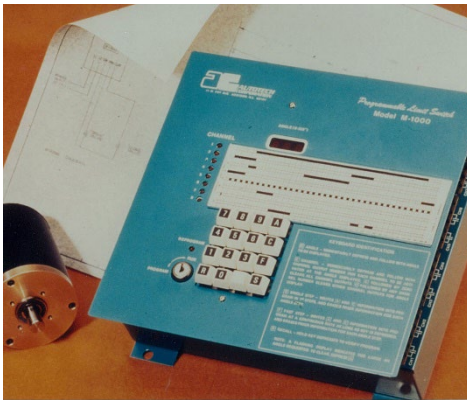


Why Made in America should be a top priority of every American?

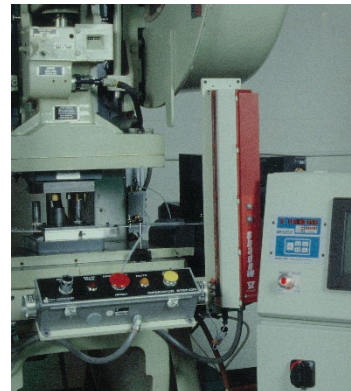
By Shalabh "Shalli" Kumar, Founder and Chairman, May 28, 2024



I am Shalli Kumar, an Electronics Engineer, who migrated from India to Chicago, USA in 1969. I received my Master's in 1970 and went on to invent and design lots of Automation products over the next decades. Among them included McDonald's French Fry Computer, Motion Detector under crippling shock and vibration, Programmable Limit Switch (PLS) and a ton of others. I founded AVG Advanced Technologies in 1975, the parent of EZAutomation. In many ways, I was instrumental in changing the way America produced goods, like making it possible for automotive stamping plants to make different parts everyday instead of every quarter because it used to take two men, two shifts and two days to do a die change over with different press time settings. A gain of even one SPM (strokes per minute) would result in plant productivity increase of thousands of dollars per day.



1975 Kumar Invention of PLS that changed the way America produces automobiles and two piece aluminum cans



Metal Stamping Power Press using the newly invented PLS



Some of Kumar Patents

Entrepreneur of The Year



Mr. Kumar when he served on President Reagan's Small Business Advisory Council

During the eighties, I became a big follower of Congressman Jack Kemp, Newt Gingrich and was fortunate to serve on President Reagan's small business advisory council. Since 1969, I had seen three recessions and was fascinated with the idea of no recessions under the model of Supply Side economics, Kemp-Roth, Milton Friedman and Arthur Laffer. Initially I was skeptical and was waiting for the 4-5 year cycle of recessions to occur again in 1985-86 but the economy kept on growing and I became a fan of Reaganomics. This brings me to the subject of US manufacturing in the eighties.

AVG's operations were in the Bloomingdale and Elk Grove townships of Illinois near the O'Hare international airport.

During the eighties and nineties, these two Illinois townships had thousands of small manufacturing plants, eight to ten plants in every city block. Electronics, Mechanical, Pneumatic, machine screws, printed circuit boards, medical electronics, telecomm, sheet metal, paint shops, machining, packaging and countless others. **But today, practically all are gone...they are in China.** China today manufactures more than 30% of all products consumed by the world, more than 60% of all electronic goods and more than 80% of all automation products.

You want to know why Made in America is important. Here is a historic quote: "Anyone who has seen the auto factories in Detroit and the oil fields in Texas knows that Japan lacks the national power for a naval race with America...it's Industrial base makes America invincible!" Guess who said this, Admiral Yamamoto, the most celebrated commander in the Japanese Imperial Armed Forces. Yamamoto said this during second world war. Can you say the same thing today?



