures up thoughts of the Great Depression when prices fell by 24% over four years and the unemployment rate hit 25%. Most Americans were not alive when the U.S. last experienced deflation in 1955. So just what is deflation?

Deflation is an economic condition that occurs when a collapse in demand i.e., spending by businesses and consumers, causes producers to cut prices in order to attract buyers. The result is rising unemployment and severe stress on the financial system. Under this definition, deflation has two critical components – falling demand and falling prices. Do those conditions exist today?

First, look at prices. Over the last 30 years, price inflation has steadily declined from about 8% in the 70's and 4.5% in the 80's to just 2.6% in the 90's. Core inflation is now running about 2.4%, and while some prices have softened, others in areas like health care and education are rising. Some businesses still retain a degree of pricing power.

Prices of certain products like furniture and other big-ticket durable goods, on the other hand, are falling. But downward pressure on prices is typical of weak economies especially for those purchases that can be postponed. Many of these goods are imported, and the strong dollar has resulted in tough price competition in these products.
The phenomenon of falling wood furniture prices has occurred for structural reasons – the industry has replaced high cost producers in the U.S. with lower cost plants in China and elsewhere. These foreign suppliers are offering value at prices below the costs of most U.S. producers. The same situation occurred in shoes, textiles, and other import-led product categories.

Continued on next page

In This Issue...

Continued from previous page

For the most part, overall prices are firm. We have disinflation not deflation.

Next look at overall demand. Economic growth in 3Q2002 was 3.1%. Not bad, and certainly not a 1930's-like situation. So neither of the two critical components of deflation exists in the U.S. economy.

The specter of deflation does exist, and some economists worry that the Fed has few weapons left, should the need arise. Lowering interest rates to stimulate demand is the primary tool in the Fed's quiver. But rates are at a 40-year low and are nearing zero. The remaining ammunition involves injecting more cash into the economy through the purchase of government debt of all types and maturities plus support for a more stimulative fiscal policy (see below). Recent speeches by Fed officials show their awareness of the deflation scenario and readiness to act. Don't worry; the U.S. is no Japan in deflationary terms.

Does the Economy Need Fiscal Stimulus?

The other key debate is the need for more aggressive fiscal policy to stimulate the economy.

While the economy is relatively healthy, certain sectors, like manufacturing, border on terminal illness. October marked the 27th consecutive month of declining manufacturing jobs. In fact, employment in this sector is now at its lowest level since 1961.

On the positive side, non-manufacturing sectors have created 467,000 jobs since March. Consumers, whose confidence turned up in November, continue to spend albeit more cautiously. Home sales carry on at a relatively brisk pace buoyed by low mortgage rates.

Labor productivity is up 5.3% this year, the fastest rate in 19 years. Plus unit labor costs are down 2%. These conditions bode well for a recovery in corporate profits, a necessary precursor to higher business investment.

U.S. stock markets have finally turned higher. Equity prices are a leading indicator often preceding an economic upturn by six to nine months. On that basis plus the other positive news mentioned above, many economists are predicting a strong expansion beginning in mid-2003.

Don't forget a new political fact: Republicans now have the means, motive, and opportunity to get the economy steaming ahead before the 2004 elections. Their focus will be on fiscal policy, and the result will be a larger Federal budget deficit.

The budget is already stimulative, having gone from $129 billion surplus to $204 billion deficit in twelve months. Many claim that such deficits are the road to hell. But remember that the large deficits of the 80's preceded the longest economic expansion in our history during the 90's. The deficit is below 3% of GDP, a level that many economists believe allows more stimulus.

Just what additional fiscal stimulus tools are economists prescribing to Washington? The menu includes (1) making the Bush tax cuts permanent beyond the 2010 expiration; (2) extending unemployment benefits beyond their normal duration; (3) elimination of the capital gains tax; and (4) ending the double taxation of dividends. For those who think these policies benefit only the rich, remember Clinton's end to the capital gains tax on owner-occupied homes in 1997. The result was a boom in home ownership and remodeling across the socio-economic spectrum. Home building has been one of the stalwarts propping up the economy during this most recent period of weakness.

Given the need for both political parties to show economic leadership before the 2004 election, the odds are good for a stimulus package including one or more of these tools.

