ons were unloaded.

During the American Revolution, contrary to popular myth, Americans seldom engaged in guerrilla warfare; Congress even adopted the British Articles of War. The combatants (including the French) signed agreements on rules of conduct. But violations were frequent. In 1778, a British officer went so far as to suggest that "Philadelphia should be burned and New Jersey and New England laid waste"; the British did plunder towns along the coasts of Connecticut and Virginia to deprive the Americans of supplies. Banastre Tarleton's infamous British Legion slaughtered [more than 100] Americans who tried to surrender at Waxhaw, North Carolina. "Major General Charles Grey's savage nighttime surprise attacks against American forces demonstrated that the British army could be resourceful and ruthless," Starkey writes.

The conduct of European armies was much worse elsewhere. The French responded to the mid-18th century war for Corsican independence with a scorched earth policy. In 1745, the British brutally suppressed the Scottish Highland rebels, whom they considered savages.

Restraint, when it was exercised, owed little to the Enlightenment, Starkey says. Many of the 3,000–4,000 British officers who served in the colonies were young aristocrats who had purchased their commissions. They had no formal military education; at best, their schooling in Enlightenment principles of warfare might be readings from Stephen Payne Adye. And even if these young officers read Adye, Starkey adds, they found appeals not to reason and rationality but to ancient notions of honor and chivalry.

ECONOMICS, LABOR & BUSINESS

Globaloney?

"The Competitive Advantage of Nations" by Michael E. Porter, in *Harvard Business Review* (March–April 1990), Boston, Mass. 02163.

"In a world of increasingly global competition, nations have become more, not less important."

That's right, insists Porter, a professor at the Harvard Business School, *more* important. Prevailing wisdom in corporate America tends toward the opposite conclusion: Moving factories to countries with the lowest wages and interest rates, as well as strategic mergers and alliances in pursuit of lower costs, are much in vogue. Meanwhile, Washington is foolishly trying to enhance U.S. "competitiveness" abroad by easing competition at home (through such policies as the relaxation of antitrust laws), trying to manage exchange rates, and tinkering with trade policy.

Ultimately, Porter maintains, these mistaken efforts spring from an outdated view of how the world economy works. That conception is based on the theory of comparative advantage developed two centuries ago by classical economists Adam Smith and David Ricardo. This theory holds that the cost and distribution of the factors of production—such as labor, land, natural resources, and capital—are the key determinants of international trade. Each kind of product is exported from the nations that are best endowed with the factors needed to produce it. Thus, steel might come from the nations with the best sources of coal and iron.

Porter believes that this theory no longer applies: "In the sophisticated industries that form the backbone of any advanced economy, a nation does not inherit but instead creates the most important factors of production—such as skilled human resources or a scientific base." He calls this the theory of competitive advantage.

In Porter's view, the nation is a "home

Disorganizing Labor

A Survey of Recent Articles

The perplexing decline of American organized labor continues unabated. From a peak of 34.7 percent of the nonfarm workforce in 1954, union membership plummeted to 27.4 percent in 1970 and to 12.9 percent in 1988. Scholars now take seriously the possibility that American labor unions could ultimately go the way of the Model T.

Predictably, research into the causes of this astonishing decline has tended to become polarized along political lines. Two distinct theories have emerged.

One school of thought, led by Harvard economist Richard B. Freeman, holds that the experience of American labor is unique: All of the Western industrialized nations have suffered severe economic dislocations, such as large job losses in the heavily unionized manufacturing sector, but only American unions have declined. In a series of books, monographs, and essays, and most recently in an article in *Industrial and Labor Relations Review* (April 1990), co-authored with the University of Minnesota's Morris M. Kleiner, Freeman has argued that the plight of American unions is largely the result of vastly increased employer opposition to union organizing drives—and, implicitly, of faulty government policies that abet it.

Evidence of stiff, even bitter, corporate resistance to unions, a marked contrast to the general labor-management truce of the 1950s and '60s, is plentiful: Nearly half the firms in one business group in 1983 declared that being nonunion was their major labor-relations goal; 41 percent of those facing union organizing drives in a 1986 survey said they had hired union-busting consultants; official complaints of unfair labor practices in union elections before the National Labor Relations Board have soared; in about one-third of the firms that were unionized during the early 1980s, management refused to sign a collective contract, "effectively reversing the election results."

Freeman and Kleiner find that firms with the lowest wages and worst working conditions are most likely to dig in against a union organizing drive. The most effective anti-union tactic, they say, is hard-nosed opposition by foremen and mid-level supervisors. Top executives keep the heat on their subordinates; eight percent of the managers who let an organizing drive begin were fired by their superiors, and 10 percent of the managers who let the union win an election were fired.

Members of the second school say that all of this is essentially irrelevant. Broadly categorized as conservatives, these scholars insist that structural changes in the economy have undermined the unions. Off the record, they might even suggest that organized labor in the postindustrial world is archaic.

