

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

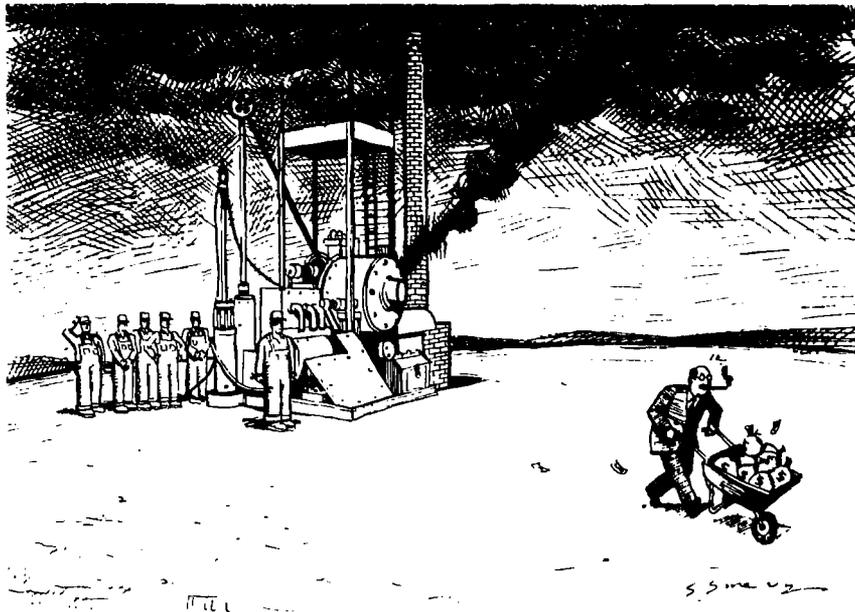
1979 to justify plant closings, U.S. Steel earned more than a half-billion dollars in 1980 though it produced less steel. According to Melman, the company's management has "elected to neglect research and development, technological improvement and new capital investment in steel manufacturing, while making large investments in chemicals, oil and gas, coal and real estate." From 1975 to 1980 the firm invested about \$6.8 billion, but most of it was outside the steel industry and did little to increase production.

The second force undermining American industry is what Melman calls the "military economy." As he shows in section after section, diversion by the military of vast quantities of the nation's resources—capital, skilled labor, raw materials—away from "anything useful for further production" has crippled the ability to compete. Although not as specific as other data, perhaps the best indicator of this trend is the sheer size of the military economy. The accumulated budgets of the Department of Defense from the end of World War II until 1980 had a money value equal to about 46 per cent of the total reproducible assets of the United States; and if the present military buildup continues as planned, this will rise to an astonishing 94 per cent by 1988.

Diversion of resources isn't the only negative effect of a military economy. The "cost-plus" military contract gave companies an incentive to run up costs, eroding the traditional practice of cost-minimizing. Melman cites the effect on manufacture of machine tools, an industry that has historically played a critical role in spurring American production. Domination of machine tool research and development by the military customer, in addition to pushing costs beyond the means of commercial users, narrowed the range of what was available from domestic manufacturers. As a result, by 1978 U.S. machine tool stock was as outmoded as it had been back in 1940, following ten years of depression. Not surprisingly, productivity plummeted.

Summing up the impact of the military economy, Melman concludes: "What has been foregone for American society is a quantity of material wealth sufficient to refurbish the United States, with an enormous surplus to spare."

While Melman deplors the self-defeating managerial/military affinity for technological changes aimed at deskilling workers and reducing their decision-making power, he is less insistent than Noble on pursuing this issue of control to its roots. *Forces of Production* traces the history of



industrial automation against the backdrop of prevailing belief systems that place the greatest emphasis on control of production, even when the consequences are higher costs and lower productivity.

Noble argues that the tone defining the corporate and military attitudes toward labor in postwar decades was succinctly stated by Charles E. Wilson, General Electric president, War Production Board vice chairman, and later advisor to President Eisenhower. "The problems of the United States can be captiously summed up in two

words," he declared in 1946: "Russia abroad, labor at home."

The idea of weakening labor through centralized, automated control of production was consistent with the seldom-challenged ideologies of all the major interested parties except, of course, labor itself. In Noble's view, the traditional philosophy of manufacturing embraced "the beliefs that any intensification of management control translated inevitably into greater efficiency and thus larger profits." As for the military—the chief supporter of the research into the automation that was to emancipate production from human workers—"centralized computer-based command-and-control systems" had become an "obsession." Finally, the ideology of technological progress, which views technological advance as inescapably beneficial for society, pervaded the increasingly powerful technical community, as well as most of the rest of society—including labor.

The consequences of an unquestioning conformity to these belief systems go deep. Technologies are developed and applied that neither cut costs nor improve productivity; the supposed self-correcting effect of the market mechanism is offset by military influence and state subsidy. Worse yet, these technologies lead to dislocations and displacements that wrack the economy, exacting severe and widespread social costs. For example, it is now well established that unemployment, which, on average, has been rising for several decades, brings with it higher rates of morbidity, mortality, homicide, suicide, and domestic violence.

Noble anticipates the objection that will be made to his reservations about automation: Technology is the key to regaining

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a competitive edge in the economic struggle with Japan. He notes that the National Machine Tool Builders Association, which sent a study mission to Japan in 1981, did *not* find that Japan was more advanced technologically. The strength of the Japanese firms was due not simply to investment in equipment but to "dogged" long-term management, to "aggressive" marketing, and to the fact that the Japanese "pay an unusual amount of attention to the training and motivation of [their] work force."