While "there is no such thing as an expert on the future," some brave economists are saying the economy will mend itself through the combination of low inflation, an accommodative monetary policy, and high productivity. Their forecast – solid growth by mid-2003. Keep your fingers crossed.

Sector Situation Report

Latest news from the wood products industry by sector…

Office Furniture

Sales of office furniture remain in the doldrums. BIFMA reported that October shipments were 13% below last year. For the year the industry has shipped 21% less product than in the first ten months of 2001.

Kitchen Cabinets

Cabinet sales jumped 14% in October vs. the same month last year according to the KCMA's Trend of Business Survey. Sales of semi-custom cabinets where the consumer has tremendous choice of style, species, color, and configuration were up 27% for the month. For 2002 cabinet sales are up 11.7%.

Masco, the largest U.S. cabinetmaker, reported 3Q2002 cabinet sales up 7.9% and operating profit up 90%.

Home Furniture

News from this sector was mixed in the last eight weeks:

- The **AFMA** reported that 3Q2002 wood industry shipments fell 4.5% vs. 2001 and for the year were down 1.9% as import flow continued strong. Domestic upholstery, however, grew by 14.3% in the quarter and 13% for the year. Note that upholstery typically leads the furniture business out of a recession as people first replace worn 'soft goods'.

  The AFMA's econometric model is predicting a 4.9% increase in industry shipments in 2003 with wood up 4.4% and upholstery rising 5.6%.

- Attendance at the **October High Point Furniture Market** was down 20-30% in headcount and 10-15% in the number of retailers present.

- **La-Z-Boy**, the second largest U.S. furniture maker, reported sales in their first half fiscal 2003 up 4.6% and operating margin up 6.7%. Mirroring the industry, the company noted that its case goods business was down while upholstery sales were up strongly.

- Ready-to-assemble producer **O'Sullivan** reported that sales for its 1Q2003 were down by 12.9% vs. one year ago.

- **Stanley Furniture** reported a 2.2% increase in 3Q2002 sales. The wood furniture maker's 24.4% operating margin was achieved through savings resulting from recent plant closings and the resale of more imported products.

Continued on next page

Continued from previous page

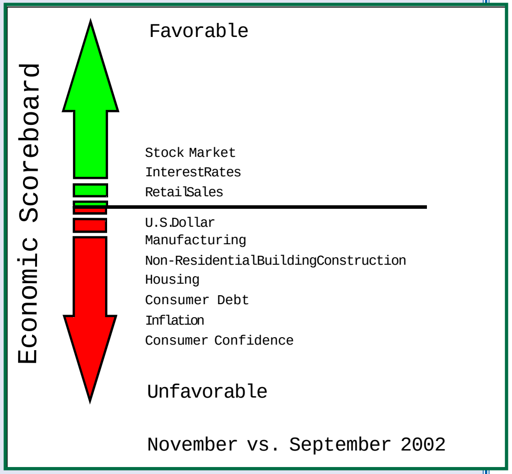
- Producer **Furniture Brands International (FBI)** offset continued weak sales for its high-end brands-Thomasville, Drexel, and Henredon with strong shipments of their mid-priced lines, many of which are imported.

- **Ethan Allen** announced price cuts up to 20% on selected, domestically produced lines while indicating that its import lines are selling briskly.

Other furniture news… Dockworkers at U.S. west coast ports are back at work with a new labor contract. Logjams at the port during and immediately after the strike undoubtedly delayed receipt of imported furniture especially to California distribution centers. The impact of these delays on furniture sales, while unknown in dollars, was decidedly negative. Analysts are anticipating that some revenues at **Ethan Allen**, for one, will slide into the next quarter.

☑ Non-Residential Construction

According to Dodge Analytics, this sector rebounded by 13% in October vs. the prior month. In the institutional category, construction of healthcare facilities improved by 17%. School construction, which set records in 2001 and was strong in the first half of 2002, rose by 1% over a weak September but was down by 17% from last year. This decline suggests tighter fiscal conditions at the state and local levels that may affect other institutional construction through the remainder of 2002.



