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Although the Japanese have achieved many innovations in management and organization, many of their ideas originated in the United States. They added to and embellished these concepts, but they did not create them. We did not know about them before hand. We still know a great deal that neither they nor we have used, and utilizing this knowledge could catapult us into a position of world economic leadership once again. Such applications, however, require fundamental changes in the way we manage and organize work, and we are determined to make these changes. We are sufficiently satisfied with our present position to hesitate risking it. We rationalize this lack of courage either by predicting the imminent deterioration, if not the demise, of the Japanese economy or by arguing that it is not doing as well as it appears to be. The issue, however, is not how well or poorly the Japanese are doing, but how poorly we are doing—the deterioration of the American economy. Our economy has been growing, but not developing, because growth has been obtained by continuous borrowing. It has not been a self-sustaining growth. The result is a formidable national debt that keeps getting larger and increasingly appears to be uncontrollable.

The United States has vast major capabilities that, if used, could revitalize our economy and enable it to develop once again.