

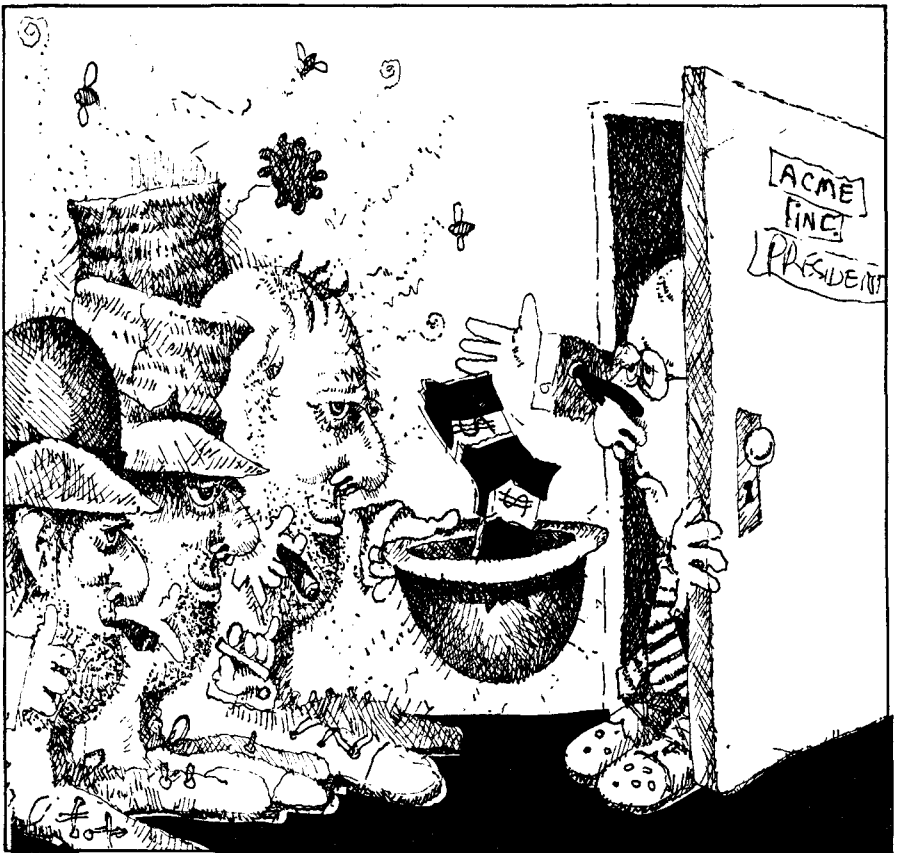
# FRONT RUNNERS

## A Fate Worse than Debt

Crude people collect debts by threatening to break fingers or do bodily injury to beloved relatives. The English, of course, are not a crude people; they have found a better way. For only £20 (a little more than \$40) Smelly Tramps Ltd. will send a team of revolting young men to camp in a debtor's reception room until shame or nausea compels the debtor to fork over the cash.

With the usual English flair for respectability, the company employs, not actual tramps, but decent young men transformed into a noisome phalanx by suits of disgusting clothes treated with a repellent chemical. Head Smelly Andy Smulian told the *Economist*, "I usually only have to wait about 10 minutes. The receptionists do most of my work for me. One sniff and they go and tell their bosses they can't stand it. All I have to do is wait patiently in my filthy rags and watch the customers turn green."

It should come as no surprise that 90 percent of debtors pay up after only a threat of smellification.



## They Give Away Horses, Don't They?

The idea of owning a wild mustang may not hold much appeal for you if you live in an urban high-rise; but if you've always dreamed of having a bucking bronco lick sugar from your palm, then the federal government's Adopt-a-Horse program (yes, we have wild burros) is for you. The project

is the response of the Interior Department's Bureau of Land Management to the problem of growing herds and shrinking land in government-owned territory. There are 90,000 beasts out there under the government's foster care; and the bureau reports a list of 12,000

hopeful parents. Suburban greenhorns are welcome if they're willing to provide a happy family environment, along with food and shelter for the animal. The bureau also suggests considerable patience, as most wild horses are reluctant to give up their unbridled ways.

## As the White House Turns

America, the contemporary wisdom runs, wants a strong man as the next president. A successful and decisive man. Even, if need be, a cynical manipulator. And with John Connally looking more and more like the rich kid who can't buy any friends, America has only one man left to turn to—Fred Silverman. Yes, Fred Silverman, NBC president and programmer *extraordinaire*. The man who gave us *Three's Company* and *Charlie's Angels*. The man who, in the words of writers Jerry Weinberger and Richard Grayson, leaders of the New York-

based Committee to Draft Fred Silverman, "has proven himself a great leader."

Although an NBC spokesman humorlessly states that Silverman has no interest in switching offices, Weinberger and Grayson point out the advantages of a "Prime Time Presidency." Silverman, they note in their first direct-mail effort, could "allocate gasoline fairly—by means of a new show called *Bowling for Gallons*." He could "cancel programs that were unsuccessful after only a couple of weeks." He could "replace the Amtrak system with

Supertrain." And that's only the beginning.

The two campaign officers feel that their candidate's reluctance to enter the race stems from the huge salary cut he would have to take if he won. Grayson and Weinberger plan to arrange a stock option plan, among other emoluments, to lure Silverman to the nomination. A victory for their man would, of course, put these early backers in the catbird seat. "If Silverman becomes the president," says Grayson, then "we can get the presidency of NBC."

