



# Reading from the Trough

## *Establishment Thought on Governance, Growth, and Technology, 1967–1985*

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Prepared for Philip Zelikow\*

Between the late 1960s and the mid-1980s, the institutions that spoke for the Western establishment—presidential commissions, the great foundations, the Club of Rome, the Trilateral Commission, the OECD, the development banks—produced an extraordinary density of reports on the condition and the future of the industrial democracies.<sup>1</sup> These were not marginal documents. They were written by the people who staffed cabinets and central banks and university presidencies, and they were read as the considered self-understanding of a civilization taking stock. They are most illuminating now not as forecasts—most of them forecast badly—but as a record of a climate of thinking at a moment we can see was a world-historical hinge.

This essay proceeds in two passes. It first reads the corpus across time, to recover the shape of the genre as it evolved—its periodicity, which is itself one of its most revealing features. It then works through seven cross-cutting questions in turn: each report's theory of economic growth, including the role it assigns government in shaping global markets, finance, and trade; its theory of

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<sup>1</sup>The principal international and trilateral documents surveyed here include: Commission on International Development [Lester B. Pearson, chair], *Partners in Development* (New York: Praeger, 1969); Donella H. Meadows, Dennis L. Meadows, Jørgen Randers, and William W. Behrens III, *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York: Universe Books, 1972); Mihajlo Mesarovic and Eduard Pestel, *Mankind at the Turning Point* (New York: E. P. Dutton, 1974); Michel Crozier, Samuel P. Huntington, and Joji Watanuki, *The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission* (New York: New York University Press, 1975); Jan Tinbergen, coord., *RIO: Reshaping the International Order* (New York: E. P. Dutton, 1976); Wassily Leontief et al., *The Future of the World Economy* (New York: Oxford University Press, 1977); *Interfutures: Facing the Future—Mastering the Probable and Managing the Unpredictable* (Paris: OECD, 1979); Independent Commission on International Development Issues [Willy Brandt, chair], *North-South: A Programme for Survival* (Cambridge, MA: MIT Press, 1980); Independent Commission on Disarmament and Security Issues [Olof Palme, chair], *Common Security: A Blueprint for Survival* (New York: Simon & Schuster, 1982). On the futures genre framing the period, see Daniel Bell, ed., *Toward the Year 2000: Work in Progress* (Boston: Houghton Mifflin, 1968), and Herman Kahn and Anthony J. Wiener, *The Year 2000: A Framework for Speculation on the Next Thirty-Three Years* (New York: Macmillan, 1967).

the state, including the prospects it sees for democratic governance and the extension of freedom and the rule of law; its view of North–South relations; its prescriptions for institutional reform; the part it expects technological change to play; whether it casts government as the director of change or as the lowerer of barriers to creative change; and which countries it expects to provide leadership.<sup>2</sup> Throughout, I attend to the place of the United States, which is the corpus’s great absent protagonist—the power whose relative decline is the unstated premise of nearly every document, and whose actual trajectory would falsify the genre’s expectations more completely than any other.

The argument, in brief, is that the corpus is the photographic negative of the transition that followed. Where the reports prescribed restraint, the 1980s and 1990s delivered release; where they prescribed direction, the decisive moves came from the lowering of barriers; where they expected decline, the West—and above all the United States—revived; and where they read democracy’s vitality as a threat, that vitality proved the source of its recovery. To say so is not to mock them. It is to take seriously how reasonable the opposite reading appeared in 1975, which is the only way to recover the climate honestly.

## I. THE SHAPE OF THE PERIOD

The genre had a shape in time, and reading the reports in sequence is like watching a needle. The needle is elite confidence, and across these eighteen years it traces a long descent into the mid-1970s trough and a slow, uncertain climb out. The reports are dated by their moment of composition in a way that makes the sequence itself an argument; taken in order, they are a seismograph, and the needle is near its floor in 1975.

The first wave, running from about 1967 to 1975, turned inward and downward. Its preoccupations were domestic order, demographic and resource limits, and the governability of the democracies. The Kerner Commission anatomized American racial division (1968); the Violence Commission followed (1969); the Rockefeller population commission asked whether the country should stop growing (1972); the Club of Rome modeled global overshoot (1972, 1974); and the Trilateral Commission diagnosed an “excess of democracy” (1975).<sup>3</sup> The shocks that drove the descent are easy to enumerate: the urban upheavals and Vietnam of 1967–68, the collapse of the Bretton Woods monetary order in 1971–73, the first oil shock and the Yom Kippur war of 1973, Watergate from 1972 to 1974, the deep recession of 1973–75, and the novel affliction of stagflation, which discredited the Keynesian settlement that had underwritten postwar confidence. The density of the genre peaks in these years; the establishment was talking to itself with unusual urgency because it believed the postwar order was coming apart at once in its economic, political, and ecological

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<sup>2</sup>The seven questions are an analytic frame developed for this study; they are not drawn from any single report, though several—notably the Trilateral and OECD documents—organize their own inquiries along comparable lines.