Improvement was seen in construction of offices (+8%), warehouses (+22%), and even hotels (+28%). These categories have been weak for the past two years. Only retail stores and shopping centers (+4%) showed some resilience, a further indication of the consumer's importance to the economy at large.

☑ Wood Flooring

Strip flooring shipments in October were up 15% over the same month last year. For the year shipments are 9% higher than 2001.

In an interesting move, **Home Depot** acquired three flooring contractors to expand its ability to offer turnkey projects to homeowners.

For more information, visit the A.G. Raymond website at www.raymondnet.com.
If you have questions or comments about this article, contact author Art Raymond at info@raymondnet.com or 919/831-0070. You can also e-mail WMMA headquarters at wmma@fernley.com.

U.S. Import and Export Trade Statistics

By Harold Zassenhaus, WMMA Export Director

The following is a summary of major trends of U.S. import and exports for the 1st nine months of 2002. Statistics are reported for all woodworking equipment and its three component parts: machines, cutting tools and, accessories and parts.

(WMMA members: to view detailed tables on U.S. imports and exports of machinery, cutting tools and parts and accessories, click here http://www.wmma.org/members/mpdf/3rdimpexp.2003.zip You will need your user name and password. If you don't have one or forgot it, contact WMMA Headquarters at 215-564-3484 or email wmma@fernley.com). Harold Zassenhaus is available to provide U.S. export and import data on specific product categories. For more information, contact him at (301) 652 0693; fax (301) 986 1389 or e-mail: zemg@erols.com

Imports

Imports continued to increase in the 3rd quarter. For the year to date, imports have increased 5%. Imported machinery increased slightly (2.5%) from 2001 levels, cutting tools imports increased 14% and parts and accessories fell by 5%.

Imports from China continued to increase. For the first nine months of 2002, China imports increased 55% as Taiwan continues to move facilities to the mainland and China continues to take market share from our traditional Western European suppliers. Surprisingly, machine imports decreased 20% year over year, but imports of cutting tools and parts took up the slack. The major share of Chinese imports continues to be smaller woodworking machinery, i.e., machines under $1,000 in value. The majority of cutting tools were band saw blades, circular saws and drill bits.

The following chart highlights the value and percentage changes in imports from the industry's major trading regions of the world.

U.S. Imports, Woodworking Equipment
January - September

	$ Millions 2002	% Share 2002	% Change 02/01
World	863.6	100.0	4.6
East Asia 9	392.1	45.4	22.1
Western Europe	306.1	35.4	-8.7
Canada	57.0	6.6	-2.9
Eastern Europe	5.7	0.7	32.9
South/Central America	3.6	0.4	26.6
Mexico	2.3	0.3	-69.3

East Asia

The region continues to build market share. China, Taiwan and Korea are the larger suppliers registering double-digit growth year over year.

Western Europe

Imports from the region continued to decline, with imports from Germany, Italy, UK, Austria, Switzerland and Spain all declining from 9-29%.

Canada

While imports of machinery increased, cutting tools and parts decreased causing continued erosion in US market share.

Eastern Europe

Imports from Eastern Europe increased dramatically as shipments from The Czech Republic and Poland increased by 75% and 51%, respectively.

Exports

Exports of woodworking equipment (machines, cutting tools, plus parts and accessories) continued to fall. However, there is good news. The drop is less for the first 9 months than witnessed in the 1st and 2nd quarters and for the first time since the 1st quarter of 2001 exports of woodworking equipment increased quarter over quarter. Third quarter exports reached $72 million, a level we haven't seen for 18 months.

Within the group, exports of machinery were down 6%, year on year. Bright spots included Canada, Mexico, Australia and Chile. Cutting tools dropped 4% with bright spots including Canada, Malaysia, Taiwan, Australia and Japan. Parts and accessories dropped 11% from 2001 levels with wild swings in country shipments. Shipments to France (our 3rd largest customer) increased 651%, Japan 151% and Australia 444%. But shipments to Canada dropped 9%.

The following chart highlights the value and percentage changes in exports to the industry's major trading regions of the world.

