the income from oil exceeded $55 billion.

As a developing nation Saudi Arabia is in the enviable position of having more revenue than it can hope to spend on "modernization." This excess revenue has been invested primarily in Western industrialized nations. As a result, a conservative Islamic society finds itself face to face with the culture, economics, and politics of the modern world.

Little has been written about the economy of Saudi Arabia. Ragaei El Mallakh provides an in-depth study of its rapid economic development, carrying out a "structural analysis" of the economy using both cross-sectional and longitudinal techniques. Although his analysis is weakened by a complex and at times obtrusive writing style, the book benefits from his extensive research, much of it done in connection with The Middle East in the Coming Decade, part of the Council on Foreign Relations 1980's Project, of which he was co-author. Mallakh's chapter on the economics of oil is particularly well documented and presented.

In the area of Saudi oil policy Mallakh's observations reduce to three points. First, the primary problem for Saudi policy-makers is how to channel the sudden and unprecedented growth into stable, orderly, and self-sustaining development. Since the economy is based almost exclusively on a nonrenewable resource, the Saudi Government must endeavor to diversify the economy. Next, the Saudis must continue to maintain a moderating role over price-setting through OPEC. Finally, the Saudis would do well to play a role in ensuring political and economic stability both internationally and regionally.

While Mallakh recognizes that such wealth and influence bring added responsibilities, he neglects to point out that the Saudi motives in shouldering them are not purely selfish. Consider the Saudi dilemma: The dependence of the United States and other Western states on imported oil means that any increase in the price of OPEC oil has an impact on the West's balance of payments, usually leading to the devaluing of Western currencies. Since the overwhelming percentage of Saudi foreign investment is in the West, any devaluation of currency means a devaluation of Saudi investments. These investment losses clearly cannot be offset by oil-price increases, since these would set off the same chain of events.

In addition to the financial and economic aspects of domestic programs, Mallakh includes a discussion of the political and social constraints on development. He dissects the three five-year plans with a balanced critique of the accomplishments and shortcomings of each. The third five-year plan must address the largest obstacle to continued growth: a shortage of Saudi manpower. The author himself does not address adequately the pressure exerted on the social structure by the influx of foreign labor and by the move to include women in the work force. The development of Saudi manpower and the diversification of the economy will be the government's highest priorities in the current five-year plan. The rapid pace of industrialization combined with the unique socio-demographic aspects of Saudi Arabia make this an interesting case study of the problems confronting developing countries.

Newly Published

Kenneth W. Thompson, a Worldview editorial board member, recently edited three books on the American presidency, all published by the University Press of America: The Roosevelt Presidency: Four Intimate Perspectives of FDR, Vol. I of "Portraits of American Presidents"; Ten Presidents and the Press; and Vol. X of The Virginia Papers on the Presidency. The volumes represent activities of the White Burkett Miller Center of Public Affairs, of which Professor Thompson is Director.

BUSINESS, RELIGION, AND ETHICS: INQUIRY AND ENCOUNTER edited by Donald F. Jones
(Olgeschlager, Gunn & Hain [Cambridge, Mass.]: 245 pp.; $25.00/$12.95)

Walter E. Ashley

What are business ethics? Can they be taught and, if so, how? What contribution can organized religion make to the debate? Business schools and some clergy were wrestling with these questions even before Watergate put the spotlight on institutional morality in general, but so far with little agreement on any of them. Now a collection of eighteen essays by businessmen, clergy, and professors of ethics claims to chart some new directions and interpret businessmen and clergy to one another. The result, says the foreword, is a book "that both a pastor and an executive would be proud to put in each other's hands."

A big claim. How valid is it? Certainly for anyone completely new to business ethics debates, this could be a useful introduction. The first section consists of articles on the confrontation between organized religion and corporations when the churches, wielding their stock purchases to...
introduce stockholder resolutions, attempt to
affect company policies. A second section
gives Protestant, Catholic, and Jewish
perspectives on the meaning of modern busi-
ness. A third concentrates on questions of
social responsibility as seen by corporate
executives. A final section attempts to reach
new conclusions.

