

CURRENT BOOKS

FELLOWS' CHOICE

Recent titles selected and reviewed by Fellows of the Wilson Center

THE NEXT AMERICAN FRONTIER

by Robert Reich
Times Books, 1983
324 pp. \$16.60

As candidates begin to gear up for the next presidential election and debate quickens over public policy issues, politicians and voters alike have begun to pay more than usual attention to new oracles who explain and prescribe. Prominent among liberal diagnosticians is Robert Reich, a former Federal Trade Commission staffer who now teaches business and public policy at Harvard.

Reich's concern is America's lagging economic performance, and his explanation for it is concise: From approximately 1920 to 1970, the United States enjoyed an era of economic dominance based upon "high-volume standard production run" industrial organization. It was America's innovative "scientific" management even more than improved machinery, Reich believes, that accounted for the American worker's productivity, which grew at a rate of 2.3 percent per year during that fifty-year span—higher than in any other industrialized nation.

The 1970s brought a painful and confusing transition, as Third World nations, following the examples of Japan and West Germany, learned to compete with our industrial output from a lower wage base. America will now either suffer declining living standards and rising internal tensions, or adapt to changed conditions by discovering new economic strengths. These, Reich argues, lie not simply in "sunrise" industries—the "high-tech" solutions touted by so many governors and chambers of commerce—but in the adoption by both older and newer industries of a different organization of production. Reich calls for "smaller batches of more specialized, higher-valued products" (such as precision castings, customized software, fiber optics, and lasers) requiring nonhierarchical, participatory and flexible work teams. While he offers no models for workplace relations between management and labor, he points to a number of foreign firms (particularly Japanese) that have developed democratic industrial arrangements allowing workers a greater share of power, responsibility, and rewards.

The second ingredient of a renascent U.S. economy is a more active federal role. Reich conceives of new agencies charged with monitoring international competition and steering a collaborative effort with business and labor to stay ahead of economic change. Without using the words, he proposes what others call "industrial policy" or "planning."

Specialists will find many flaws in this book. Historians will object to the presentation of the 1920–1970 era as one rather seamless economic

continuum. Economists will deny that the sources of U.S. growth come down to the organization of production, and will cite resources, infrastructure, technology, and the spur of competition. Experts in resource and environmental issues will be aghast at the absence of such matters in a book about economic prospects. Reich leaves largely unexplained how the Japanese and West Germans have adapted more smoothly than the English and Americans. He has nothing to say about the political steps that will lead us toward new organization. Everywhere, he simplifies in order to drive home his main point.

Yet, even those conversant with these complexities must grant the power of the book's central idea. Human capital *will* decide the future of "first world" societies facing the Third World's low-wage competition, and Reich dismisses the regnant notion (without ever specifically mentioning President Reagan) that market forces alone will call forth either the creativity or the educational investment required to move into higher value-added production. But unlike many earlier liberal writers who wished to hamstring or punish business, Reich relishes successful entrepreneurship. Indeed, he would like nothing more than to see government and labor join capitalists in a common search for economic advance. And nowhere does he express doubts about government's capacity to play such an ambitious role.

This is really the faith of the New Deal, undiscouraged by 50 years of governmental experience, or oblivious to it—one cannot tell. But when the pendulum swings back to the liberals, Reich's proposals will surely be part of their economic strategy.

—Otis L. Graham, Jr.

F. SCOTT FITZGERALD:

A Biography

by André Le Vot
Doubleday, 1983
393 pp. \$19.95

"Fitzgerald has been left with a jewel which he doesn't quite know what to do with. For he has been given imagination without intellectual control of it; . . . he has been given a gift for expression without many ideas to express." It was the critic Edmund Wilson, Fitzgerald's fellow Princetonian and life-long friend, who penned that stinging appraisal, and though it was partly the product of envy, it nevertheless came close to the truth.

F. Scott Fitzgerald is America's great literary prodigal. His life seemed to parallel the course of the Roaring Twenties, whose symbol he became: Profligate days led to a nearly disastrous end. Yet, from the waste and wild living issued forth works that have become national classics—*The Great Gatsby* and *Tender is the Night* among them. Those books prove the inadequacy of Wilson's criticism. For if Fitzgerald had few ideas—the cost of success and the fear of failure—they were central to the American experience. And no other writer has explored them so well.

Not surprisingly, the man has attracted more than his share of serious biographers, the best of whom is probably still Arthur Mizener, author of *The Far Side of Paradise*. But Le Vot, professor of American literature at