Admiral Yamato, the reluctant enemy, architect of Pearl Harbor

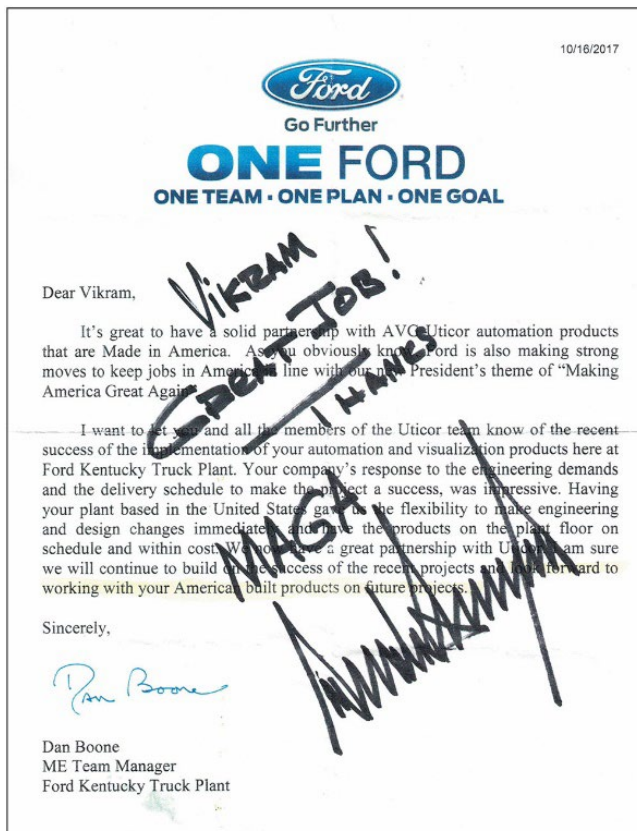


Reagan, Gorbachev at Reykjavik 1986

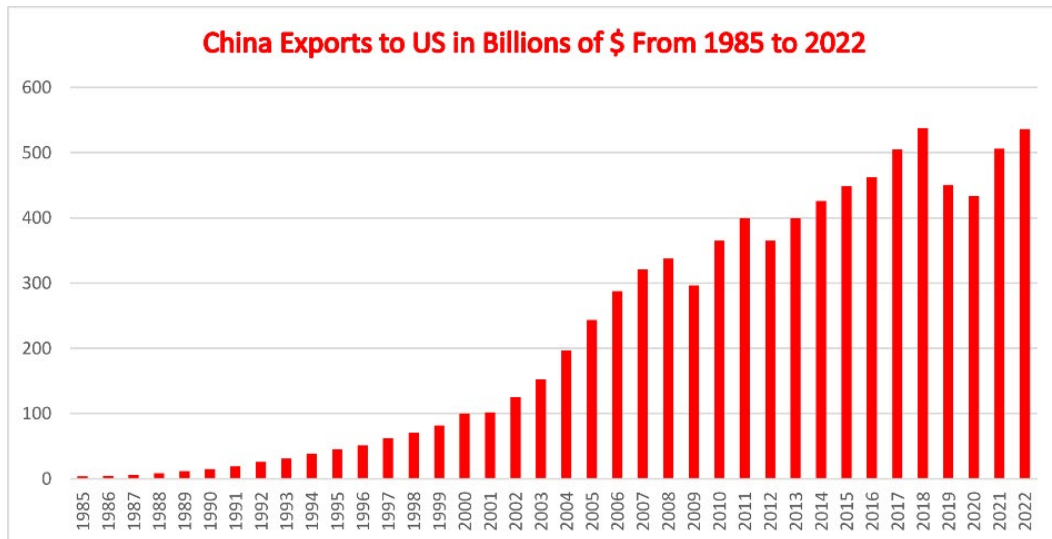
Imagine what Reagan Gorbachev 1986 summit at Reykjavik, Iceland would have looked like if USSR at that time was China of today, producing more than 30% of worlds' goods and more than 60% of world's electronics goods. I am sure that you will agree that we would not have won the cold war, and more than one third of humanity would still be living under dictators and not enjoy freedom which is the birth right of every human being.



While most American consumers including the engineers who buy and/or specify China made automation products every day, need to be aware of what this convenience is doing to America. I am so glad to report to you that major US trade media in Automation has expressed a desire to discuss the subject of Made in America head-on. Habits and daily necessities are not going to change overnight but it is high time that we start a dialog and do what we can to specify and use Made in America Automation Products, specially those costing less than Made in China.



We shall discuss the damage to America by neglecting Made in America, in the paragraphs below one by one:



1. **American jobs:** There is a very simple formula that can translate loss of manufacturing jobs to level of imports. **\$1 billion of imports translate to loss of 1,000 direct manufacturing jobs and at least 3,000 indirect support jobs.** In 1985, Chinese exports to US were zero. By 1996 they had climbed to \$50 Billion. By 2008, they had jumped up to a whopping \$340 billion. When you apply the formula above, in 12 years, **China took away 2.9 million manufacturing jobs, 8.7 million support jobs for a total of 11.6 million American jobs.** Imports increased to \$536 billion in 2022 and will continue to increase until Americans wake up to this existential threat. (Import Data from USTR).

1987



2014



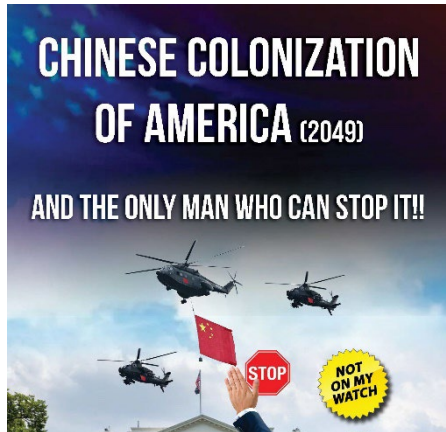
Guangzhou China from 1987 to 2014 as a result of manufacturing transferred from America to China. We hold no ill will towards Guangzhou or people from China but not at the expense of America.