ONE OF THE starkest problems facing the nation today—even though it is not in the forefront of public attention—is the progressive decline of American productivity. At one time, the ability of management to innovate and the ability of the American worker to achieve consistently higher output combined to make the United States preeminent among all industrial nations. But no more. In recent years the United States has been losing ground. Japan and West Germany have been far outstripping us in the competition for foreign markets. Indeed, we have fallen behind almost every other Western nation—Italy, France, and Great Britain included—in per capita industrial growth.

This decline may be the most potent single factor in the present inflation, with its erosion of personal savings and devaluation of the dollar. Not only is American industry unable to compete successfully in the world's markets, but it cannot hold its own right here in the United States against its numerous foreign competitors.

At one time, we told ourselves that the only reason the Japanese could outsell us inside our own country was that they used cheap labor. But any advantage the Japanese had in labor costs was quickly offset by their lack of raw materials and natural resources. Despite the consequent transportation and processing expenses, Japan somehow managed not only to undersell its competition but to produce goods that were frequently superior in quality. Perhaps nothing is more symbolic of Japanese superiority in electronics than the presence of their equipment at American television stations, even though those stations are owned by or affiliated with American companies that manufacture the same type of merchandise. The reason is uncomplicated: Japan places the highest importance on practical innovation.

Japanese manufacturers, furthermore, often are quicker to anticipate public tastes and needs. They foresaw the demand for smaller, lighter, well-built, durable vehicles with low gas consumption and high mileage. Even in the premium-priced market, Japanese cars outsell many of their American counterparts. For example, no American car in the same price range has a larger waiting list of customers than the Honda. And every time a Japanese automobile

or television set or electronic computer is sold—whether inside the United States or in a foreign country in competition with American products—the dollar takes a beating and the result is that much more inflation.

The competitive decline in the productivity of the United States is blamed in some quarters on the labor unions. This explanation, however, doesn't stand up too well in light of what happened recently in Phoenix, Arizona, where a Japanese company took over an American electronics plant about to shut down and proceeded to make it highly profitable. Same workers. What the Japanese brought to Phoenix were good management, new production techniques, and imaginative merchandising—all the qualities that are supposed to be the hallmark of American free enterprise.

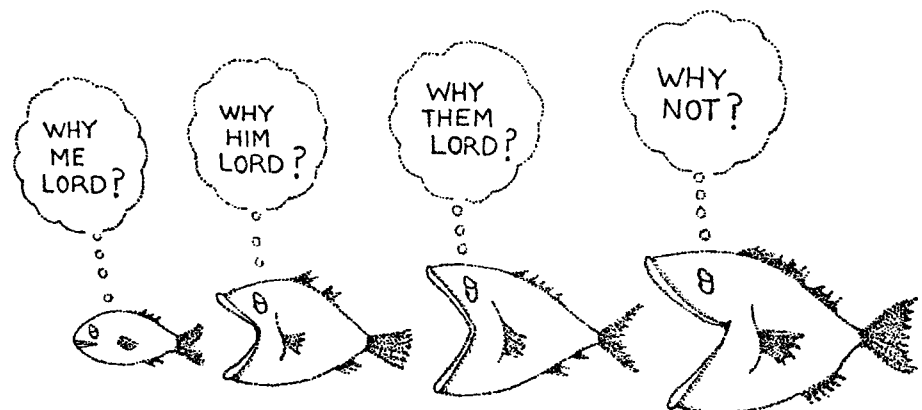
The only other major nation that has been in trouble because of inability to meet production goals is the Soviet Union. Ever since the Russian revolution, in fact, the Soviet economy has had difficulty in achieving its industrial quotas and in growing enough food to feed its people. The heart of the problem, perhaps, is that party loyalty is the highest value. The best man or woman doesn't necessarily get a key job; being a good party member is often more important than knowing how to manage a plant or put a product on an assembly belt or get the most out of people. Serious mistakes, therefore, are not only absorbed but perpetuated and enlarged.

A similar problem in the USSR is the absence of the complaint desk. Where does one go to complain about faulty organization or a basic flaw in the way an assembly belt is functioning or the quality of the merchandise itself? Any

complaint could be a reflection on a party official—and this is definitely an unwise tactic.

In a curious way, American industrial society today has to cope with the equivalent of the Soviet party system. One of the main weaknesses in American industrial organization in the past two decades or more has been the quasi-ownership of business by government. The hundreds of billions of dollars spent in the military program have had the effect of weakening the American production establishment. Incompetence in American industry, especially in the heavy-industry sector, may be reflected in higher costs—but so long as the government pays the bills, the incompetence is papered over. Excessive demands or inefficiencies that ordinarily would result in outright failure or collapse are often absorbed or bailed out through government subsidy. The main surprise about Chrysler's near-bankruptcy is not that it should have occurred but that its basic causes should have been so long concealed. It is no coincidence that Japan, whose national military budget is virtually nonexistent alongside that of the United States, should have been free of those forces that tend to retard efficient production. Moreover, the absence of military spending by Japan gives the lie to those in the United States who contend that war plants are necessary to avoid joblessness and depression.

The decline in American productivity, with its resultant inflation and weakening of the nation's world position, needs to be debated in the coming presidential campaign. The underlying facts and implications may not be pretty, but they no longer can be ignored or deferred.—N.C.



MANIKOFF