In general, the articles are calm and bal-
anced. The case for laissez-faire capitalism,
for example, is made without neglecting the
problems it creates. The present American
economic system is defended for its con-
tributions to democratic pluralism. Busi-
ness leaders assure us that their companies
do in fact go well beyond the law in com-
plying with moral imperatives.

Nevertheless, one is left with a feeling of
profound disappointment. Where is the
confrontation and serious disagreement that
questions of business ethics inevitably pro-
voke? Nowhere is this reflected, except in
the very first article—a slam-bang Fortune
piece attacking the churches for their hand-
ling of the topical infant-formula issue, with
some indignant replies by church spokes-
men. The result: Both businessmen and their
critics will yearn to make what they believe
are the real arguments. Corporate execu-
tives will want to make an ethical defense of
profits, rather than accept the academic
view that providing goods and services is
all right but making a profit somehow is not.
Critics will search in vain for a dis-
cussion of the legitimacy of corporations—
by what moral right do companies (mean-
ing, in practice, a few executives) make
decisions affecting the lives of millions?
Even a corporation man will begin to miss
Ralph Nader.

And surely as important, what do church
spokesmen consider to be their own institu-
tions’ relevance to such problems? Can
the leading Western religions, rooted as they
are in simpler societies, provide guidance
for today’s world? Can an executive who
spends five days a week poring over next
year’s corporate profit plan heed the in-
junctions of a faith that tells him to take no
thought for the morrow? Maybe he can—
but this basic issue is not even raised.

Finally, as a former teacher in business
school who long puzzled over what to tell
students about ethics, I found the book un-
informative. When may an executive take
a bribe (of course we’d call it a “commission
for the local hospital. all contributions tax-
free, of course)? How much severance pay?’
These too are questions of business ethics—
though I doubt there are any answers to them.
We seem to be thrown back on St. Augustin’s
admonition Dilige et quod vis fac (Love and then
do what you will). But this certainly would limit
the clergy’s role in counseling on ethics.

In summary, then, the book’s claim to
interpret business and clergy to each other
is highly inflated. But it may encourage
readers to do some basic thinking them-
selves. WWW

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Addendum

Tamara M. Green, whose review of Nations
Before Nationalism, by John Armstrong,
appeared in the February issue, was not
identified further. Dr. Green teaches in the
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DILEMMAS OF PLURALIST
DEMOCRACY:

AUTONOMY VS. CONTROL

by Robert A. Dahl

In Dilemmas of Pluralist Democracy Robert
Dahl reaffirms his commitment to pluralist
democracy while attempting to come to
terms with some of its defects. In complex
democracies, he insists, liberty is guaran-
teed by the existence of numerous inde-
pendent organizations. Yet the very
autonomy that safeguards liberty also per-
mits such organizations to do harm. Can
we remedy this ill without jeopardizing
the liberty from which it springs? Through
a series of “thought experiments,” Dahl seeks
a remedy that avoids substituting new dan-
gers for old.

Organizational pluralism, Dahl writes,
may prohibit a widespread consensus on the
“common good,” fragment the public
agenda, permit private associations to ap-
propriate public responsibilities, and rein-
force existing inequalities. Though the focus
of his book is not readily apparent, Dahl’s
primary concern is with the last of these
defects. He argues that too often unjust and
arbitrary disparities in wealth and income
lead to unmerited political power. If modern
governments want to avoid fundamental
conflicts of interest that permanently divide
citizens, they must either redistribute wealth

BRIEFLY NOTED

MONEY, LANGUAGE
AND THOUGHT

by Marc Shell

(University of California Press; 219 pp.; $24.50)

In setting out to explore the relationship
between economic and philosophic im-
}
and income or learn how to mitigate the effects of an unjust or unequal distribution. Attempts to rectify economic inequities through centralized planning or socialized ownership generate problems of their own. Dahl’s solution is deceptively simple: By taxing inheritance, wealth, and income, we could root out the causes of economic inequality with a minimum of government regulation. We could thereby retain the benefits of a market economy without the burdens of the welfare state.