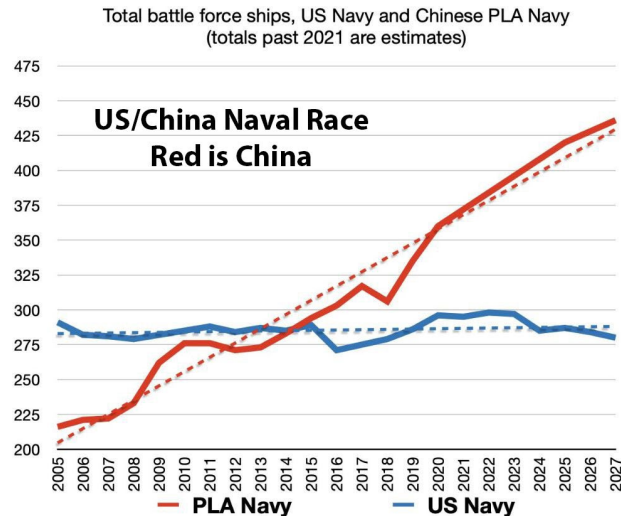
On the other hand: an abandoned industrial town in America due to loss of manufacturing jobs to China.

2. **American Standard of Living/Inflation:** Economics 101 tells us that a. Inflation lowers standard of living b. trade deficits lower the value of American dollar which causes inflation. Here is a good parameter to measure standard of living. **Adjusted for inflation the starting salary of an engineering college graduate decreased from \$54,304 in year 2000 to \$47,823 in 2014.** (Source NACE, National Association of Colleges and Employers). On inflation, everyone knows the impact of supply chain disruption resulting from COVID 19. **Double digit (28%) increase in prices of food items, gas prices, airline tickets, transportation costs and travel costs have one thing to blame, Made in China.**
3. **Theft of Intellectual property:** One of the biggest issues with Made in China is theft of American intellectual property. I have been a key observer of this phenomenon and know exactly how it happens. **Theft of IP of over \$500 B/yr., happens because American companies moved their manufacturing operations to China.** Even though Corporate America (like Motorola) now wants to get out from under this phenomenon, they have to pay the price for their sins 30-40 years ago. **I am writing a book "Chinese Colonization of America 2049" which is the stated goal of the Chinese Communist Party.** Why 2049? That is their 100 year anniversary of the formation of People's Republic of China. More on the book later...
4. **National Security:** It is well known to US Government (FBI and CIA both according to Bloomberg article of Oct 4, 2018) that the Chinese government is perpetually engaged in spying on American industrial and military complex. **The article reported three instances of "spy chips" incorporated in Supermicro's motherboards built in China.** And China is not shy about showing their prowess in intelligence gathering. I know firsthand how Soviet Union duplicated the designs and production of Integrated Circuits made by Texas Instruments. **I have no doubt that China is engaged in spying on American factories, the very same factories and oil fields Admiral Yamamoto talked about. This should be a major concern to all who love America, yet who use Made in China Automation products.**
5. **National Defense:** Within a short period of twenty years, China, on the strength of Made in China, has emerged as the second most powerful military in the world, close behind the US. **Its Navy with 370 ships soon to have 400 ships is already bigger than**


the US navy with 350 ships. Chinese edge in space warfare is already troubling Pentagon. They have developed a capability to refuel their satellites in space and move ours' out of orbit.



By Shalabh Kumar, Decades of First Hand Knowledge and Experience, to be released soon



6. **Security of American Prosperity:** China has the capability of destroying American economy within a matter of days. All they have to do is stop buying US Treasury notes which they do every day. American interest rates will climb through the roof overnight and American economy will crash with a blinking eye. For sure, China will also be hurt, but it is under Communist rule where most of its citizens living outside its big cities have to get a visa to travel to these cities. **China today has the capability of shutting down America, literally shutting it down: stock market crash, economic depression, unemployment going through the roof, dollar devaluation, crippling inflation, shut down of all public services including fire departments, police, even public schools. This capability, resulting from loss of Made in America, will only increase year by year unless we bring manufacturing back to US.**

7. **Fake and Misleading Legislation:** In 2021, US Congress introduced a bi-partisan bill, heavily supported by Republicans, that was sold to the American public as a premier legislative act to bring manufacturing back to the United States. Congress allocated \$1.2 Trillion dollars to rebuild America's infrastructure. After touting the virtues of Made in America, the Bill, a few paragraphs down, the Bill allowed the Federal agencies to allow carve-outs if "Made in America products will increase the cost of the infrastructure projects." **(See Breitbart Article by John Binder on the subject published on August 14, 2021).**  The sad truth is that politicians regardless of party cater to lobbyists and believe me, China has a very strong lobby in Washington DC. Bottom line is that Americans, workers, professionals like Automation engineers as well as small business owners will have to take the matters in their own hands to turn this tide.

8. **75,000 + annual American deaths due to Fentanyl from China:** These are figures from US government. You cannot imagine this happening in eighties under President Reagan when there was no Made in China and no dependence on Chinese factories.
9. **Start the dialog, start the process of bringing manufacturing back to the United States:**
Because China has become the manufacturer of 85% of Automation products in the world and this dependency cannot vanish overnight, except if Trump 47 does it cold turkey, all Americans should take steps to curb the import of Made in China products.
10. **Benefits of using Made in America Automation products:** While this article has focused on the negative impact on North America resulting from the use of Made in China products and need of the hour to shift back to Made in America products, there are manufacturers of Automation products like EZAutomation division of AVG with manufacturing operations in Bettendorf, Iowa, who provide Made in America Automation control products that cost even lower than Made in China and that have other benefits. See my article titled "Benefits of using Made in America Automation Products that may not be readily apparent".

