
FOREIGN POLICY & DEFENSE

job. In 1962, Pentagon researchers surveyed the first U.S. support units in Vietnam, after they had been ashore for six weeks. Some troops, it was found, had not even seen a map of where they were.

In peace as in war, senior officers, Kaufman believes, must share more information with their subordinates, and delegate far more responsibility. "Soldiers will, in most cases," he writes, "live up (or down) to what is expected of them."

ECONOMICS, LABOR & BUSINESS

*The Joys of
Kinship Capitalism*

"Capitalism and Kinship: Do Institutions Matter in the Labor Market?" by Peter B. Doeringer, Philip I. Moss, and David G. Terkla, in *Industrial and Labor Relations Review* (Oct. 1986), 201 ILR Research Bldg., Cornell Univ., Ithaca, N.Y. 14851-0952.

Kinship employment is a growing U.S. phenomenon. Hiring relatives or fellow ethnics, Indian newsdealers, Korean grocers, and Greek and Oriental restauranters have appeared in many cities, as have Vietnamese shrimpers on the Gulf Coast.

The authors, Boston University economists, studied the trend in one industry: New England fishing. They focused on Gloucester and New Bedford, Mass., home to more than half the region's offshore fleet, 1,200 boats employing 5,000 men. About 10,000 work smaller craft.

Until the 1950s, most boats were owned by investors of, typically, Yankee or Norwegian heritage. But poor catches and foreign competition drove out many operators, and during the 1950s the Italians and later the Portuguese began buying boats. Now most of Gloucester's fleet is Italian-owned, and about 60 percent of New Bedford's is in Portuguese hands.

Thanks to rising prices, and the fact that foreigners have been barred from a 200-mile-wide offshore fishing zone since the spring of 1976, the industry has revived. The 18th-century "lay system" under which owners and crew share the proceeds of each catch puts as much as \$35,000 a year into the pockets of full-time offshore crewmen. Employment has risen.

Traditionally owned boats operate in standard business fashion. Efficiency and seniority govern the hiring of captains and crew; in slow times, boats are laid up or sold. In contrast, the authors found, the Portuguese and Italian boats' owner-captains employ family and friends, and others of their ethnic group. In bad times, such "kinship" craft keep fishing, even if it means losing money and "rotating family members on and off boats so that available work and income are shared." Not everyone is treated equally. Ethnic owners may accord "inferior employment rights" to recent immigrants. Even so, these workers "have priority access to jobs" over nonethnic hands.

Pooling their savings, ethnic owners often have more capital than traditional operators who borrow from banks. They are quicker to expand in flush times, and better able to ride out bad economic weather.

ECONOMICS, LABOR & BUSINESS



A New Bedford fisherman unloads a six-man "dragger"—a vessel that pulls fishnets along the ocean floor. Crewmen complain about gales and "dungeon tick" (fog), which can make their profession dangerous. In 1983, 130 Americans died while fishing at sea.

When the New England fleet's economics soured years ago, the old-line owners fled to fish processing or left the field entirely. By the 1970s, the authors say Boston "almost ceased to be a fishing port." Indeed, it never recovered—while Gloucester and New Bedford did well.

Corporate Ills

"Enterprise and Double Cross" by Robert B. Reich, in *The Washington Monthly* (Jan. 1987), 1711 Connecticut Ave. N.W., Washington, D.C. 20009.

During the 1970s, Zenith Corporation executives had an idea: Use lasers to play sounds recorded on plastic disks. A few years and many millions later, Zenith dropped its plan as too risky. Then, Japan's Sony brought laser-operated compact disk players to market, with great success.

Reich, a professor of political economy at Harvard's John F. Kennedy School of Government, cites the disk drama to make a point. Had Zenith's executives spent more on broadening their workers' training and experience, and less on testing a single new product, other innovations, like optical computer memories, might have resulted. But a change in priorities would have required greater flexibility and commitment than America's business culture today can typically muster.

In contrast to Japan's "team" culture, U.S. businesses are weakened by individual self-interest. Job-jumping is endemic. Average tenures are