U.S. Exports, Woodworking Equipment
January - September

	$ Millions 2002	% Share 2002	% Change 02/01
World	196.4	100.0	-5.8
Canada	90.3	46.0	6.5
Western Europe	31.9	16.2	-26.1
Mexico	19.5	9.9	16.5
East Asia 9	17.0	8.6	-20.1
South/Central America	16.0	8.1	13.4
Eastern Europe	2.8	1.4	-17.7

NAFTA

Both Canada and Mexico were bright spots for U.S. exports as shipments bucked the trend and increased. Both machinery and parts shipments to Mexico were up.

Western Europe

Sales to the region continued to drag. While exports to Italy and France both increased 17%, shipments to our two largest customers, Germany and the UK, fell by 32% and 51%, respectively.

East Asia-9

Exports to the region (China, Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand) continued to drop. Exports to Malaysia, Thailand, South Korea and the Philippines continued to increase but sales to China fell 7% year over year.

Central/South America

Exports increased largely due to shipments to Chile, where the economy is more stable, and to Brazil, where molding and cut stock exports have increased due to a devalued currency.

Eastern Europe

Shipments to Poland, which account for about 2/3 of the sales to the region, dropped by 15%, overshadowing increases to Slovenia and Croatia.

WMMA Participating in ExpoAMPIMM: Not too Late to Share the WMMA Booth

During January 15-18, 2003, five members plus the WMMA will be exhibiting at the inaugural Mexico fair exclusively for woodworking equipment and supplies to the wood processing industry. ExpoAMPIMM will occupy about 5,000 sq. meters in newly constructed fairgrounds in Mexico City and attract 5,000 buyers from all over Mexico, but primarily from Mexico City area.

The space is sold out. But, you can join 4 members who will be sharing the WMMA booth for $200.00. This entitles you to have product literature on display, show product tapes and work out of the booth if you plan to attend. Within 10 days of the fair's closing, a report on the fair along with leads generated will be forwarded to you. If interested, visit, *http://www.wmma.org/members/mpdf/2003fairform.dot* for a participation form. Please send in your form or let me know as soon as possible. *The freight forwarder must receive all literature no later than January 6th.*

To remain competitive, local producers understand they will need to increase capital expenditures, and this tradeshow should provide an excellent opportunity for WMMA members.

Reminder: WMMA Trade Fair Participation Program

A principal Export Development Committee activity is organizing WMMA pavilions in 3-5 international trade fairs. This unique service allows members to exhibit in some of the best-known trade fairs in the world while conserving costs, enhancing exposure and gaining support from fellow members and the WMMA staff. In 2003 the WMMA is organizing pavilions ranging in size from 100-225 sq. meters in the following events:

- AMPIMM Fair, Mexico City, Mexico (January 15-18) see related article above
- WoodMac China, Shanghai, China (February 25-28)
- Ligna, Hannover, Germany (May 26-30)

Exhibiting members services include:
☆ good location
☆ space discounts
☆ booth design/layout
☆ freight consolidation
☆ hotel packages
☆ translators

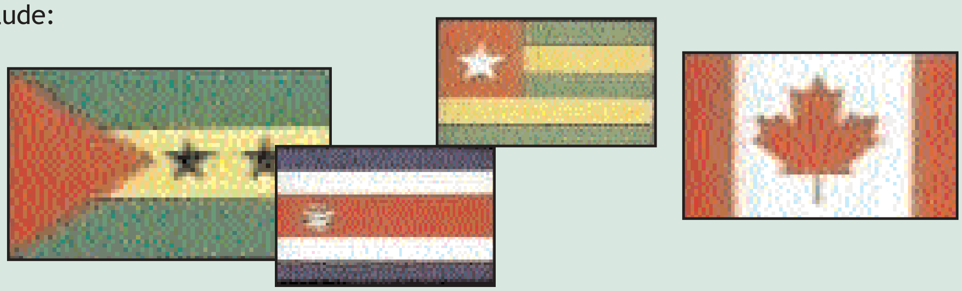
In addition, the WMMA will have its own booth at each fair in which it will be advertising members' products and services. Members who want to share the booth can do so for $200. This entitles members to display literature, run product videos and/or work out of the booth. All participants will receive a summary of the event, a copy of the exhibition catalog and leads generated.

To sign up for any of the following events go to the "2003 Fair Sign Up Form" *(http:www.wmma.org/members/commexpo.htm)*. Contact Harold Zassenhaus for more information on each event (tel.: 301/ 652-0693; fax 301.986.1389; email: zemg@erols.com). Space will be assigned on a first come, first served basis.