Why has the decline of American unions been so severe? "Structural changes in labor markets began sooner, proceeded more rapidly, and their scope was more extensive in the U.S. than in Canada and Western Europe," Rutgers economist Leo Troy argues in *Journal of Labor Research* (Spring 1990). By the mid-1950s, half of all jobs in the United States were in the service sector, but as late as 1985, 53 percent of West Germany's workers and 50 percent of Italy's were still employed in the heavily unionized goods-producing sector.

Moreover, Troy contends, the apparent good health of unions in Canada and Western Europe is partly a mirage. Eliminate the union members from their much larger, highly unionized public sectors, and the same fundamental economic forces can be seen at work undercutting unions. Between 1975 and 1985, union membership dropped from 46 percent of the "market sector" in Italy to 39 percent; from 30 percent in West Germany to 28 percent; from 26 percent in Canada to 21 percent. In the United States during those years, membership dropped from 26 percent to 15 percent. As the United States goes, Troy says, so will its Atlantic partners.

If that is true, museum status cannot be far away. As Gary N. Chaison and Dileep G. Dhavale, both of Clark University, write in *Industrial and Labor Relations Review* (April 1990), in part because corporate resistance has been so strong (unions are defeated in more than half of all organizing drives), labor has reduced its organizing efforts by half since the late 1970s. That and other negative trends suggest that organized labor's slide will not end until it claims only two percent of American workers as members.

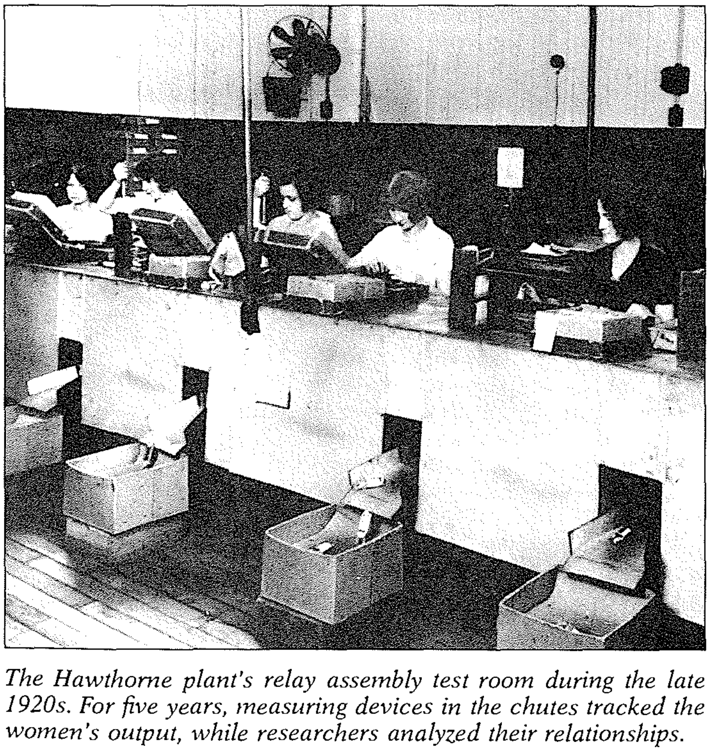
base" where "the essential competitive advantages of the enterprise are created and sustained. It is where a company's strategy is set, where the core product and process technology is created and maintained, and where the most productive jobs and most advanced skills are located." He believes that there are four determinants of competitiveness, which he calls the "diamond of national advantage": factor conditions; domestic demand for the company's product; the presence of supporting industries; and "firm strategy, structure, and rivalry."

Porter's emphasis on national qualities seems to provide a natural rationale for massive government intervention in the economy, but he favors a restrained, though not laissez-faire, role for government. He suggests that Washington could usefully help launch industrial research and otherwise create specialized resources that yield competitive advantages, but overall he wants government to encourage U.S. business to compete more at home so that it can become more competitive overseas. Governments, he writes, "cannot create competitive industries; only companies can do that."

Does Humane Management Matter?

"Worker Interdependence and Output: The Hawthorne Studies Reevaluated" by Stephen R. G. Jones, in *American Sociological Review* (April 1990), 1722 N St. N.W., Washington, D.C. 20036.

Almost any undergraduate who has taken an introductory social science course during the last 50 years has heard of the famous Hawthorne Effect: The very knowledge that researchers are studying them causes people to change the way they behave.



The Hawthorne plant's relay assembly test room during the late 1920s. For five years, measuring devices in the chutes tracked the women's output, while researchers analyzed their relationships.

That is just one of the more curious findings that came out of the landmark study of worker productivity in Western Electric's Hawthorne telephone equipment manufacturing plant in Chicago during the late 1920s and early '30s. The Hawthorne researchers began with the simple notion that varying the intensity of the lighting in the Hawthorne plant might alter the workers' productivity. By the 1930s, however, they were convinced that they had made a revolutionary discovery: The quality of human relationships—among workers, and between workers and their supervisors—is the most important factor influencing performance on the job.

As Jones, an economist at Canada's McMaster University, observes, that was no small matter. The Hawthorne results "changed many ways of thinking about the labor process" in and out of the academic world; it also provided the foundation for new subspecialties in the developing "science" of manage-