

## ARABS, from page 3

but there will be a return to inner conflict as soon as this external pressure is removed.

## CANADA'S ROLE:

"Canada did the dirty work for the U.S. policy makers and then was left holding the bag!" said Dr. Ismael concerning Canada's role in Mid-Eastern affairs. He said our involvement began in 1947 with interference by Lester Pearson whom he felt

used the Middle East to further his personal ambitions instead of for purely humanitarian reasons.

Canada was used by the major powers as a peacemaker for them he felt, and never had an interest of its own there.

Canada was an extension of U.S. involvement with no advantages. We are compromising our needs (oil) because of Pearson," said Ismael, "and will continue losing

friends" unless something is done.

Our foreign policy, he felt, had no direction and we suffered from the mistaken belief that Canada is loved by everyone. In fact Ismael believes "Canada is neither respected by the Arabs nor trusted by the Israelis." In 1973 as far as oil is concerned, the big powers (who before had used Canada) said they could not interfere on Canada's behalf. "We expected to be included in part of the settlement but had to

beg to enter the peacekeeping forces," Ismael said. Even then he believed we were used solely because there was no one else to transport the forces there.

"The press has declared an open season on Arabs". This was one criticism he levelled at the Western World Press. As examples of this Ismael cited a number of attitudes of the press. The existence of the Palestinians is almost ignored. He felt that the Israelis are always justified in the press no matter what is

done.

He felt, for example, that an Israeli violation of Lebanese territory would be justified by the media which would say they were in pursuit of terrorists. This unconditional justification, ignorance of the facts, and making incidents simple, clean and uncomplicated, Ismael felt were the major flaws of press coverage of Mid-East developments.

"Canada must compromise  
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## A short course in the nickel candy bar. And where it went.

Beginning in the February, 1975 Reader's Digest: a new series—that amounts to a mini-course in today's economics.

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and labor spent. That's what's called improved productivity.

Now wait a minute. Don't head for the exits. We're not talking about men turning screws faster or running around with ladders and oilcans like characters in an old-time movie. We're simply considering how all of us here in America affect the prices of things we buy through the way we work. Just ponder, for example, what happens when a mix of technology, planning and worker motivation spells high productivity.

Major manufacturers of hand-held power tools in Germany, Japan and England have not been able to penetrate the American market because high-quality American-made hand tools are competitively low in price. One of the major forces behind this situation is the Black & Decker Manufacturing Co., of Towson, Md. For the past 16 years, sales of its products have grown an astonishing 17 percent a year, and during that time the prices of many of these products have dropped steadily.

The company secret? Better productivity. In part, this comes from the wise investment of funds in new machines and advanced research. But beyond that, Black & Decker's management and workers constantly set goals for themselves and meet them—not necessarily by doing things faster, but by doing them better. A typical problem: Company engineers knew they could vastly improve safety from electrical shock by doubling the thickness of

insulation inside hand tools. But this would have added ten percent to manufacturing costs. Solution: Redesign of the tools, streamlining assembly and standardizing many small parts so the same ones could be used in different tools. Prices of the safer tools remained the same.

While such improved productivity has paid off in increased sales and profits, it has also paid off for employees. The company payroll in 1958 was \$14.5 million for 3800 employees. Last year's payroll was \$165.2 million for 20,700 employees.

And look at the payoff for the consumer: In 1958, Black & Decker's basic electric drill for do-it-yourselfers cost \$18.95. Now it costs \$10.99. A standard jigsaw that sold for \$44.50 in 1958 now costs \$11.99. And remember, these price changes occurred during a 16-year period which saw the U. S. Consumer Price Index rise 75.2 percent.

But the productivity payoff can also mean a lot more than new jobs and higher pay. Sometimes it spells survival. Consider the 1000 employees of the Ideal Corporation, a maker of precision automotive parts, in Brooklyn, N. Y. Saddled with an old plant and rising costs, Ideal recently looked into building a modern plant in the Midwest. The move would vastly reduce the cost of transporting its products, and the cost of the factory was expected to be about \$15 a square foot. Putting up a new plant in Brooklyn, on the other hand, would run at least \$25 a square foot,



*As part of a nation of producers as well as consumers, each of us has a lot to say about the price of things we want and need*

**WHATEVER  
HAPPENED  
TO THE  
NICKEL  
CANDY  
BAR?**

**R**EMEMBER 1955? Kids were wild about Davy Crockett hats. Some people were worried that we might go to war over a couple of Asian islands called Quemoy and Matsu. The latest musical fad was something called "rock 'n' roll." A Chevrolet sedan cost \$2000. A nickel candy bar felt pretty hefty in your hand.

Funny, but whenever you start playing the nostalgia game, you al-

ways get around to fond recollections of how far a dime or quarter or dollar "went" in the good old days. Funny, too, but none of us ever seems to really ask *why* the dollar doesn't go as far today. Whatever happened to that nickel candy bar? Why, indeed, do prices go up?

Too often we answer with a resigned sigh: "Everything's going up these days." But that isn't always so. The prices of some things have gone down: TV sets, for instance, and ball-point pens (remember when we paid \$1.50 for a "cheap" one?), toasters and quite a few other small appliances. How do these manage to run against the inflationary trend?

To answer, let's first consider two basic ways to lower the price of a product (barring the use of low-cost foreign labor to manufacture it outside this country). One way is to cheapen the product, lower its quality. But this is a fatal device in a free market—consumers catch on quickly. The other way is to maintain the quality but cut the cost of manufacture. If the product is soup cans, for instance, it means producing more and better soup cans for the time

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and related operating costs looked certain to leave the company in an extremely difficult competitive position. But Ideal had a loyal and skilled work force. It elected to remain in Brooklyn. Says John Wenzel, president of the company: "We decided to gamble on our ability to engineer processes that would reduce our costs." In other words, the productivity of Ideal's managers, engineers and workers kept their 1000 jobs in Brooklyn. And the company is thriving in its new plant.

Despite these by-no-means-isolated examples, there is disturbing evidence that America is slipping into a productivity crisis. While our productivity has historically grown at a healthy rate of about 3 percent annually, in recent years the growth rate has been falling; last year we had no productivity gain at all. Too many American businesses have been failing because they could not achieve the higher productivity that would enable them to afford the higher wages and shorter hours demanded of them. Others have hiked prices to pay the higher wages, with a resultant loss of business to foreign competition. Nine out of every ten baseball mitts sold in this land of Babe Ruth and Henry Aaron are foreign-made. So are 19 out of every 20 motorcycles, one out of six cars. Since 1967, foreign industry has caused a reduction of at least 400,000 American jobs. That's why produc-

tivity—all of us putting more in and getting more out of our jobs—is of such crucial importance.

Fortunately, we don't have to run around tearing our hair out to solve the problem. Nor do we even have to learn productivity from books or lectures. Indeed, that would be a sad estimation of the people of a nation whose history has been in a sense a history of productivity. For productivity is many things. It is the ability of a businessman to attract dollars to build new plants and create new jobs. It derives from intensive research that gives us advanced technology. And productivity is also an impulse.

It's the impulse that helps a housewife organize her day to cook turkey, bake a pie, set the table, get dressed and greet friends and relatives at the door at one o'clock. It's the impulse that makes diagonal paths across vacant lots.

Think about it. How well did you type that last report, repair that washing machine, tune up that engine, finish that blueprint? You have, we have, in our hands, in ourselves, the means to produce not just cars and books and songs and bread, but an entire way of life and economic environment second to none.

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*This message is prepared by the editors of The Reader's Digest and presented by The Business Roundtable.*