The Re-United States of America

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David Heenan argues cogently that the United States is no longer making it in the world economy and that American leaders in business, government, and labor need to forge a national consensus on a strategy to rebuild the American economy. The party is over for the United States, says Heenan, because Japan and West Germany have pushed ahead of this country in world markets, and several other countries are not far behind.

What went wrong? Heenan attributes the decline of U.S. competitiveness to the arm's length, often antagonistic, relations among business, government, and labor. The economic success of Japan and West Germany is based on a collaborative approach of the three parties; neither country wants to leave its economic fate in the hands of market forces. But unlike those governments, the U.S. government holds American multinationals (the key, according to Heenan, of America's future economic success) at arm's length or, worse, limits their competitive powers with antitrust and other constraints. In Heenan's words, "from Brazil to Sweden one finds a growing acceptance . . . of the Japanese and German models and, concurrently, a rejection of America's economic ideology."

What, then, should America do? In addressing this question, Heenan undertook (beginning in 1979) a three-year study of almost 1500 Americans, including CEOs and mid-level managers in *Fortune 500* corporations, U.S. senators and congressmen, federal bureaucrats, state legislators, and labor leaders. The focus of his study was on the alternative economic ideologies that might produce a better future for the United States: "regulated free enterprise" (the status quo), "guided free enterprise" (America, Inc.), and "central planning" (managed capitalism). He found that almost three fourths of the respondents prefer regulated free enterprise, and three fifths believe it is the most effective system and will dominate over the next decade. But this is a "splintered" consensus with significant differences among the different respondent groups, notably CEOs and labor leaders.

How can the United States recapture the benefits of regulated free enterprise while holding down the costs of disputes among its stakeholders? Heenan offers a "split-level" approach. At the "operational" level, he urges that the present system be made more responsive to the needs of business. At the national policy level, he supports movement toward a guided free enterprise system: the formulation of a national strategy through collaboration among business, government, and labor. In Heenan's judgment, this is America's only reasonable choice to escape its current dilemma, what he calls the "Re-United States of America." The final chapter of the book outlines an action agenda to build collaboration among the three parties.

Clearly, Heenan wants to stimulate action toward a national consensus on a strategy that will restore the competitive strength of the U.S. economy. If he fails to do so, it will be no fault of his book which is written in a popular, lively style that clearly conveys his message. Few readers will agree with everything Heenan says, and some will disagree with almost everything he says, but none can deny the importance of his subject. He has written a book that should incite discussion and debate on America's future and, as such, it deserves a wide readership.

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