

provides a list of eight traits), in order to prepare for next time. American officials should try to remember that countries sometimes have histories. In the case of Nicaragua, an appreciation of American policy failures of the 1920s might have warned the United States away from failures of the 1970s, not to mention the “slow-motion Bay of Pigs” *contra* fiasco of the 1980s.

All of that is, from the perspective of reforming the State Department, undoubtedly sound advice. Yet it is hard to believe that Lake’s recommendations, even if implemented in full, could begin to cope with a failure as great as America’s in Nicaragua. Every move made by the United States turned out, after all, to be an error from every possible standpoint—moral, military, humanitarian, democratic, anti-Communist, regional, global. The errors were short-term and, as Lake acknowledges, they were long-term, too, which suggests they were structural. For how is it—to go to the heart of the matter—that after four decades of influence and tutelage (with occasional half-hearted breaks for nonintervention during the Truman and Carter Administrations), Nicaragua’s National Guard, that Frankenstein, failed to acquire even a single one of the characteristics of a democratic army?

How is it that from the several American interventions in Nicaragua and the rivers of American and especially Nicaraguan blood that were shed, the only decent thing that seems to have survived is baseball? These are depressing questions because they speak to the nature of U.S. civilization. Lake gets at it with a solitary fact when he reports that U.S. banks employ more professionals in international affairs than does the Foreign Service.

We are a civilization that possesses values and achievements almost everyone in the world wants to share; but we are an inarticulate civilization, so speechless that we cannot explain our values and achievements to our closest neighbors. Democratic ideas spread, when they do, in spite of ourselves. We cannot succeed at policies in foreign countries because we cannot identify lofty

missions even in our own minds. We may be among the greatest empires in world history, but we are also a failed empire. At least that is how things look from the viewpoint of American relations with our neighbor, our brother, our victim, the Republic of Nicaragua.

Facing the Japanese Challenge

More Like Us: Making America Great Again

By James Fallows
Houghton Mifflin.
245 pp. \$18.95.

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JAMES FALLOWS has long been my favorite American journalist. He observes what many miss, often shaping a mosaic of luminous and compelling design. He can cut through complexity, yielding fresh insights where none seemed possible. Even when he fails to persuade, he succeeds in changing our perceptions of problems and phenomena we thought we had understood. This splendid volume confirms me in my Fallowsphilia.

More Like Us starts with the celebrated cliché of the decade: The Far East threatens our premier status in the world economy. But it ends with an original response.

Some want to take a leaf from the exotic Pacific book. The new Democrats urge us to adopt the industrial policy that Japan presumably practices and we do not. Others would rather burn the book. Congress has just pressured President Bush into becoming a latter-day Commodore Perry, threatening Japan with retaliation under the 1988 Omnibus Trade and Competitiveness Act if it does not change to suit our interests.

Fallows, who spent a year in Japan recently for the *Atlantic Monthly*, urges us instead to look closer at ourselves, to renew our economic strength by recognizing our “abnormality”—our uncommon virtues, or “culture”—and fashioning solutions that build directly on it. “A society that is true to its own culture will usually have a healthy economy,” he points out. “It will have found the right way to elicit people’s best efforts. The economic progress it makes will, in turn, allow many people to have more satisfying lives.”

America’s uniqueness lies in the pervasiveness of “possibility,” the principle of social mobility that has led to continuous seeking of new chances in a tradition where constraints inspire challenge and not accommodation—a virtual celebration of disorder. “Japan gets the most out of ordinary people by *organizing* them to adapt and succeed. America, by getting out of their way so that they can adjust individually, *allows* them to succeed.”

Fallows paints telling portraits of migrants who sought the second chance this country offers, reinventing their lives as only America enables them to do. He describes his own family’s move when he was five from the East Coast to the small town of Redlands, California. This is the California that was devastated by Joan Didion in the *Saturday Evening Post* as a wasteland “where it is easy to Dial-a-Devotion, but hard to buy a book ... the last stop for all those ... who drifted away from the cold and the past and the old ways.” Fallows celebrates the flip side—the seizure of new opportunities, the remaking of one’s destiny—with greater insight. He adds three sketches of people who turned themselves around by “not knowing their place”: Buddy and Judy Ginn, who moved from the Midwest to oil-rich Alvin, Texas; the Nguyens, who fled from Vietnam to Los Angeles; and Wyman Westbury, who fought at great odds against the establishment in a company town in St. Mary’s, Florida.