<sup>3</sup>The American domestic-commission sub-corpus includes: National Advisory Commission on Civil Disorders [Kerner Commission], *Report* (Washington, DC: U.S. Government Printing Office, 1968); National Commission on the Causes and Prevention of Violence, *To Establish Justice, to Insure Domestic Tranquility* (1969); National Goals Research Staff, *Toward Balanced Growth: Quantity with Quality* (1970); Commission on Population Growth and the American Future [Rockefeller Commission], *Population and the American Future* (1972); the Commission on Critical Choices for Americans (Rockefeller, 1973–76); President’s Commission for a National Agenda for the Eighties, *A National Agenda for the Eighties* (1980); Council on Environmental Quality and Department of State, *The Global 2000 Report to the President* (1980); National Commission on Excellence in Education, *A Nation at Risk: The Imperative for Educational Reform* (1983); and President’s Private Sector Survey on Cost Control [Grace Commission], *Report* (1984).

seams.

A hinge falls around 1974–76. The New International Economic Order, proclaimed at the United Nations in 1974 on the model of OPEC's success, swung the international conversation away from limits and toward redistribution, and forced the North to answer a Southern claim it had not expected to face. The second wave, from roughly 1976 to 1985, turned outward and forward. Its register was international economic restructuring (Tinbergen's *RIO* in 1976, Leontief in 1977, Brandt in 1980, the debt-shadowed *Common Crisis* in 1983), the futures-and-competitiveness genre (Nora and Minc in 1978, the OECD's *Interfutures* in 1979, the American *Global 2000* in 1980), and security in the nuclear age (Palme in 1982). The mood shifts with the subject: growth, which the first wave had treated as a threat to be restrained, the second wave increasingly treats as an imperative to be recovered, and the governability pessimism of the mid-1970s gives way, by the early 1980s, to the first stirrings of the market-liberal turn.

The deeper movement is twofold. The genre's center of gravity migrates from the nation-state and domestic order toward the international system and the world economy; and its prescriptive instinct migrates, against its own grain and only at the very end, from planning-and-restraint toward opening. But the reports are laggards. The actual inflection—Deng's opening of China in 1978, the diffusion of the personal computer, the Reagan and Thatcher governments of 1979–81, Mitterrand's austerity reversal of 1983, the Single European Act of 1986—outran the genre's capacity to register it.<sup>4</sup> The cluster of choices that made the transition was already underway while the reports were still describing the trough.

The American documents run as their own clock within this arc, and they track the larger story in miniature. The Kerner Commission stands at the high-water mark of confident liberal analysis of social crisis; the National Goals Research Staff (1970) and the sprawling Critical Choices exercise (1973–76) are Nixon-era and Rockefeller-era attempts to plan the national future; the *National Agenda for the Eighties* (1980) is the last gasp of liberal-technocratic planning; and *A Nation at Risk* (1983) and the Grace Commission (1984) mark the Reaganite turn toward competitiveness anxiety and the retrenchment of the federal establishment. The American sub-corpus moves, in fifteen years, from confident planning through competitiveness alarm to a programmatic distrust of government itself.

## II. THE CROSS-CUTTING QUESTIONS

Read across the period in this way, the corpus resolves into recurring answers to a small set of questions. I take them in turn.

### ***1. Economic growth, and government in global markets, finance, and trade***

On growth the corpus divides into three camps, and the division is the most durable thing in it. A limits camp—*The Limits to Growth*, *Mankind at the Turning Point*, the American *Global 2000*—

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<sup>4</sup>For the mid-1980s "cluster of choices"—China's opening, personal computing, the European single market—see Philip Zelickow and Condoleezza Rice, *To Build a Better World: Choices to End the Cold War and Create a Global Commonwealth* (New York: Twelve, 2019), esp. the discussion headed "Lowering Barriers."

modeled exponential variables against finite stocks and found overshoot the generic outcome, prescribing a deliberately engineered "state of global equilibrium."<sup>5</sup> Its great analytical vulnerability, fastened on at once by Nordhaus and Solow, was its near-silence on the price mechanism and on technological substitution: a model of physical quantities with no economics of adjustment in it.<sup>6</sup> A growth-affirming liberal camp—Kahn, and above all the OECD's *Interfutures*—answered that growth would continue if markets stayed open and the West kept its technological nerve; *Interfutures* was conceived expressly as the establishment's measured refutation of both *Limits* and the NIEO, and it read the next quarter-century far better.<sup>7</sup> And a structuralist-redistributive camp—Pearson, Tinbergen's *RIO*, Leontief, Brandt—wanted government, indeed supranational government, to remake the terms of trade and finance: commodity agreements, managed trade, a link between new reserve assets and development aid, large transfers, and in Tinbergen's case something close to world economic ministries running a global plan.<sup>8</sup>

The United States is the unspoken substrate of this entire debate, because the question of who governs the world economy was, in these years, the question of what would replace the dollar order the United States had built and could no longer underwrite. The Trilateral report opens by conceding that the postwar economic system "based on the preeminence of the dollar" was "in need of a drastic overhaul"—an extraordinary admission of the hinge on which everything else turned.<sup>9</sup> The American domestic reports of the early 1980s wrestle with stagflation, sagging productivity, and the loss of industrial pre-eminence; and within a few years the United States would be managing the global system not by restoring the old order but by improvised coordination—the Plaza Accord of 1985, James Baker's choreography of the dollar and of trade pressure. What none of the camps imagined was that the world economy's revival would come neither from steady-state restraint nor from a planned new order, but from the opening of closed economies and the discrete entrepreneurial acts the genre had no category for.