AMPIMM Trade Fair, Mexico City, *January 15-18*

WoodMac China, Shanghai, *February 25-28*

Ligna, Hannover, Germany, *May 26-30, 2003*



"What Does Your WMMA Dues Dollar Buy?"

Industry Tradeshow Discounts

Worldwide Publicity

Monthly Newsletter

Educational Opportunities

Industry Advisor Program

Industry Safety Standards

Industry Statistics

Economic and Benchmarking Data

Regulatory Alerts

Legislative Calls to Action

Internet Links

Leads for New Business

Access to Overseas Distributors

Export Trade Certificate

Networking with Industry Peers

Manufacturer/Distributor Conferences

People are Talking…

About the Value of the WMMA User Manual Guideline

Every WMMA member was mailed a copy of the new Guidelines in the Development of User Manuals, valued at over $500.

Here's what some WMMA Members have to say about the newly published User Manual Guideline:

"The release of the 'User Manual Guideline' prompted our engineering department to reevaluate the composition and form of our instruction manuals. We found the new guideline to be an excellent aid in creating a complete and helpful document for our customers."

"Our company has been following the WMMA manual guideline and has created new manuals for over twenty machines. We use PageMaker desktop publishing software and have found that following the guideline has saved us a great deal of development time."

"After the first manual is complete that manual can be used as a template for future manuals. One very positive feature is that it uses a completed template and definite format for all the manuals, which prevents us from overlooking safety information that should always be in our manuals."

"The WMMA User's Manual Guideline has allowed us to prepare better manuals in shorter time periods saving us money and possibly avoiding customer accidents with our equipment."

Did you know that distributors are, and have always been, eligible for Associate Membership in WMMA?

Tell a Friend!

Risk Assessment

By Jacob Greenfield, James L. Taylor Manufacturing
Member, WMMA Product & Engineering Standards Committee

The formation of the European Union led to a harmonization of the laws governing product health and safety requirements throughout the member countries in Europe. To American machinery manufacturers, achieving conformity to these "New Approach Directives" can appear to be a daunting task. However, expending the resources necessary to obtain a CE mark for your products opens up a part of the world filled with affluent consumers. If you are lucky enough to be able to self-certify your products, the road to the European market does not require much more than time and education.

The essence of self-certification is the "Technical File," which is written justification that all aspects of a product are safe. This file contains all of the information that you compile when certifying a machine including the user manual, technical documentation and drawings, standards applied and, most importantly, the "risk assessment." A proper risk assessment of your machine provides the basis for self-certification. Fortunately, this process is not much more than the documentation and formalization of the product safety evaluation that is integral to the design of every product.
The EU standard for risk assessment (EN 1050) leaves the exact methods used for analyzing hazards and estimating risks open. However, they define the general method to follow as shown in the diagram. Risk assessment begins with risk analysis. Analysis provides information for evaluation, which allows judgment of the machine. Qualitative judgments of risk lead to quantitative analysis and investigation. This entails defining the limits of the machine such as intended use, maximum loading, level of operator expertise, etc. Next, the individual hazards and hazardous events associated with the machine must be identified. Then the group doing the evaluation estimates risk by determining the likelihood of a hazard occurring and the relative severity if the hazard does occur. Risk is a function of severity and probability of occurrence.

Once the assessment group completes the analysis and evaluation, they determine whether or not the machine is safe. If the machine is determined to be unsafe, they must take steps to increase the machine safety. If a hazard can be eliminated by redesign, it should be. If a hazard cannot be eliminated, it must be guarded and the operator warned of its existence. After all of the hazards have been addressed, the risk analysis and evaluation is repeated until the machine is safe. Finally, all information used to reach the conclusions and evaluate the machine safety is documented with the results of the evaluation and information regarding residual risks.

If you have questions or comments about this article, contact the author, Jacob Greenfield, at James L. Taylor Manufacturing at P: 845/452-3780 or E: jake@jamesltaylor.com. You can also contact headquarters at 215/564-3484 or wmma@fernley.com.

