

# North American Management Briefs

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## You Should Know...

### Go For the Gold

Since resigning her position as Governor of Alaska (at a salary of \$125,000-a-year) Sarah Palin has raked in over \$12 million in book royalties, speaking engagements, and payments from two TV shows reports *ABCNews.com*.

**The Point:** She may be a lot smarter than anyone thought.

### Unbelievable

Two German women have been arrested for trying to smuggle a dead relative onto a commercial aircraft in sunglasses and a hat. They wanted to avoid a \$5,000 German repatriation fee on coffins. They claimed he wasn't dead, but arrived in a taxi with them.

**The Point:** Well once again, unbelievable.

### Smaller Government?

Puerto Rico's governor, Luis Fortuño, submitted a bill to fire one-third of the territory's legislators. He claims that "Puerto Rico's House and Senate are much larger than they need to be."

**The Point:** In a place where 45% of the population lives below the poverty level, that's not a bad idea.

### Is Climate Change Positive?

An uninhabited island in the Bay of Bengal, claimed by both India and Bangladesh, disappeared completely when submerged under water by a rising sea level.

**The Point:** Dispute over!

### May's Quote

*"If you can't explain it simply, you don't understand it well enough."*

Albert Einstein

### A Come Back?...Yes...Again

Again we hear, for at least the eighth time in a century that America's best days are behind it, it's losing its economic and military leadership, and future generations will have a lower standard of living. This time the assertions are made, among others, by Joseph Stiglitz (Nobel winning economist), Niall Ferguson (historian), Ken Rogoff (Harvard economist), and even the French President Sarkozy.

Again they are wrong. America is coming back stronger and faster than anyone expected, and much faster than most of its international rivals. American pessimism about its future is the result of our inferiority complex which goes back to the winter of Jamestown 1609 when most of the settlers died.

Examples of "disasters" we overcame?

- Wide spread labor riots (the Haymarket Riot in Chicago) which killed dozens and required the use of Federal troops to restore order in the 1880s
- The stock market and economic crash of 1929
- The destruction of the American Pacific fleet in Pearl Harbor in 1941
- The Soviet Union's success in launching the first man into space in 1961
- Anti-war and race riots which destroyed portions of America's largest cities in 1968-70
- The OPEC oil embargo of 1973
- The Iranian hostage crisis (1979-81) accompanied by a prime rate of 20.5% and inflation of 13.5%
- The 2000-01 stock market crash/dot.bomb as well as 9/11

Oh, and the current recession.

All of these disasters produced exactly the same outcome...a stronger, more dynamic, more economically vibrant America and in less than four years, with a single exception (1929).

How? The propensity of Americans from Henry Ford (the assembly line) to W Edwards Deming (quality management) to Sam Walton (effective supply chain) to relentlessly pursue efficiency. In 2009 American companies again embraced efficiency causing productivity to increase by an astounding 5.8% between Q4 of 2008 and Q4 of 2009. Yes, these gains resulted in high unemployment as the workforce once again reorients itself to the new situation.

**The Point:** The resiliency of the American culture, in the face of genuine disasters and seemingly insurmountable problems, has been proven time and time again. We not only recover, but will learn from these experiences and become more efficient and productive.

### Countries with the Most Gold

(In Tons as of 2008)

Country	Gold Consumption
1. USA	8,133.5
2. Germany	3,417.5
3. France	2,586.9
4. Italy	2,451.8
5. Switzerland	1,133.9
6. China	1,023.3
7. Japan	765.2
8. Netherlands	621.4
9. Russia	450.9
10. Portugal	382.5
World total	29,873

Source: World Gold Council