## **2. The state: democratic governance, freedom, and the rule of law**

Here the corpus is at its darkest, and here the close reading repays most. The Trilateral Commission's *Crisis of Democracy* is the emblem. Huntington's chapter frames the 1960s as a "democratic surge" that produced a simultaneous expansion of governmental activity and contraction of govern-

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<sup>5</sup>Meadows et al., *Limits to Growth*, ch. 5 ("The State of Global Equilibrium"); the three summary conclusions and the framing of "the transition from growth to global equilibrium." Passages from this chapter quoted below are verbatim; exact first-edition page numbers are pending verification against the 1972 Universe Books printing.

<sup>6</sup>Robert M. Solow, "Is the End of the World at Hand?," *Challenge* 16, no. 1 (1973): 39–50, faulting the "Forrester–Meadows models" for the absence of a functioning price system; and William D. Nordhaus, "World Dynamics: Measurement Without Data," *Economic Journal* 83, no. 332 (1973): 1156–83, a parallel critique directed at Jay Forrester's *World Dynamics*, the system-dynamics model underlying *Limits*.

<sup>7</sup>*Interfutures*, esp. its framing as a measured rejoinder to limits-to-growth pessimism and to the New International Economic Order. On *Interfutures* as the OECD's deliberate alternative to both visions, see Jenny Andersson, "The Future of the Western World: The OECD and the *Interfutures* Project," *Journal of Global History* 14, no. 1 (2019): 126–44.

<sup>8</sup>Tinbergen, *RIO* (the proposal to convert UN economic agencies into instruments of global planning); Leontief, *Future of the World Economy*; Brandt Commission, *North-South*, and its sequel, *Common Crisis: North-South—Co-operation for World Recovery* (London: Pan, 1983), which addresses the 1982 debt shock and IMF liquidity directly.

<sup>9</sup>Crozier, Huntington, and Watanuki, *Crisis of Democracy*, 1–2 (the postwar order "based on the preeminence of the dollar" said to be "in need of a drastic overhaul"). On the overvalued dollar, the Plaza Accord of 1985, and James Baker's management of the trade-and-currency problem, see Zelikow and Rice, *To Build a Better World*.

mental authority—an “overload” of demands the system could not meet.<sup>10</sup> His conclusion turns on the premise that a value good in itself is not optimized by being maximized: the effective operation of democracy “requires some measure of apathy and noninvolvement,” the historic “marginality” of some groups had helped democracy function, and—the sentence that fuses the two great pessimisms of the period—just as we have come to recognize desirable limits to economic growth, there are “potentially desirable limits to the indefinite extension of political democracy.”<sup>11</sup> The report is more self-aware than its reputation allows: its editor insists it is “not a pessimistic document” while assembling the bleakest available chorus, including Brandt’s reported belief that Western Europe had twenty or thirty years of democracy left.<sup>12</sup> Crozier’s European chapter is darker still, an anatomy of “overload” in which collapsing authority leaves the field, in a crisis, to the communist parties as the only remaining “parties of order.”<sup>13</sup> The joint conclusion generalizes the diagnosis into “anomic democracy”—consensus on private satisfaction without public purpose—and its four “dysfunctions.”

The decisive point for our purposes is that this is overwhelmingly an American argument wearing trilateral dress. The “excess of democracy” is read off the American 1960s; the anxieties are Watergate, the broken imperial presidency, and the assertiveness of newly mobilized American groups; Huntington’s nostalgia is explicitly for the day when Truman could govern with a small circle of Wall Street lawyers and bankers, before the “Welfare Shift” enlarged the state’s burdens.<sup>14</sup> The report universalizes a particular American moment and mistakes it for the condition of democracy as such.

But the United States in this period also produced a rival theory of the state, and the contrast is among the most instructive findings of the survey. Where Huntington’s instinct is restraining—the state should do less and recover its authority—the Kerner Commission’s is affirmative: confronting “two societies, one black, one white—separate and unequal,” it called for a vastly enlarged state commitment to employment, housing, and inclusion.<sup>15</sup> Two American theories of the state stand in the corpus at once: one that reads the extension of democratic claims as overload to be moderated, and one that reads it as justice to be funded. The reports are notably thin, by contrast, on freedom and the rule of law as positive, expanding projects—precisely the dimension on which the next fifteen years would surprise everyone, for this democratic pessimism was published on the eve of the third wave—and at the very moment when the more brittle order was the one across the Iron Curtain, a point I take up below.

