

What Seers finally means by a nationalist or self-reliant strategy is frustratingly elusive. He speaks more often in terms of goals than of concrete policies. It is refreshing to hear an economist grapple with political realities, but his solutions demand overcoming deeply rooted institutional weaknesses. And where is the economic heart of his argument? What *kind* of nationalism works?

One doesn't have to be a Friedmanite to admit that certain nationalist experiments have been disasters. The developing countries that have fared the best have not been nations like Tanzania, Burma, and Cuba, but those willing to accept selective integration into the international trading system: Korea, Taiwan, and Singapore. These states are also, in some sense, "nationalist." With strong bureaucracies, they are a far cry from the Chicago textbook. They are also relatively egalitarian, even by the standards of advanced countries, though they are not democratic. Yet Seers scarcely mentions them. He also conveniently ignores the disasters of state intervention in Africa as well as the authoritarianism of many self-proclaimed "socialist" experiments.

In addition, Seers fails to address squarely the problem of form of governance. Despite his democratic hopes, the need for "freedom of maneuver" might well be used to justify a top-down politics which would betray them. The pattern is not uncommon, and Seer's references to a "general command" is somewhat chilling.

Seers is as interested in the North as in the South. Seeing the current economic crisis as a transition from the "neo-colonial order," Seers seeks just options for his native England. He finds them in an "extended nationalism" that harkens back to De Gaulle's vision of an integrated Europe from the Atlantic to the Urals. This would constitute one of the several economic-political blocs into which the world is, in any case, naturally moving. Seers admits that this would require wide-ranging reforms at a time when British policy toward the community is moving in the opposite direction. But the implications of an international system fragmented into blocs are more troubling than Seers admits.

First, interdependence is not divisible. Britain trades with Africa and the United States, lends to Latin America, and imports technology from Japan. Second, such regionalism is likely to politicize North-South relations even further. Select less-developed countries would be integrated into preferential schemes, while others would be excluded by protectionism. Would an inward-looking Europe be more concerned

or less concerned with the poorest of the poor?

There is much here to provoke thought. Seers's emphasis on the international and domestic political bases of economic growth is crucial. Yet the advocacy of a "nationalist strategy" is too broad to be of much use, while the political and economic implications of a fragmented international system are not faced squarely.

Nationalism may be the outcome of a more turbulent international economy, but should we advocate and welcome it? **[WV]**

UNDERSTANDING NEW MEDIA: TRENDS AND ISSUES IN ELECTRONIC DISTRIBUTION OF INFORMATION

edited by Benjamin M. Compaine
(Ballinger Publishing Co.; xxi + 378pp.; \$29.95)

Martin Green

In the brave new media world described in *Understanding New Media*, television as a conscious manipulation of the audience will be pushed to its logical conclusion. With a hundred channels of cable TV, advertisers and programmers will be able to tailor TV fare to every segment of the audience: separate channels for newswatchers, health addicts, sports fans, cineasts, and pornophiles. This cornucopia will be supplemented by VCRs and videodisc players to provide what is unavailable on the hundred channels or to allow the viewer to break out of the lock-step of mass programming. Hooked to a computer, the TV set will also become a purveyor of information as well as entertainment, delivering up-to-the-minute news, stock market reports, travel and weather information, as well as providing access to far-flung databases.

These developments have usually been described as an "information revolution." New technologies seem to arrive on the scene almost daily, and pundits like Alvin Toffler and John (Megatrends) Naisbitt have been quick to trumpet the profound changes they will have on our life (style). Visions of the paperless office, the home office, the wired nation have been spun; the death of print has been proclaimed; the emergence of a new split in our culture (the information rich vs. the information poor) has been predicted. Scenarios of work and play in the electronic cottage depict happy families pecking away endlessly at computer keyboards to do their jobs as well as while away

their leisure time: the New Togetherness. Obviously there is a great deal of truth in these prognostications. I am writing this on a newly acquired home computer, and computer talk has rapidly replaced real estate, cars, and even food as the prime topic of conversation in certain circles. But more sober reflection, provided by *Understanding New Media*, indicates that there is an equal amount of hype.

Despite the McLuhanesque overtones of its title, this book—a collection of talks, position papers, and research proposals to congressional committees, professional and trade associations in the communications field, and corporations involved in media transformation that were prepared by the Harvard Program on Information Resources Policy—eschews prophetic enthusiasm for the calmer tones of social science discourse. Because most of the essays have been only lightly edited from their original form, there is a great deal of repetition and overlap in the volume, and not much shaping of the material for the general reader. But those who can wade through the often deadly prose of some of the essays (the editor's contributions excepted) will find a wealth of insight into the current media environment.

