
ECONOMICS, LABOR & BUSINESS

*Turning Points
For America*

"The Future of Our Economy" by Lester Thurow, in *Harvard Magazine* (July-Aug. 1976), P.O. Box 301, Uxbridge, Mass. 01569.

MIT economist Thurow looks at what lies ahead for the economy in America's third century and finds some serious problems obscured by current misconceptions. Contrary to popular belief, he contends, economic growth has not brought us more leisure time, but less: "American families are working more and more, with fewer and fewer hours at home." (Hours of paid work by women have increased substantially.) Another 1950s prediction—that the United States would develop a "service economy" and a white-collar society—has also proved wrong. (The only real growth service industries have been health and education; both require large capital investment. And distinctions between white- and blue-collar workers have become so blurred as to be meaningless.) Thurow denies that the "so-called energy crisis" represents a significant "turning point in economic history." Energy, he says, has only stopped becoming cheaper. (The price of a barrel of oil, in terms of hours worked to earn the money necessary to buy it, is the same now as it was in 1968.)

While waiting for the world of the futurists to arrive, Americans may soon see semi-socialist Sweden surpassing the United States in its real average standard of living, or per-capita gross national product (Sweden's annual growth rate substantially surpasses the United States' 3 percent), to be followed soon by Denmark, Switzerland and West Germany. Public realization that the American economy is performing poorly will generate demands for drastic change. Thurow predicts some form of wage-indexing (a cost-of-living escalator for all workers) or guaranteed jobs within the next 15 to 20 years if nothing else solves the inflation-unemployment dilemma now imposed by "oligopolistic big business and big labor." Either remedy, he says, would mean major, controversial changes in the economy.

*A New Ethic
For Business?*

"An Unscandalized View of Those Bribes Abroad" by Walter Guzzardi, Jr., in *Fortune* (July 1976), Time & Life Building, New York, N.Y. 10020.

Bethlehem Steel won the contract to supply rails for Russia's Trans-Siberian Railroad (begun in 1891) after Charles M. Schwab presented a \$200,000 necklace to the mistress of Czar Alexander's nephew. Schwab's gift provoked no burst of outrage, says Guzzardi, yet far less crass sales inducements are now universally denounced when used by U.S.