The most disciplined dissent came from inside the same elite world, and indeed from a consul-

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<sup>10</sup>*Crisis of Democracy*, 59–62 (Huntington’s “democratic surge”); 8 (the “overload of demands on government, exceeding its capacity to respond”).

<sup>11</sup>*Crisis of Democracy*, 113–14 (apathy and “marginality”); 115 (“potentially desirable limits to the indefinite extension of political democracy”).

<sup>12</sup>*Crisis of Democracy*, introductory note (Brzezinski: “not a pessimistic document”) and 2 (the Brandt prediction of twenty or thirty more years).

<sup>13</sup>*Crisis of Democracy*, 11–13 (Crozier on “overload”), 49–54 (the communist parties as the only remaining “parties of order”; “Finlandization” as the least evil).

<sup>14</sup>*Crisis of Democracy*, 65 (the “Defense Shift” and “Welfare Shift”), 98 (the Truman-era nostalgia for governing “with the cooperation of a relatively small number of Wall Street lawyers and bankers”), 158 (“anomic democracy”), 161–68 (the four “dysfunctions”).

<sup>15</sup>National Advisory Commission on Civil Disorders, *Report* (1968), Summary (“two societies, one black, one white—separate and unequal”); the report’s prescriptive core is a vastly enlarged federal commitment to employment, housing, and education.

tant to the *Crisis of Democracy* itself: Seymour Martin Lipset, who supplied the very grammar the governability literature spoke in—the distinction between effectiveness (a system’s performance) and legitimacy (its “moral title to rule”)—but used it to reach a more measured conclusion.<sup>16</sup> In *The Confidence Gap* (1983) he and William Schneider worked through hundreds of American surveys and found that the collapse of confidence across the 1960s and 1970s was a verdict on the performance of institutions and incumbents—Vietnam, Watergate, stagflation—and not a withdrawal of belief in the system, whose underlying legitimacy held.<sup>17</sup> Where the Trilateral report diagnosed an intrinsic, self-feeding delegitimation, Lipset saw a contingent, performance-driven trough; and his modernization thesis implied that prosperity would refill the reservoir of legitimacy, making the democratic recovery the governability theorists failed to foresee far more expectable. His optimism was conditional, not complacent—legitimacy is a reservoir that chronic failure can still drain—which is why his lens remains the better instrument: it explains the trough, the recovery, and the contemporary risk at once.

### 3. North–South relations

On North–South relations the corpus is essentially one extended argument with the NIEO at its center. It runs from Pearson’s reformist aid-and-trade partnership, with its famous and never-met target of 0.7 percent of donor income in development assistance, through the confrontational Southern declarations of 1974, to the operationalizing studies of Tinbergen and Leontief, and culminates in Brandt’s great synthesis, which recast Southern development as the North’s own enlightened interest in a stable and demand-rich world economy.<sup>18</sup> The instinct throughout is directive: commodity stabilization, managed trade, regulated finance, large transfers, and new or strengthened supra-national machinery. The South produced its own answer to *Limits*—the Bariloche model, which insisted the constraint was not physical resources but the distribution of power.<sup>19</sup>

The United States is the antagonist this whole literature is implicitly addressing, because the United States was the chief skeptic and the indispensable blocker of the NIEO program. Washington never met the Pearson target, preferred market integration to managed redistribution, and brought the North–South summit at Cancún in 1981 to a polite halt.<sup>20</sup> The genre’s redistributive hopes foundered on American resistance—and, in the event, the most consequential reductions of global poverty in the following decades came not from any negotiated new order but from the very thing

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<sup>16</sup>Seymour Martin Lipset, *Political Man: The Social Bases of Politics* (Garden City, NY: Doubleday, 1960), ch. 3; and “Some Social Requisites of Democracy: Economic Development and Political Legitimacy,” *American Political Science Review* 53, no. 1 (1959): 69–105. Lipset is listed among the consultants to the Trilateral task force in the front matter of *Crisis of Democracy*; from 1975 he wrote from the Hoover Institution at Stanford.

<sup>17</sup>Seymour Martin Lipset and William Schneider, *The Confidence Gap: Business, Labor, and Government in the Public Mind* (New York: Free Press, 1983; rev. ed., 1987). Their governing distinction is between confidence in the performance of institutions and incumbents, which fell sharply, and belief in the legitimacy of the system, which held. Lipset cautioned that even a legitimate system can be endangered by “a breakdown of effectiveness, repeatedly or for a long period.”

<sup>18</sup>Commission on International Development, *Partners in Development*, which proposed the target of 0.7 percent of donor GNP in official development assistance—a target the United States never met.

<sup>19</sup>The New International Economic Order was proclaimed in UN General Assembly Resolutions 3201 and 3202 (S-VI), 1 May 1974. For the Southern counter-model to *Limits*, see Amílcar Herrera et al. [Fundación Bariloche], *Catastrophe or New Society? A Latin American World Model* (Ottawa: IDRC, 1976).

