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Prophesy

There is no future in any job. The future lies in the man who holds the job.

-George Crane

In a continuing effort to bring you points of view that don't often seem to make the mainstream press, the following are excerpts of an interview in the January 12th issue of Fortune magazine with 94-year-old professor and visionary, Peter Drucker. Mr. Drucker is famous for having coined (among others) the phrase "management by objective", and is widely regarded as one of the brightest minds in business.

"The structure of the U.S. economy is remarkably different from what everybody thinks. Nobody seems to realize that we import twice or three times as many jobs as we export. We are exporting low-paying jobs but are importing high-skill, high-paying jobs". See my October 2003 newsletter on this subject @www.access-advisors.com

"The U.S. remains the cheapest place in the world to produce for many of the more advanced industries...not because are wages and salaries are so low...but because employee benefits are much cheaper than in Europe, and American workers are more flexible". Many companies are beginning to move manufacturing jobs back to the U.S. because of quality concerns. It is more cost effective to get it done right the first time, rather than pay lower wages and have higher waste.

"Nobody seems to realize that we have the highest proportion of our population in the workforce by far than any other country in the industrialized world. We have the lowest long-term unemployment rate in the West...in less than three decades we absorbed all the women who wanted to work into the workforce with no upheaval". He must be referring to *economic* upheaval.

"I would suspect that the productivity increases are actually greater than all the figures we see because the new, more flexible manufacturing processes practically eliminate setting-up time ...In some cases this setting up time has come down from three hours to four minutes. This does not show up in our productivity figures". This is where technology gains are really taking hold.

"We are the only country that has a very significant continuing education system. This doesn't exist anywhere else". We must maintain our competitive edge in this area.

"What we have been going through these past three years is most definitely not a recession. It's a transition—a transition with a lot of incongruities. Let me tell you a simple incongruity. We are going to have both fewer young people because of our own birth rate, and yet more young people because of immigration. For educated people there is no recession. But the immigrants have a mismatch of skills: They are qualified for yesterday's jobs, which are the kinds of jobs that are going away". This certainly has interesting implications for the current immigration debate.

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"Never before has a major debtor country owed its debt in its own currency...we have no experience about what will happen here when we owe so much debt in our own currency and we are forced to devalue the dollar". This is the real problem with the national debt; not it's magnitude, but it's composition.

"The dominance of the U.S. is already over. What is emerging is a world economy of blocs represented by NAFTA, the European Union, ASEAN. There is no one center in this world economy". We need to embrace this fact rather than try to fight it. Figuring out what we do best as a nation and focusing on those industries is key to regaining our footing on the world economic stage.

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