
**COUNTING OUR
BLESSINGS:
Reflections on the Future of
America**

by Daniel Patrick Moynihan
Atlantic-Little, Brown, 1980
348 pp. \$12.95

Ask a dozen political pundits to describe the senior Senator from New York and you will no doubt get a dozen conflicting impressions. These 14 articulate essays by the former Harvard political scientist and only man to serve in Cabinet or sub-Cabinet posts under four consecutive Presidents weave one argument: U.S. governmental institutions are resilient and can work well, if we rediscover the wisdom they embody. But Moynihan also comments on a panoply of abuses. He charges that political empire-builders obey the Iron Law of Emulation: In 1962, for example, the White House created the Office of Science and Technology; nothing would do but for Congress to get its own Office of Technology Assessment (in 1974). The result: duplication, rivalry, and stalemate. Moynihan's most stinging barbs are reserved for Supreme Court Justices when they play at social science. His point: "Social science is basically concerned to predict future events, whereas the purpose of law is to order them." Finally, Moynihan assesses SALT. With each new agreement, he notes, the nuclear forces on both sides have increased. He asks, "Need we sign treaties to legitimate an arms race that neither side might be willing shamelessly to go forward with unilaterally?"

**THE DEFENSE
INDUSTRY**

by Jacques S. Gansler
MIT, 1980
346 pp. \$19.95

With only one customer, there is no free market at work in America's defense industries. Yet, since performance is ultimately more crucial than cost, fewer than 8 percent of military procurement contracts are decided "solely on the basis of price competition." So argues Gansler, vice president of Washington's Analytic Sciences Corporation. Supporting between one-fourth and one-third of all U.S. scientists and engineers, the Defense Department should be at the forefront of technological progress. But Pentagon planners have increasingly shifted research-and-development funding from small, inventor-led companies to large corporations that "emphasize risk minimization, and thus tend not

to push new ideas or applications." A few "fixes" that Gansler feels would result in a cheaper *and* better war machine: Subdivide R&D and production assignments among separate businesses; require prime contractors to have many sources of parts; make cost compete with—but not necessarily override—performance as the chief criterion for design decisions. Gansler estimates that "the last 5 percent of performance often results in a 50 percent cost increase." Under the present system, he says, the United States fails to get enough bang for the buck.

**THE CRISIS IN
ECONOMIC THEORY**

edited by Irving Kristol and
Nathan Glazer
Basic, 1981
242 pp. \$13.95 cloth,
\$4.95 paper

First published as a special issue of *The Public Interest*, this collection of 12 essays surveys 400 years of economic theory. Sociologist Peter F. Drucker outlines the big movements—mercantilism, physiocratism, classical and neoclassical economics, the various shades of Keynesianism, and monetarism. He contends that economists need a new definition of "wealth"—not money or land or labor, as in the past, but productivity, "knowledge applied to resources through human work." Economist James W. Dean discusses Keynesian "fine-tuning" by Paul Samuelson et al. and the revolt—victorious for the moment in Britain and America—against Keynes led by "supply side" economists such as Arthur Laffer. All agree that economic theory has so far failed to come to grips with runaway inflation and lagging capital formation. Co-editor Kristol accuses radical economists on both the Left and Right of formulating useless "rationalist-utopias." He urges adherence to Adam Smith's tenets: Men are "incorrigibly interested in improving their material progress"; when they are given free rein, economic growth occurs, and, "in the long run," everyone's lot improves "however unequally." But economist Paul Davidson recalls Keynes's rejoinder that "*in the long run*, we are all dead." And sociologist Daniel Bell observes that economists, ever striving to be "scientific," often overlook the way people actually behave.