<sup>20</sup>The United States was the principal skeptic of the NIEO program; the North–South summit at Cancún in October 1981 produced no global negotiation, in part because of the Reagan administration’s resistance to managed redistribution in favor of market integration.

the corpus could not foresee: the entry of China and others into open world markets.

#### **4. Prescriptions for institutional reform**

Read for its prescriptions, the corpus reveals a striking divergence in the level at which it seeks solutions, and the United States sits at the pivot of that divergence. The internationalist reports reach upward, toward supranational authority: Tinbergen's world ministries, Brandt's global fund and summitry, Palme's institutions of collective security. The national-technocratic reports reach for enhanced state capacity within the nation: Nora and Minc's directed telematics, the national standards of *A Nation at Risk*. And the American domestic reports of the early 1980s reach downward and outward, toward devolution, public-private partnership, and the retrenchment of the federal establishment—the *National Agenda for the Eighties* and, at the extreme, the Grace Commission.<sup>21</sup> The pattern is telling: the genre wanted more coordinated authority above the nation-state at exactly the moment its American wing was turning against coordinated authority within it. The United States was simultaneously the indispensable convener of any new international institution and the society in which the revolt against the administrative state was gathering—a tension the corpus registers without resolving.

#### **5. The part technological change will play**

The corpus is at its most uneven, and most instructive, on technology. The dominant stance is determinism: technology arrives as an exogenous force to which society must adapt or which it must restrain. What is almost wholly absent is the insight that the returns to a new general-purpose technology come not from the technology itself but from the slow, costly reorganization of work and institutions around it—the adaptation lag that the economic history of the dynamo and the computer has since made canonical.<sup>22</sup> The reports model the wrong variables: they ask how fast the technology will arrive and who should steer it, not how long and how painfully the surrounding system must be rebuilt to capture its gains.

*Limits to Growth*, read closely, is subtler than its caricature: its authors are not anti-technology but argue that technology is necessary and not sufficient—stabilizing population or capital alone does not prevent overshoot, and even halting both eventually degenerates absent value change—and they insist equilibrium is meant "to create freedom for society, not to impose a straitjacket."<sup>23</sup> Buried there is a cousin of the complementarity insight, pointed toward restraint where history would point it toward release. Nora and Minc's report to the French president is the corpus's most prescient document and its most revealing failure: they saw computing and telecommunications diffusing "like electricity" and grasped that telematics would carry "information, that is to say, power," yet

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<sup>21</sup>On the divergence of "levels of solution," compare Tinbergen, *RIO*, and Palme, *Common Security* (reaching for supranational authority) with *A National Agenda for the Eighties* (devolution and public-private partnership) and the Grace Commission *Report* (retrenchment of the federal establishment).

<sup>22</sup>The reference is to the literature on general-purpose technologies and the complementary-reorganization lag: Paul A. David, "The Dynamo and the Computer: An Historical Perspective on the Modern Productivity Paradox," *American Economic Review* 80, no. 2 (1990): 355–61; and Erik Brynjolfsson and Lorin M. Hitt, "Beyond Computation: Information Technology, Organizational Transformation and Business Performance," *Journal of Economic Perspectives* 14, no. 4 (2000): 23–48.

<sup>23</sup>Meadows et al., *Limits to Growth*, ch. 5; the demonstration that stabilizing population or capital alone is insufficient, and that even halting both "with no other changes" eventually degenerates, is the chapter's central technical claim. Equilibrium is meant, they write, "to create freedom for society, not to impose a straitjacket."

reached by reflex for the state to master the network "in the spirit of a public service"—and Minitel, the embodiment of that vision, became the parochial success the open internet routed around.<sup>24</sup>

The United States is where the period's technological imagination was both most developed and most decentralized. The American futures tradition—Bell's post-industrial society, Kahn's Hudson Institute—did the period's deepest thinking about a knowledge economy; *Global 2000* was the United States government's own limits exercise; and *A Nation at Risk* recast technology and education as a competitiveness contest against Japan.<sup>25</sup> Yet the transformation that actually arrived came from the one quarter no report anticipated: the decentralized, entrepreneurial personal computer diffusing through American markets and hobbyist culture, exactly the thing a directed national plan could not have produced. It is worth registering, lightly, that the analytic the reports lacked is precisely the one a later literature has supplied—that whether a technology raises broad welfare depends on the direction of innovation and the institutional response rather than on its arrival.<sup>26</sup> The point is not to read the present into the past, but to name, with some precision, the category the corpus was missing.

## 6. Government: directing change or lowering barriers to creative change

This question exposes the corpus's deepest reflex, because it answers it lopsidedly. When these reports imagine government and change together, they overwhelmingly imagine direction—planning, targets, steering, the national champion, the mastered network—and only rarely barrier-lowering, the clearing of impediments to creative change. The directive instinct is the constant; the enabling instinct surfaces only at the very end of the period, and then as a partisan rupture rather than a settled analytic. Its most total expression, in any case, lay outside the survey's frame altogether—in the command economies to the east, organized as a single plan—to which I return below.