Tax Reform

By John Satagaj, London & Satagaj

When the 108th Congress convenes, one of WMMA's top priorities will be to secure enactment of the High Productivity Investment Act (HPIA), the legislation that would modernize the federal income tax depreciation schedule. If the economy continues on its uncertain course, there may be early momentum for passage. If not, we may have to hitch our wagon to the effort to replace or simplify the tax code.

No one would dispute the notion the U.S. tax code is too complex. Every year the Internal Revenue Service (IRS) sends out eight billion pages of forms and instructions, which if laid from end to end, would circle the earth 28 times. The IRS publishes roughly 480 tax forms, and 280 just to explain the 480 forms. There are 7,000 individual Internal Revenue Code Sections, 10,000 pages of text, hundreds of thousands of pages of regulations and other pronouncements, and an equally weighty compendium of court opinions interpreting the law.

Administrative costs are one thing, but the complexity of the tax code is also wasting the time and resources of taxpayers. It is estimated that each year Americans devote 5.4 billion hours complying with the tax code. The costs of complying with the tax system totals about $200 billion annually, or $700 for every man, woman and child in America.

The current code has also become too burdensome. The average American family now pays more in taxes than it spends on food, clothing, transportation and shelter combined. The tax code reduces incomes through punitive taxes on savings, work, and entrepreneurship. It places multiple layers of tax saving, thus reducing investments in new machines and technology that make American workers more efficient and competitive. High marginal tax rates discourage work and saving and business activity, which leads to a smaller economy.

According to a study by an economist with the Congressional Research Service (CRS), the income tax costs the economy more in lost productivity than it raises in revenue for the Treasury. Dale Jorgenson, the Chairman of the Economics Department at Harvard University, found that each extra dollar the government raises through the current system costs the economy $1.39.

What we do about it is another matter. The leading choices are some type of flat tax, a national sales tax or simplification of the current structure. The flat tax would have some elements of a value added tax and such a system generally favors investment in equipment and machinery. In addition, it tends to neutralize import and export inequalities. The flat tax, however, is not as simple as it sounds, and potentially the rate on the individual taxpayer side could represent a significant increase for middle-income families.

The national sales tax has generally been considered a long shot. The complexity as well as the regressive nature of the tax has made it unattractive. There has been a recent development however that might boost its prospects.

The states have been working on a project to develop a uniform, simplified state sales and use system. Recently, 33 states announced they have come to an agreement on the basic structure of such a system. If implemented by the states, it could mean that all states would work from the same set of definitions, exemptions and collection procedures. If it happens, it would be much easier to layer a national sales tax system on top of the state system. The biggest hurdle then would be the combined rate and this could be astronomical. For a big-ticket item such as furniture, retailers fear it could have a significant adverse impact on consumer buying patterns. This down-stream impact could send ripples back up our way.

The new Assistant Treasury Secretary for Tax Policy, Pamela Olson, made tax simplification one of her main goals. With regard to simplification, she stated that they "are trying to take a multilevel look at issues of complexity." Secretary Olson used the definition of a child in the tax code as an example. There are five different definitions of a child for five different provisions of the code. Although different

Continued on next page

Continued from previous page

definitions may make sense at some policy level, Secretary Olson argues that the policy considerations are "not worth the added complexity." Their first proposal will come up with a single definition that works well for all five provisions. Secretary Olson wants to combine some of the provisions in the code so there are fewer to deal with. Her goal is for a taxpayer to only have to look at one provision in the code to determine their family tax benefit.

There are other concerns that will come into play. One of the biggest is the personal Alternative Minimum (AMT). Each year, a large new class of taxpayers encounters the hidden tax of the AMT system for the first time. Congress may have to do something, but it will drain revenue away that could used to offset other proposals.

In some respects, the HPIA matches up best with the tax simplification initiative. If we can package it as both simplification and an economic stimulus, we may be able to produce another winning campaign for WMMA's public policy program.

If you have questions or comments about this article, or other Public Policy issues, contact John Satagaj at e-mail@lonsatlaw.com or 202/639-8888. You can also e-mail WMMA headquarters at *wmma@fernley.com*.

WMMA, WMIA and AWFS Present:

"It Only Takes One…."

