ideological descendants saw a need to buy off restive minorities and preserve social peace; market men got greater subsidies for business.

Today's budget battles reflect the struggle to forge a new social compact. Wildavsky believes the new consensus will call for budget balance. The question: Will it be balanced at a high level of taxes and spending, as in the European social democracies, or at a lower level, as the market men demand?

America's Lag

"Technology, Enterprise, and American Economic Growth" by Jordan D. Lewis, in *Science* (Mar. 5, 1982), 1515 Massachusetts Ave. N.W., Washington, D.C. 20005.

America's vaunted technological and economic superiority may be in jeopardy, thanks to shortsighted corporate leadership, excessive labor-management strife, and an overgrowth of litigation. These surface defects, says Lewis, a Senior Fellow at the Wharton School of Business, suggest underlying U.S. character flaws: too much conflict, too little trust.

The United States leads in corporate R & D as a percentage of industrial output, at 1.91 percent; the West German figure is 1.64 percent; Japan's is 1.29 percent. But partly in response to high inflation, the Americans concentrate on products for the immediate future, while leading foreign companies look decades ahead. The executives of Japan's consumer electronics firms envisioned selling video recorders 15 years before they could market them.

Similar shortsightedness plagues U.S. investment strategies. For example, the stockholders' thirst for profit forces General Motors to seek pay-back on investment within five years. Technological improvements are thus confined to tinkering with old auto plants. GM uses its factories for 39 years; its Japanese competitors build new ones every 14 years.

Even more harmful is the adversarial approach in American labor-management relations. A 1981 General Accounting Office survey found that daily productivity in 20 comparable Wyoming coal mines ranged from 58 to 242 tons of coal per worker. Why? Bosses of the more productive mines encouraged worker involvement in decision-making. IBM and Kodak have proved that Japan has no monopoly on "open" businesses. But why are there so few in the United States?

U.S. regulatory agencies and corporations prefer to litigate rather than cooperate—with predictable results. Ordered to reduce coke oven pollution, U.S. steel firms often cut plant efficiency to comply. Their Japanese competitors, given technical guidance by government regulators, increase efficiency by using waste heat from emissions to power their plants.

It is not in the cards for a heterogeneous America, founded on individual rights and distrustful of authority, to become "another Japan," says Lewis. But increased cooperation, American-style, is a must.