The cleanest counter-image is the Single European Act of 1986, which set Europe toward a unified internal market by 1992 through the inverse of the directive reflex. The decisive move was the shift from harmonization to mutual recognition, crystallized in the European Court's *Cassis de Dijon* judgment of 1979: a good lawfully sold in one member state must in principle be admitted to all, which inverted the default from building a common standard to removing the barrier.<sup>27</sup> Around that legal hinge converged the "Eurosclerosis" diagnosis, the mobilization of European industry

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<sup>24</sup>Simon Nora and Alain Minc, *The Computerization of Society: A Report to the President of France* (Cambridge, MA: MIT Press, 1980); originally *L'informatisation de la société* (Paris: La Documentation française, 1978). The diffusion "like electricity"; telematics carrying "information, that is to say, power"; the network to be mastered "in the spirit of a public service." The quoted phrases are verbatim; their page numbers in the MIT Press printing are pending verification. Minitel, launched in 1982, was the *télématique* vision realized at national scale and later bypassed by the open internet.

<sup>25</sup>Daniel Bell, *The Coming of Post-Industrial Society: A Venture in Social Forecasting* (New York: Basic Books, 1973); and, for the American futures tradition more broadly, Kahn and Wiener, *Year 2000. Global 2000* (1980) was the United States government's own limits-to-growth exercise; *A Nation at Risk* (1983) framed educational decline explicitly as a competitiveness threat from Japan, Germany, and South Korea.

<sup>26</sup>The modern analytic the reports lacked is developed in, among others, Carl Benedikt Frey, *The Technology Trap: Capital, Labor, and Power in the Age of Automation* (Princeton: Princeton University Press, 2019), and *How Progress Ends* (Princeton: Princeton University Press, 2025); and Daron Acemoglu and Simon Johnson, *Power and Progress: Our Thousand-Year Struggle Over Technology and Prosperity* (New York: PublicAffairs, 2023)—the common thread being that whether a technology raises broad welfare depends on the direction of innovation and the institutional response, not on its arrival.

<sup>27</sup>Case 120/78, *Rewe-Zentral AG v. Bundesmonopolverwaltung für Branntwein* ("Cassis de Dijon") [1979] ECR 649; and Commission of the European Communities, *Completing the Internal Market: White Paper from the Commission to the European Council*, COM(85) 310 final (1985).

through the Round Table, and Cecchini's accounting of the "cost of non-Europe."<sup>28</sup> The genius of the result was to fuse a market-liberal means—barrier removal, mutual recognition, the discipline of competition—to a federalist end, deploying a strong supranational center to open markets rather than to direct them. It was dirigisme in the service of deregulation, and it is the cleanest historical instance of government lowering barriers to creative change rather than commanding it.

The American version of barrier-lowering took a different and revealing form. It ran not through a stronger center but through deregulation and the shrinking of the state—the deregulation of airlines and trucking begun under Carter and extended under Reagan, and, at its anti-government extreme, the Grace Commission's war on federal cost.<sup>29</sup> The contrast is exact and worth holding: where Europe lowered barriers by building a stronger supranational authority to do it, the United States lowered them by attacking authority. Both broke with the corpus's directive default; neither was the planning the genre instinctively prescribed; and between them they describe the two roads out of the trough that the reports, reasoning from inside it, could not see.

### ***7. Which countries must provide leadership***

On leadership the corpus has a single unspoken premise: the relative decline of the United States. Every answer it gives is an answer to the question of who leads now that American primacy is fraying—post-Vietnam, post-Watergate, post-dollar. Trilateralism was itself that answer institutionalized: the United States could no longer lead alone, so North America, Western Europe, and a rising Japan must lead jointly.<sup>30</sup> Brandt's answer was a reformed North in partnership with the South; Palme's was arms control among and around the superpowers; the American domestic answer, by 1983, was for the United States to lead by reforming itself against Japanese and German competition. The mood, across all of them, is management of decline.

Two absences define the corpus here, and both concern the future of power. None of these documents anticipates the unipolar American revival of the late 1980s and 1990s; the genre reasons in the key of decline at the precise moment before resurgence. And China is essentially missing as a candidate for anything, Deng's opening of 1978 arriving too late to register—so the corpus reasons about world order as though its largest coming shift were not on the board. The deepest irony of the whole survey is that the power it most consistently underestimated was the one writing most of the reports. Within fifteen years the United States would be more dominant than the trilateralists thought possible, and the single market, China's opening, and the democratic third wave would each, in its own way, run through or alongside American power rather than around its decline. And the decline it took for granted had a mirror it never examined: the assumption that the rival system was durable. To that mirror I now turn.

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<sup>28</sup>On "Eurosclerosis," a diagnosis associated with Herbert Giersch of the Kiel Institute; on business mobilization, the European Round Table of Industrialists (founded 1983) and Wisse Dekker's "Europe 1990" plan (1985); and on the economics of fragmentation, Paolo Cecchini, *The European Challenge, 1992: The Benefits of a Single Market* (Aldershot: Wildwood House, 1988). On Lord Cockfield's White Paper and Delors's role, see Charles Grant, *Delors: Inside the House that Jacques Built* (London: Nicholas Brealey, 1994).