America has been weakened, Fallows argues, whenever it has denied the concept of possibility—and the attendant notion that anyone can succeed, there-

fore no one is inherently better or entitled to deference. When social mobility gave way to class in enabling the educated to avoid the Vietnam draft, the consequence was the prolonged continuation of a serious and debilitating war. More important, racial discrimination has deprived blacks of access to the American dream, leaving the nation with an intolerable social stain and economic burden. And discrimination against women has had much the same effect.

Fallows further warns against recent trends that restrict various groups in our society. He alerts us to the increasing educational prerequisites demanded by the professions on entry, although in fact there is little evidence that this education correlates with performance; to the IQ tyranny which, unscientifically but forcefully, reduces large numbers to a falsely "objective" inferiority that limits their sense of the possible; and to the myriad ways, such as yuppie lifestyles, Americans today tend to define themselves as different from their fellow countrymen.

What we have to do, says Fallows, is "reopen America"—revive the optimism that Americans are capable of to stimulate personal gain and benefit the public good. He urges a shift in government spending from entitlements to insurance, because a safety net is needed, not sinecures. The poor deserve workfare, not welfare, and public school reform to improve their prospects. Substantial deregulation of the professions is necessary so that competence, not formal educational background, becomes the relevant entry factor. We must also continue the impulse of immigration that so much of our unique principle of possibility derives from.

These sweeping conclusions invite little disagreement, for they are essentially marked by good sense and that peculiarly un-American quality associated with older civilizations, wisdom. Indeed, it is easy to miss the freshness of Fallows' prescriptions precisely because they appear so reasonable. Congressmen, who look after the larger American interests and accept honoraria from the narrower ones, should instead be

paid by Common Cause to read this book. They and we would both be better for it.

The Democrats would profit from the author's insistence on flexibility of response to pressing domestic problems, reinforced by suitable social policies. Their flirtation with protectionism and the itch to pursue a course of "managed trade" that would confuse what is good for Motorola with what is good for the country and the world trading system, runs wholly against the thrust of the Fallows thesis.

The Republicans would profit equally. Flexibility implies that opening world markets is not enough. This must be accompanied by adjustment assistance to displaced workers, giving them training and funds to grasp the second chance.



JAMES FALLOWS

Civil rights enforcement and affirmative action, which provide the entrée and the role models that help extend the principle of possibility to blacks and women, acquire credibility from *More Like Us*.

If Fallows is to be faulted, it is for excessive concessions he makes concerning the primacy of culture and its stranglehold on economic behavior. Certainly the Japanese are different from us. One only has to read Junichiro Tanizaki's beautiful book, *In Praise of Shadows*, to see how different they truly are. But it is wrong to infer that they do not belong to the human race whose economic behavior Adam Smith fashioned into the principles of political economy. It is precisely this non sequitur that Fallows' fascination with cultural difference is likely to encourage. The result will be a regrettable strengthening of the non-

sensical claim that the "containment of Japan" requires unconventional restraints.

Clyde Prestowitz, an indefatigable proponent of "managed trade," has asserted that Japan, by virtue of cultural factors, is impenetrable, and consequently there will always be a tendency toward a Japanese surplus in the balance of trade. If that is true, it is astonishing that it took nearly a century after Commodore Perry opened up Japan for this inevitable surplus to develop! The reality is that the Japanese trade surplus has come at the end of a period when Japan has been integrating more closely into Western culture.

The widely-held belief that Japan's trade barriers—some overt, many inscrutable and covert—account for our trade deficit is not validated by any economic theory. Nor can this view survive the fact that Japan's trade barriers did not increase, but actually diminished, during the period that our deficit emerged.

The Japanese trade surplus reflects the excess of high personal savings over domestic investment that began to occur in the late 1970s, thanks to a reduced investment rate in the wake of the economic upheavals caused by OPEC. The American trade deficit reflects, by contrast, President Reagan's budgetary profligacy. Japan's culture and Japan's trade barriers are not the problem, and bashing Japan is not the solution to our troubles.

Fallows is fundamentally correct in asking us to look within ourselves for our strength. But the challenge from the Far East for the next century cannot be met entirely by enhancing the principle of possibility. We need to do much more, to complement individual striving with social action in many other ways. Our savings and investment rates have collapsed to levels less than half those in Japan. The pace at which we implement technical change has slowed. Our children are lapsing increasingly into illiteracy. If we do not address these underlying sources of our long-term economic malaise, we shall without question lose the race with the Pacific nations.