Woodworking Industry Conference
April 9 - 12, 2003
Renaissance Vinoy Resort and Golf Club
St. Petersburg, Florida

Start making plans to attend WIC 2003. Why? Because "It Only Takes One!"……One great contact…one great idea…one great business seminar! The 12th Annual Woodworking Industry Conference will have them all and will make your trip worth the time and money. This conference, hosted by WMMA, WMIA and AWFS® will be held April 9-12, 2003 at the Renaissance Vinoy Resort & Golf Club, St. Petersburg, FL.
This annual meeting is our industry's premier forum for networking and education. You really can't afford to miss out on such a crucial business opportunity.

Watch your mail for details and visit the website at *http://www.wmma.org/wic2003.htm.*

How are you using your WMMA User Manual Guideline?

Have you incorporated the Guidelines in the Development of User Manuals into your business?

How is it working for you?

See comments from satisfied users on page 8.

Send your feedback to *jmccann@fernley.com*

You Can't Win if You Don't Play!

By Bob Rozman, Diehl Machines

Editor's Note: Last year Diehl Machines, a long-term member of WMMA, won a free registration to the 2002 Woodworking Industry Conference. Was it worth it? Here Diehl Machines President Bob Rozman gives a first hand account of the value of the WIC for him and his company.

You can't win if you don't play! While it sounds like the script to your state's lottery for those of us that have one, the same policy can, and should apply to your commitment to WMMA.

I've been involved with WMMA since 1973, when my career began in this industry. That involvement has varied from time to time, but I can assure you that the benefits for both my firm and myself personally are directly related to that involvement.

An interesting and often asked question is, "What benefit? I want to see the numbers!" Let me confirm from my personal experience that it is virtually impossible to measure the most important benefits, but let me share just one example. My past involvement has allowed me to meet and get to know most of my counterparts these past 30 years. I can't tell you the number of times I've been in a situation where I needed other opinions that were available by a simple phone call as a result of those personal associations. How were those associations developed? By going to meetings, by participating in committees and by being involved. There are no short cuts and it doesn't happen right away.

My past involvement in WMMA has allowed me to meet and get to know most of my counterparts these past 30 years. I can't tell you the number of times I've been in a situation where I needed other opinions that were available by a simple phone call as a result of those personal associations.

Then, some days you just get lucky! You participate in a regional machinery show; you arrive seemingly late for the WMMA sponsored complimentary breakfast; you don't even bring your own business card for the raffle and write your name on the back of a friend's...and you win the $1000 lottery, but don't plan on it! My company won a FREE registration to the WIC in 2002, along with spending cash totaling $1000. You can't beat that!

Just remember, it's all about involvement and you only get when you give.

Note: You have to play to win! Attend the WMMA Breakfast during the Greensboro show and enter your company in a drawing to win free WIC 2003 registration. Watch your mail for details on the time and place of the breakfast.

WMMA Mission Statement

The WMMA shall represent and support domestic manufacturers of equipment and tools used in the processing of wood and wood products from the forest to finished products.

Member News

Air Handling Systems announces their latest catalog. This free catalog is designed to help those involved in dust collections, fume collection, pollution control, HVAC and many other industrial ventilation applications. Highlights of the catalog include:

- Technical Information on designing a dust collection system in an easy to understand format.
- A variety of Correct-FIT components, ranging from spiral pipe, elbows, flexhose and spun reducers to duct silencers, blastgates and lateral tees, all in stock and ready for shipping.
- Information on installing your air handling system.

Air Handling also announces the availability of the Industrial Vacuum kit. This kit is designed for the stray dust from hand tools and other machines that don’t have dust collection attachments. The Industrial Vacuum and Hose kit puts the stray dust where it belongs – in the dust collector.

The kit includes a 2” industrial vacuum hose (25 foot long), 2 cuffs and 5-piece nozzle kit including crevice tool, 14" wide floor nozzle, dust brush, bench nozzle and wand. The kit attaches directly to your existing ductwork with a saddle tap tee.
For more information contact Air Handling Systems at 800-367-3828.