<sup>29</sup>The American instance of barrier-lowering ran through deregulation—the Airline Deregulation Act of 1978 and the Motor Carrier Act of 1980, begun under Carter and extended under Reagan—and, at its anti-government extreme, the Grace Commission. Zelikow and Rice, *To Build a Better World*, treat the single market as achieved "more by taking structures down" than by building new institutions.

<sup>30</sup>The Trilateral Commission was formed in 1973 by private citizens of Western Europe, Japan, and North America; the founding statement is reproduced in the front matter of *Crisis of Democracy*.

### III. THE AUTHORITARIAN MIRROR

This survey has read the corpus against the American revival it failed to foresee. It is owed a symmetrical reading against the authoritarian collapse it equally failed to foresee—and the two are not separate failures but one, for the American trough-and-revival and the Soviet crest-and-collapse are a single event seen from two sides. If one plots elite confidence as two curves, the Western line bottoms around 1975 and then climbs, while the Soviet line holds or crests there and afterward falls away; the reports sit precisely at the crossing, and see only the descending Western curve.

The authoritarian world was, moreover, the maximal embodiment of the very instinct this survey anatomizes. The command economy was direction carried to its absolute limit—the whole of a society organized as a single plan—so its failure is the deepest vindication of the barrier-lowering thesis argued here, and the sixth question has been missing its most important case. The misreading, crucially, was internal to the corpus rather than external to it. Several of the directive protagonists met earlier were intellectually entangled with the planned model: Tinbergen, the structuralist exhibit of the first question, was a founding convergence theorist who held that the communist and free economies were converging toward a common managed optimum; Galbraith's technostructure, Bell's axial principle of planned knowledge, and Leontief's input-output method—a cousin of Soviet material-balance planning, which he turned to global use—all pointed the same way.<sup>31</sup> The era's faith in direction had, as its horizon, the expectation that the future would look somewhat Eastern. The establishment underrated the West's dynamism and overrated the East's, and both errors flowed from a single disposition.

The intertwining was concrete, and it runs straight through the survey's own material. The oil shock of 1973 that produced Western stagflation simultaneously flattered the Soviet petro-economy, financing grain imports, technology purchases, the military build-up, and the Third World adventures of the late 1970s—one event driving the two apparent trajectories apart while the fundamentals beneath ran the other way. Détente was, in no small part, the Soviet Union importing Western credits and technology to paper over a widening gap. And the Helsinki Final Act of 1975, signed in the trough year itself, handed Moscow the recognition of borders it craved while planting, in its human-rights provisions, the charge that would slowly corrode the bloc from within.<sup>32</sup> The reports were composed at the hinge and read only the half of it that faced west.

There is an irony the survey is built to deliver. The year 1975 looked like the high tide of authoritarian advance—Saigon fallen, Angola and Mozambique gone Marxist, Crozier fretting that the communist parties were the only remaining “parties of order.” Yet the democratic reversal had already begun in the corpus's own backyard: the Portuguese coup of 1974, Franco's death in 1975, the Iberian and Greek transitions that Huntington would later date as the opening of the third wave.<sup>33</sup> The corpus diagnosed the governability of democracy at the precise moment the real systemic

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<sup>31</sup>On the convergence school, see Jan Tinbergen, “Do Communist and Free Economies Show a Converging Pattern?,” *Soviet Studies* 12, no. 4 (1961): 333–41; and John Kenneth Galbraith, *The New Industrial State* (Boston: Houghton Mifflin, 1967). Leontief's input-output method, deployed in his UN world study, was itself a cousin of Soviet material-balance planning.

<sup>32</sup>Conference on Security and Co-operation in Europe, *Final Act* (Helsinki, 1 August 1975), esp. the “Basket III” provisions on human contacts and the freer flow of information.

<sup>33</sup>Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991), which dates the wave's onset to the Portuguese coup of April 1974.

crisis was the sustainability of its rival, and it missed the democratic wave breaking under its feet while it feared Eurocommunism. It had taken the measure of the wrong patient.

The technological blind spot has the same shape, and it returns us to Nora and Minc. The decentralized information revolution the Western reports could not prescribe was categorically impossible for the command economy. The Soviet Union's own attempt to build a national economic network—Viktor Glushkov's OGAS, the All-State Automated System—was the Eastern and far more total cousin of the French *télématique*: the same dream of mastering the network from the center, pursued a decade earlier and on a continental scale. It was never built. And the reason, as Benjamin Peters has shown, inverts the easy moral: OGAS foundered not because the state directed too much but because the command system could not actually coordinate itself, dissolving into a war of competing ministries and fiefs, while the American network that became the internet grew out of a well-managed public-research commons that lowered the barriers to collaboration.<sup>34</sup> The maximal directive state could not achieve real direction; the open system the reports could not imagine did what the plan only dreamed. The information age was lethal to the command economy, and for reasons that are the exact generalization of this survey's argument.