Unfortunately, Dahl’s solution suffers from a narrowness of vision that belies his own insights. As he knows, structural change depends on a change in "civic consciousness." But why should Americans, long adverse to redistribution schemes that interfere with their private activities, be amenable to his proposal? Dahl admits that, barring a change in civic consciousness, they would not. His solution requires Americans to realize that economics and economic institutions affect the public weal in so profound a manner that they must be subject to public control.

Yet Dahl associates pluralist democracy with egoism. Although he recognizes that decisions made by egoistic individuals in the public sphere are not necessarily more just than decisions made by egoistic individuals in the private sphere, he still considers civic virtue an unattainable ideal because we permit the conflict of independent associations.

It is not that civic virtue requires the absence of conflict. It does, however, require bonds of affection and shared interest—bonds that are difficult to forge or cement in a large state. But the difficulty of creating such enduring bonds should not persuade us to relinquish the ideal of civic virtue. Sadly, it persuades Dahl to do so. The strength of his book lies in his recognition of the dangers of economic inequality. Its weakness lies in his belief that a republic can thrive without public-spiritedness. As Alexis de Tocqueville reminded us more than a century ago, equality might get a retrial here alongside Ezra Pound; fiery Harry Bridges strides the stage with ironic Owen Lattimore. But Kutler is not really interested in his characters, their real or imagined threat to the government, or

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THE AMERICAN INQUISITION: JUSTICE AND INJUSTICE IN THE COLD WAR
by Stanley I. Kutler
(Hill and Wang; xiv + 285 pp.; $16.50)

This is a modest book, immodestly packaged. Beneath its resounding title is a loose collection of narrative essays. Each recounts in great detail the persecution of a public or quasi-public figure by various Federal agencies. Kutler’s characters show little but their persecution. “Tokyo Rose” gets a retrial here alongside Ezra Pound; fiery Harry Bridges strides the stage with ironic Owen Lattimore. But Kutler is not really interested in his characters, their real or imagined threat to the government, or

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LIBERATION THEOLOGY
by James V. Schall, S.J.
(Ignatius Press [San Francisco]; 402 pp.; $9.95 [paper])

The author, who teaches at Georgetown University, takes a little less than half of this volume to offer his own spirited critique of the "liberation theology" that is identified

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Subscriptions: $20.00 per volume (4 issues) for Institutions
$12.00 per volume for individuals (prepaid)

BOOK FORUM, The Hudson River Press
Box 126, Rhinecliff, N. Y. 12574

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Laura Greyson

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Richard John Neuhaus

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the historic issue of anticommunism. His interest is, rather, the schemes and strategies with which government subverted the legal system in order to "get" these individuals. A better title would have been "Government Persecution: Case Studies From the McCarthy Era."

_American Inquisition_ belongs on the lengthening shelf of contemporary histories inspired by the release of classified documents under the Freedom of Information Act. As in too many such studies, a wealth of new evidence has failed to inspire a corresponding wealth of new interpretation. The new material is marshalled to reconfirm old assumptions. Within the genre, however, Kutler's work merits respect. He is a meticulous researcher, a shrewd investigator, and a fair stylist. It's his has added little to our understanding of the broad issues of the time, he has provided careful vignettes of the personnel and methods of the anti-Communist purge. Such an emotional subject always can benefit from another cool head.

---Larry Tool

**THE DISARMAMENT CATALOGUE**
edited by Murray Polner
(Tc The Pilgrim Press; 209 pp.; $12.95 [paper])

"Mr. Reagan When you were shot, it was a national catastrophe. Who will cry for me when I am dead, from your pro-war actions? Literally yours." This letter from a fifteen-year-old girl is one of several letters printed in this rich compendium of information and exhortation. There are interesting essays, lists of groups and resources, and some beautiful and some terrifying graphics.