Wagner Electronic Products Donates to WoodLINKS USA

Wagner Electronic Products has donated a Model MMC 220 Moisture Meter, as well as a calibration block, to all WoodLINKS USA Schools. Ms. Vikki Johnson of Wagner has also offered to become the resident advisor to all WoodLINKS teachers. Teachers who have any problems with the theory or any aspect of the use of these meters are encouraged to contact her.

Noting that "The proper understanding of all aspects of Moisture Meters is one of the fundamental technical requirements of the wood industry,” Wilf Torunski, National Program Director for WoodLINKS USA, said, "We are very pleased that the Management of Wagner Electronic Products has seen fit to provide this donation. It is this sort of leadership and support that we hope to encourage other equipment manufacturers to demonstrate to our WoodLINKS schools. It is through this support that we will encourage more students to make a career choice in the wood industry and the make the U.S. wood industries more competitive."

Midwest Sandright, a new corporation formed by Kenneth P. Holley, has purchased the assets of Rand-Bright Corporation of New Berlin, Wisconsin.

Midwest Sandright is a sister company to Midwest Automation Corporation of Minneapolis, Minnesota.

Rand-Bright was founded in 1972 by Randall Plating and subsequently purchased by MRM Inc., a division of Exelon Corporation. In 1996, Rand-Bright entered the industrial wood and metal widebelt marketplace with the acquisition of Burlington Sander Co. and Grivna Machinery, a wet dust collection manufacturer. As a result, Rand-Bright became the only manufacturer to offer complete solutions for abrasive finishing including: steel, stainless steel, brass, copper, aluminum, coated parts, plated parts, heat treated parts, nitrided parts, solid wood, particleboard, veneer, solid surface material, plastic, composite, rubber, ceramic and graphite.

Midwest Sandright Corporation has formed two divisions. The metal sanding division will be known as Rand-Bright and the wood sanding division will be known as Sandright. Mr. Dan McClellan of Rand-Bright will continue as the Vice President and General Manager of both divisions.

2003 Ralph B. Baldwin Award of Excellence

Now Accepting Nominees

Nomination Deadline: February 14, 2003

Wouldn't you like to honor the person who has guided your career by nominating him or her for the Award that recognizes outstanding contributions in the woodworking equipment, cutting tool, and supply industry? Now is your opportunity! Submit your nomination for this prestigious WMMA honor by February 14, 2003. For more information, visit the website at http://www.wmma.org/pdf/baldwin2003.PDF.

Nominations to WMMA's Board of Directors are Open!

WMMA's Leadership Development Committee, formerly known as the Nominating Committee, is starting the hard work in preparing the slate of Directors for the Board term expiring in 2006. Kenny Moffatt, Chairman of the Leadership Development Committee, is open to your suggestions as to whom the Committee should consider for these openings. Your suggestions should consider people of member companies who have been active in the Association and its activities. These individuals should be known for their character, strength and integrity. They must also embrace change, while maintaining the strengths of the existing organization and identifying the key challenges facing the Association and industry.

Balance in the Board is also an important factor. "Balance" means that there are representatives with different geographical locations, different sizes (in sales and number of employees), and different product types.

Nomination suggestions should be immediately sent to Mr. Moffatt, care of Unique Machine & Tool, at 4232 E. Magnolia Street, Phoenix, Arizona at 602/470-1911. email: *kmoff@worldnet.att.net.*

WMMA
WOOD MACHINERY MANUFACTURERS OF AMERICA
MACHINERY, CUTTING TOOLS AND SUPPLIES

Charles A. Granger	President
Peter Perez	Vice President
Jim Laster	Treasurer
Kenneth R. Hutton	Executive Vice President
Jean McCann	Director of Committees
Raylene Torres	Meetings & Communications Director
Karen Boyle	Member Services Coordinator
G. A. Taylor Fernley	Management Liaison
John Satagaj and Andreas S. Kalisperis	Legislative Counsel 1010 Massachusetts Ave. NW, Suite 400 Washington, DC 20001 (202) 639-8888
Harold Zassenhaus	Export Director 7758 Wisconsin Ave. Suite 306 Bethesda, MD 20814 (301) 652-0693
Joseph Mc Hale	Legal Counsel
Elizabeth B. Franks	Editor, The Cutting Edge

Best wishes for Happy Holidays and a Healthy, Prosperous New Year from WMMA Headquarters!