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As jobs leave Michigan, industrial equipment follows

GRAND RAPIDS, Mich.

Keeler Die Cast Co. closed in July when its London-based parent company transferred the work to Florida.

The factory reopened its doors last week for a daylong auction of every piece of its equipment.

The first bid for a 150-ton die cast machine was \$7,000 from a Michigan recycler who wanted to turn it into scrap metal. A representative for a group of Indian manufacturers offered \$7,500, followed by \$8,500 from a Boston buyer who some at the auction believed was working for Chinese firms.

The auction, conducted on a live webcast, ends with the machinery going for \$16,000. The auctioneer, referring to the winning bidder's country of origin, says, "Take it to Mexico."

Industrial auctioneers have stepped into the void left by manufacturers deserting North America and Europe for Third World companies where labor is cheaper. Nationwide, five major industrial auction houses will sell off 12 entire factories this week, The Detroit News reported in a Monday story.

The 52-year-old, 175,000-square-foot Keeler plant was the third Michigan factory to be auctioned this month. At least two more industrial auctions are planned in coming weeks.

"Every time I go, I kind of shake my head and think, 'I wonder how many jobs just got lost,'" said Kendell Shangle, who attends auctions in search of heavy machinery that can be bought and turned into scrap metal.

The 120 Keeler workers who lost their jobs included machinist Pete Noel, who handed out resumes at last week's auction.

"We are losing our middle class," said Noel, who worked for 36 years at the company. "The only offers I get are \$8 an hour," less than half the wage he earned at Keeler for more than five years, Noel said. "Is that the kind of future we want?"

An estimated 10,000 Michigan factory workers lost their jobs in June, according to the state Department of Labor & Economic Growth. The state has lost nearly 26,000 **manufacturing** jobs since June 2003.

The industrial auctioneers include Hilco Industrial Inc. The Northbrook, Ill.-based company has

helped **manufacturing** businesses liquidate at least \$2 billion in assets and real estate in more than 500 auctions held since 2000.

"Globalization has transformed our business," said Richard Kaye, executive vice president of Hilco Corp., the holding company for Hilco Industrial auctioneers. "In fact, I don't think we've ever experienced that type of growth (in the past). We anticipate continued growth."

Before 2000, industrial auctioneers worked mainly with bankrupt companies. Kaye said, however: "More and more, we are doing business with companies that had healthy balance sheets. But those manufacturers are subsidiaries. And the (parent company) has decided to trim nonstrategic, noncore assets. Or simply ship that work elsewhere."

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