

Edison also wrought wonders for us. As Livesay writes, "before electricity most urban Americans lived dark, smelly, tattle-tale gray lives in the homes and streets lit by guttering wicks and flickering gas lamps, suffused with the reek of coal smoke, human excretion, and horse manure." By the same token, before Edison, "farm families (endured) numbing toil and embittering isolation." Edison helped bring an end to all that.

Similarly, Henry Ford made Americans more mobile. Pierre S. du Pont used market forecasting to stabilize production. Alfred G. Sloan likewise put General Motors on a sounder footing. Henry Ford II turned his father's faltering firm into a prodigious business on an international scale. And Edwin Land, in the tradition of Thomas Edison, showed that large modern organizations can enable the inventive inclinations of individuals to enhance the lives of all mankind.

Livesay does not make these men demi-gods. Their quirks and flaws are revealed—from Cyrus McCormick, who despite his openly professed Christianity opposed the abolition of slavery and allowed his hard-working brother a meager salary, to Henry Ford, who bought a Dearborn, Michigan, newspaper to broadcast his harsh and horrid anti-Semitism.

Readers of Livesay's lively book

will learn that, by improving agriculture, transportation, communication, and industrial organization, these American innovators have allowed greater numbers of people than ever before to visit, hear, enjoy, and even photograph the magnificent achievements of the past and to anticipate a more attractive future. That is no mean feat.

It was due in no small part to our open system which allowed for greater economic and social mobility. And now that we have flung open the doors of opportunity for women, blacks, and other minorities, there are even greater chances for individuals not only to advance themselves but also to enhance society. ☉

THE UNITED STATES IN THE 1980S

Peter Duignan and Alvin Rabushka,
editors

Foreword by W. Glenn Campbell
(Hoover Institution Press: Stanford,
California 94305) 1980

868 pages ■ \$20.00 cloth

Reviewed by Roger R. Ream

NO ONE can accurately forecast the events of the future. In today's complex and tension-filled world, it is even difficult to predict what next week's headlines will be. Yet we can make reasonable guesses, based upon the past, as to what problems the

U.S. will face during the decade ahead.

The editors of this tome have selected twenty-nine domestic and foreign policy topics which are likely to be major public policy issues during the decade. Taken as a whole, this book offers vital information on many important issues. Thirty-two scholars discuss different topics, providing a wealth of knowledge.

The book opens on an optimistic note with Rose and Milton Friedman arguing that the intellectual basis of Fabian socialism and New Deal liberalism "has been eroded as experience has repeatedly contradicted expectations. Its supporters are on the defensive. They have no solutions to offer to present-day evils except more of the same." Although it remains to be determined whether the ideas of human freedom will be the tide of the future, clearly the opportunity exists for reversing the ominous trends of the 1970s.

The Hoover Institution is taking advantage of this opportunity for change by offering specific public policy proposals. Each author, writing on a specific issue, analyzes a problem, discusses many of the available options, then offers practical recommendations. Among the contributors on domestic issues are Alan Greenspan, economic policy; Martin Anderson, welfare reform; Thomas Gale Moore, energy; Alvin Rabushka and Dan Throop Smith, each on vari-

ous aspects of tax policy; and John McClaughry, neighborhood revitalization.

Greenspan's essay is particularly important because he discusses an issue with long-term consequences: capital investment. He observes that unemployment and unstable economic conditions in recent years are due to inadequate private investment. Two important reasons for this inadequate investment are the inflation rate and the regulatory environment, both of which increase the risk premium. Capital expenditure is going into short-lived, low risk investments. Inflation introduces uncertainties concerning rate-of-return calculations and the regulatory process presents an unknowable assortment of rulings and delays. Greenspan argues that government programs must be curbed and acknowledges that "although the choices may be hard ones, the potential rewards are large. For if we are capable of defusing the underlying inflationary forces in our economy, thereby lowering risk premiums associated with potential new capital investment projects, the 1980s can usher in for the United States a period of sustained expansion. . . ."

The foreign affairs essays in this book cover "our dealings with foreign countries during the 1980s . . . [and the] need to understand and accept the limits of American power." Among the authors and topics in this section are: P. T. Bauer, foreign aid to

Third World nations; Ray S. Cline, U.S. intelligence operations; Hendrik S. Houthakker, world energy sources; and Edward Teller, writing on "Technology: The Imbalance of Power." This section also includes essays on six geographic regions of the world.

The general conclusions these authors reach, although not with absolute unanimity, are that the U.S. has lost much of its ability to influence events around the world; that foreign aid doesn't cure poverty, or bring modernization and democracy to the third world; and that the Soviets have achieved military superiority and therefore "the major problem facing the United States in the 1980s is to gauge the intentions and strategies of the Soviet Union." The general recommendations include increasing our currently slim technological superiority over the Soviets; pursuing a consistent policy of containment of Soviet-Cuban imperialism; and allowing the price mechanism to operate, thereby enabling us to get out from underneath our reliance on Middle East oil. They offer specific proposals for achieving these ends.

Richard F. Staar has a particularly insightful essay concerning opportunities for the U.S. vis-à-vis the Soviet Union. It is likely that a change of leadership will take place in Moscow in the 1980s. "One of the great weaknesses of the Soviet sys-

tem," Staar writes, "is that no means exist for any constitutional transfer of power or for the removal of overaged or otherwise disqualified leaders except by conspiracy." He predicts the struggle for power following Brezhnev's departure may "involve an extended period of disorientation in Moscow." However, following this period of vulnerability, the new Soviet leadership can be expected to remain narrow-minded and totally dedicated to their system of terror. Staar recommends specific actions we can take to be in position to exploit the opportunities created following Brezhnev's departure, including projecting the U.S. to the Third World "as a revolutionary system that has brought prosperity to the American working class . . . and where human rights are strongly upheld. . . ."

Compiling a volume as broad as this book can present several problems for the editors. There is the difficulty of selecting the issues which will be of greatest importance in the 1980s. While the verdict on this count cannot be handed down until 1990, it appears that all major areas are covered in this book with the possible exception of crime. The crime rate is approaching such a level in this country that peaceful political, social, and economic activity is endangered. The problems discussed in this volume contribute both directly and indirectly to the

increasing crime rate and stem from the same source, a growing disrespect for life and property.

The selection of scholars to contribute to the volume is also excellent. The topics are thoroughly covered and the proposed alternatives are accompanied with well-reasoned arguments.

It is unlikely any reader will find himself in complete agreement with a book of this breadth and diversity. Each author has his own somewhat distinctive philosophical outlook. The intention of the book is to offer public policy proposals. Solutions consistent with free market principles are sometimes dismissed because they are not politically viable. Several of the authors reluctantly "begin with the premise that any serious plan for . . . reform must be

politically, economically, and socially feasible. . . ." The difficulty here is that we sometimes find ourselves trying to make socialism work, rather than proposing bold initiatives which are consistent with the principles of freedom. By concerning ourselves with the politics of an issue, we sometimes offer solutions that are not wholly consistent with our principles.

The Hoover Institution has done a great service by publishing a book which forcefully analyzes problems confronting the U.S. and offers useful and creative solutions. The 1980s will present numerous opportunities to restore greater freedom and security to Americans. This book brings into focus many of the opportunities and challenges we are likely to face. ⊕

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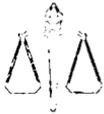
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