According to Benjamin Compaine, the changes in the media environment have been evolutionary rather than revolutionary. The development of computers from the behemoths of the first generation to the sleek and portable models of today is a major transformation of technology, but it took forty years. Cable has been around an equally long time, but only in the last decade has it penetrated the TV market to a significant degree (its share is still only about 35 per cent), and in the last year there have been signs that cable may not be an infinite growth industry. Despite proclamations of the death of print, newspapers are still publishing; if anything, the changing technology of computer typesetting and satellite transmission has breathed new life into old boys and made way for some new kids on the block (e.g., *USA Today*).

If the change is not revolutionary, the new technologies are nonetheless having an impact. The fact that, like TV programs, a newspaper's content can be transmitted via satellite has far-reaching implications for law. On what basis can the law distinguish between the traditional press, with its constitutional protections, and TV news services, which are regulated by the FCC, if both are using essentially the same transmission mode?

Another major development in the media evolution is the shifting cast of characters. "Why might American Express have ac-

quired an interest in Warner Cable?" asks John C. LeGates in his chapter, noting that the traditional players in the information business—newspapers, broadcasting companies, publishers and their auxiliary and feeder enterprises—have been joined by financial institutions, insurance companies, and even an oil company and an automobile manufacturer. In addition, the roles of traditional media companies are changing: AT&T, no longer the phone company, now sells computers—it is in the Knowledge Business; IBM tries to enter the data transmission business through a partnership with Aetna Insurance, Comsat, and MCA, while Xerox links up with Western Union and Ethernet; and the most successful provider of database services is a paper company. With the changing cast and roles comes a struggle for market position and dominance. Newspapers, not to be left in the dust, team up with media and communications companies to experiment with electronic publishing—thus perhaps hastening the fulfillment of their self-prophesied doom.

But what hasn't changed, according to Compaine, is the *content* of the information business. "All media are in the business of ideas, information, and entertainment." From the consumers' point of view, it mat-

ters little whether information is transmitted via cable, satellite, regular broadcast, or printed page, or whether entertainment is broadcast, "narrowcast," or supplied by a disk or tape. What they care about is *what* is received and how much it costs. As Compaine and several other authors in this volume point out, the "model home information and entertainment product...provides a broad range of information and entertainment, provides built in storage, is easily portable, integrates graphics and text, allows user self-pacing and random access to any portion of the database within five seconds, allows for branching, provides hard copy and is completely updated every twenty-four hours, yet comes at a low price to the consumer—25 cents per connect hour or less."

The description currently fits only that marvel of technology, the traditional newspaper. When a new media service like videotex (the transmission of text and graphics via phone line and video reception) can match the cost of newspapers, it might have a chance of penetrating the home market. But videotex is costly (in equipment and in transmission) and it is as yet unclear who will pay for it. The cost of newspapers is kept low for the consumer because adver-

tising subsidizes publication; whether advertisers will flock to videotex remains to be seen. Will videotex provide the consumer something the newspaper doesn't? Is the consumer in need of information updated more frequently than every twenty-four hours? If he is, there are already alternative services, like radio and TV. Where will videotex fit in? Videotex won't succeed as a residential service, Compaine argues, until "it can provide information in form...inherently superior to the information that is already available using traditional formats," and at a competitive price.

Assuming that videotex does meet the conditions Compaine states, there are other policy questions raised by the new information marketplace. Who will have access? Who will profit from the new technologies? Who will have jurisdiction over them, and how will jurisdiction disputes be settled? Who will provide what services and under what conditions? What will happen to the traditional purveyors and intermediaries of the information business?

The answers to these questions are not provided in this book. Compaine and his associates are not in the business of fortune telling; their favorite maxim is that "forecasting is a hazardous occupation, espe-

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cially when it deals with the future" (a maxim attributed variously to an ancient Chinese sage or a guru—though I suspect it was Casey Stengel who said it first). Rather, they set out the variables. This is sometimes done to excess, as in Christine Urban's nearly seventy-page overview of "Factors Influencing Media Consumption," which concludes "that consumer behavior appears to be a function of situational and individual factors as well as the content and format of the media." What is certain, however, is that new media will have a profound effect on our lives. [WV]

**SEEDS OF DESTRUCTION:
NATIONALIST CHINA IN WAR
AND REVOLUTION, 1937-1949**
by **Lloyd E. Eastman**
(Stanford University Press; 311 pp.; \$32.50)

Robert W. Barnett

Seeds of Destruction is an exquisitely crafted reassessment of why a Kuomintang dominated by Chiang Kai-shek was done in between 1937 and 1949 by a populist Chinese Communist opposition led by Mao Tse-tung.