The issues raised by Melman and Noble will influence profoundly the life of everyone in this country; they deserve to be the focus of a sustained national debate. That debate is not taking place and shows no sign of starting, so it comes as no surprise that neither author displays much optimism about the future.

For Melman, the classic social contract—that is, the ability and willingness of management to carry out the efficient organization of work—has been broken. Economic renewal will require new modes of governance in economic life and, most fundamentally, the extension of decision-making power to those within the producing

occupations. While Melman offers a number of exciting possibilities for instituting the reforms he considers essential, there is at present little or no movement in this direction.

Noble envisions the promise of a rational and humane second Industrial Revolution in broader terms than Melman. Not only could it bring economic renewal, but also a more democratic, egalitarian, creative, and enjoyable society. But the social promises and consequences are excluded from the decision-making process, while the compulsion to make technical fixes continues, fueled by newly inflamed competitive fears:

"[W]e see not the revitalization of the nation's industrial base but its further erosion; not the enlargement of resources but their depletion; not the replenishing of irreplaceable human skills but their final disappearance; not the greater wealth of the nation but its steady impoverishment; not an extension of democracy and equality but a concentration of power, a tightening of control, a strengthening of privilege; not the hopeful hymns of progress but the somber sounds of despair, and disquiet." *WV*

enables us to invent our own way of life, unwittingly brought into the world the unnatural condition of anarchy from which stems the destructive and tormented quality of what we call history. As we move forward, our task is to knit together a new wholeness to contain the pathogen of power and to allow our most humane values to dictate our destiny. The task is demonstrably begun and in the coming centuries can be achieved, God willing we have the time.

In the meanwhile, as we strive for this more whole order, we are compelled to wrestle with the problem of power and the painful more dilemmas it imposes upon us.

Andrew Bard Schmoekler

Bethesda, Md.

Brian Thomas responds:

"For instance" may not be proof, but it can be refutation, which the case of Gandhi is for Schmoekler's parable—the alleged humaneness of the British empire notwithstanding. (The British have yet to relinquish Northern Ireland, by the way.) A disconfirming instance need not have universal application, and so I share Schmoekler's skepticism of nonviolent noncooperation as a method of Native Americans in their war against genocidal, territory-grabbing whites. I also share his hopes for containing "the pathogen of power" and allowing humane values to prevail. I remain skeptical of his parable.

Correspondence

TRIBAL CONFLICT

To the Editors: In his review of my book, *The Parable of the Tribes* (September '84), Brian Thomas begins by lamenting the cheerlessness of my theory of the role of power in shaping the development of civilization. He concludes by adducing the cheerier example of Gandhi and by declaring that this example "undermines the parable's pretensions to explanatory power." This does not do the theory justice.

Gandhi's example suggests the glad tidings that we can have our cake and eat it too, i.e., that we can maintain moral purity and still win, rendering unto God what is God's without having to pay a moral tax for living in Caesar's realm. Would that it were so; would that the requirements for survival in a dangerous world did not compel us to make morally painful choices.

"For instance is not proof," Mr. Thomas says in criticism of my method of argument—and of course he is right. That applies also to his use of Gandhi. Gandhi's success with nonviolence occurred against perhaps the most humane and liberal of the imperial systems, and at a time when powers weakened by two devastating world wars

were having to relinquish their colonies anyway. Does this "for instance" really undermine my theory of the necessities imposed upon civilized peoples by the unrestrained play of power in an anarchic intersocietal system? It has been well asked, how many Gandhis have disappeared unnoticed and ineffectual into the Gulag? And is it plausible to think that Native Americans—and countless dispossessed and decimated peoples throughout history—could have escaped their fate had they been adept at practicing non-cooperation?

The inevitability of the rule of power in an anarchic world is the pessimistic thrust of the parable of the tribes. Mr. Thomas criticizes not only this dark view, but also the "discrepancy" between this and my optimistic goals. I've done my work too well, he says, leaving no escape hatch. But there is an escape, and a reason for optimism: The historic anarchy of the overarching intersocietal system need not be permanent.

We emerged out of the regime of nature, a harmoniously ordered system shaped by eons of biological evolution. Ten thousand years ago we, the creatures whose creativity

ISRAEL: THE INCIDENT IN QUESTION

To the Editors: Mark A. Bruzonsky's contribution to your issue of September, 1984 (Excursus: "Israel: A Shameful Silence"), is a shameful statement, mixing half-truths, innuendo, and lies.

He says: "Last April 12 four teenage Israeli Palestinians commandeered a bus." They were, he says, "not armed with guns." He fails to say that these four terrorists ("teenage") were armed with dangerous explosive devices, that the hijacked bus was an Egged passenger bus, that the terrorists held the passengers hostage and threatened to blow up both bus and passengers.

Mr. Bruzonsky talks of the length to which Israeli authorities went to suppress the evidence of "this occurrence" (the storming of the bus by Israeli forces and the death of two of the terrorists while in their custody) and observes that "for the first time in Israel's history, an establishment Hebrew newspaper was closed." He fails to disclose that the newspaper, *Hadashot*, was closed