Finally, the counter-witness has a mirror. The survey found in Lipset a figure who read the Western trough correctly against the consensus; the authoritarian trough had its own marginal correct readers—Andrei Amalrik, whose samizdat essay asked whether the Soviet Union would survive until 1984; Emmanuel Todd, who in 1976 read decomposition off rising Soviet infant mortality; Hélène Carrère d'Encausse, who in 1978 traced the fracture lines in the empire's diverging nationalities.<sup>35</sup> They were dismissed, as Lipset's measured optimism was dismissed, because the consensus ran the other way—and the discipline this survey has tried to keep applies here with full force. In 1975 Soviet strength was the reasonable reading: strategic parity achieved, détente apparently conducted from a position of Western weakness, the Third World tilting, the oil windfall pouring in. To see the hollowness beneath was as marginal an act then as Lipset's was, and the point is not that the establishment was foolish but that the rival's vitality looked genuinely real precisely while it was being mortgaged. The mirror shows the same lesson as the glass: confidence read from the surface of a single moment is the least reliable guide to where the trajectories are actually tending.

#### IV. THE CLIMATE RECOVERED

Read across the period and through the questions, the corpus resolves into a single recognizable disposition. Each report identifies a large impersonal force—democracy's participatory energy, exponential growth against limits, computerization spreading like electricity, the fraying of American primacy—and each, having named the force, reaches for coordinated direction or restraint as the answer. The transition that actually came ran the other way: through the extension of freedom and

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<sup>34</sup> Benjamin Peters, *How Not to Network a Nation: The Uneasy History of the Soviet Internet* (Cambridge, MA: MIT Press, 2016), on Glushkov's OGAS (the All-State Automated System) and its defeat by inter-ministerial rivalry. Peters's central reversal is that the Soviet network failed through unregulated bureaucratic competition while the American ARPANET succeeded through well-managed public subsidy.

<sup>35</sup> Andrei Amalrik, *Will the Soviet Union Survive Until 1984?* (New York: Harper & Row, 1970); Emmanuel Todd, *La chute finale: essais sur la décomposition de la sphère soviétique* (Paris: Robert Laffont, 1976); and Hélène Carrère d'Encausse, *L'Empire éclaté: la révolte des nations en U.R.S.S.* (Paris: Flammarion, 1978).

the lowering of barriers, through decentralized and entrepreneurial agency rather than the mastery the reports assumed, and through the revival rather than the management of American power. The rights revolution, the single market, China's opening, the personal computer, and the democratic third wave—Huntington's own later subject—were, almost item for item, the things the directive instinct could not prescribe and did not predict; and the deepest refutation of all was the implosion, within a decade and a half, of the one great system built wholly upon that instinct. The true deep structure of the period was the crossing of the two trajectories the reports could not see were joined—the Western trough turning toward revival, the authoritarian crest toward collapse—which is the structure of the larger transition itself. The author who in 1975 warned in print against "the indefinite extension of political democracy" is the author who in 1991 gave the global advance of democracy its name: the same mind at the trough and at the crest.

Yet the close reading earns the reports more respect, not less, and that is the truest recovery of the climate. Crozier's anatomy of collapsing authority is genuinely penetrating; the *Limits* insufficiency-of-partial-measures argument is structurally sound and even glimpses the complementarity insight; Nora and Minc saw that information would become power; Lipset's legitimacy-and-effectiveness lens remains the right tool for reading any such moment. These were not cynics or fools. They were serious people reasoning from the bottom of a cycle, where the instinct to direct and restrain feels like realism and the instinct to lower barriers feels like recklessness, and where the relative decline of one's own country reads as a settled fact rather than a passing phase, and a rival's strength as durable rather than mortgaged. To inhabit that—to feel why, in 1975, restraint looked like wisdom and release looked like risk—is to understand how genuinely surprising the next fifteen years would be, and to acquire a certain humility about reading the trough of one's own moment as the shape of the future.

## ABOUT THE AUTHOR

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### PHILIP ZELIKOW

Philip Zelikow is the Botha-Chan Senior Fellow at the Hoover Institution. He held a chaired professorship in history at the University of Virginia for twenty-five years and was an associate professor at Harvard University. An attorney and former career diplomat, Zelikow worked across government in five presidential administrations and directed three successful bipartisan national commissions.

### *Synopsis*

Between the late 1960s and the mid-1980s, the institutions of the Western establishment produced a dense literature of commission and think-tank reports on the future of the industrial democracies. Read closely against seven cross-cutting questions, that corpus reveals a single disposition—a reflex toward direction and restraint, voiced from the bottom of a cycle—that the transition of the following fifteen years would invert at almost every point. This essay recovers the climate of that thinking, threads the place of the United States throughout, and reads the corpus against the two trajectories it could not see were joined: the Western trough that turned to revival and the authoritarian crest that turned to collapse.

**Hoover Institution, Stanford University**  
434 Galvez Mall  
Stanford, CA 94305-6003  
650-723-1754

**Hoover Institution in Washington**  
1399 New York Avenue NW, Suite 500  
Washington, DC 20005  
202-760-3200