Lloyd Eastman's analysis carries special weight and poignancy because he eventually finds the answer to "Who lost China?" in Chiang Kai-shek's own, largely ignored, speeches and writings. According to Chiang, it was the Kuomintang itself that brought the downfall of Nationalist China—not a niggardly Washington, not a vandalizing Soviet Union, not even the rapacious Japanese occupation forces. As he wrote in his *Soviet Russia in China* in 1956: "The mortal blows suffered by Nationalist China sprang from defects in organization and technique, from serious errors in policy and strategy, and above all, from the weakening of our national will power at a time when it most needed to be strengthened."

Eastman observes that Chiang spoke of the causes of defeat on the mainland in primarily moral and psychological terms. He never comprehended that political institutions and policies could be the real source of Kuomintang frailties. His own particular indifference to the need for policies designed to reform rural China meant that peasants and soldiers were being given no real inducement to fight or to cooperate with the authorities. Chiang, like an emperor of the Ching dynasty, saw politics as a matter of competition among "court" elites. Practicing rule through balancing weaknesses, he failed to create a basis for popular

and efficient governance.

One is surprised to find Chiang expressing unabashed admiration for the organization, discipline, and moral dedication of the Communists. His faith in the ultimate victory of his own side was apparently based on the conviction that the Kuomintang's ideology and political line were more suited to the needs of the nation and would prevail if implemented with sufficient moral fervor.

Eight microanalytical chapters precede Eastman's persuasive presentation of Chiang's postmortem on the loss of China. For his own account of the byzantine mismanagement of Chungking's relations with the provinces—Yunnan province in particular—Eastman leans heavily upon the now-available reporting of our China foreign service establishment. He reminds us of its prophetic insights and sophisticated appreciation of the many dimensions of the China scene. There were many more than those which were being observed from Yen-an and held such fascination for the world press. His account of the involvement of Chiang Ching-kuo and his father in the drama of Nanking's bold and suicidal attempt to control inflation by issuing the Gold Yuan is based upon rich Chinese-language sources that have never been examined so carefully, I think. Seven other chapters make use of materials in English, Chinese, and Japanese. They tell how peasants were ground down by taxes, conscription, and the compulsory labor levies administered by corrupt, self-seeking bureaucrats; they sketch the abortive attempts to reform the old-line Kuomintang, such as a short-lived Youth Corps; they trace establishment responses to the Ko-hsin movement (a lower-level Kuomintang effort to create a liberal, forward-looking basis for peace and reconstruction); they tell the sickening story of the deterioration of the health, discipline, and morale of Chiang's wartime military establishment; and they make vivid the horror and disappointment that attended the discovery, after the Japanese surrender, that even when Chiang's armies were not short of supplies China's common people were unable to trust or respect their intent.

Lloyd Eastman has made a major contribution to our understanding of the internal dynamics of Kuomintang China, which yielded to the People's Republic of China on the mainland and to the tainted but progressively more convincing and constructive Republic of China on Taiwan. The unique interest of Eastman's scholarly achievement derives from his careful clinical analysis of the real vulnerabilities of Nationalist China, an analysis carried on almost without regard for what writers sym-

pathetic to Mao's revolution had to say on that subject up until 1949 and for the way authorities in Peking—and its ill-informed friends and foes elsewhere—have construed the history of the preceding twenty years. If there had been no Yen-an, Chiang still might have lost China. [WV]

PROFITS WITHOUT PRODUCTION
by **Seymour Melman**

(Alfred A. Knopf; xix + 344 pp.; \$18.95)

**FORCES OF PRODUCTION:
A SOCIAL HISTORY OF
INDUSTRIAL AUTOMATION**
by **David F. Noble**

(Alfred A. Knopf; xviii + 409 pp.; \$22.95)

Albert L. Huebner

Following the deepest recession in more than four decades, the U.S. has been enjoying a sustained recovery that is all the more impressive because accompanied by remarkably low inflation rates. The immediate economic outlook is rosy. Yet the longer view is deeply disturbing, and not only because of the huge deficits: an unfavorable balance of trade grows steadily worse; many manufacturing jobs have been lost forever; and productivity remains low.

Seymour Melman, professor of industrial engineering at Columbia University, and David Noble, professor of the history of technology at MIT, address this decline in manufacturing and the staggering impact it is having on the well-being of Americans. Although their subject matter overlaps, the authors approach it from different perspectives and with different emphasis, and the net effect is that the books complement each other extremely well.

Melman insists that industry in the U.S. has been sapped of its productive strength by two powerful forces that developed after World War II. First, there was a shift in the philosophy underlying industrial capitalism that paved the way for a new breed of corporate management. The ideal executive became "the financier-strategist, the shrewd, nimble operator who combined disparate firms into conglomerates that maximized the short-term profit-taking opportunities afforded by tax laws, securities transfers, the milking of production assets and other financial legerdemain."

Of course, it isn't attention to profits that's new but the separation of profits from production. Melman points to the steel industry as one of many examples. Citing losses in