

# UNASKED QUESTIONS

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ALL TOO OFTEN economists or others describing a modern economic Britain plunge head first into the mixed economy, never troubling to expound coherently either the principles of the free market or those underlying state intervention. Dr. Musgrave\* avoids this pitfall. He begins with a portrayal of the way the free market is supposed to work, and does not scruple to refer to it as the *laissez-faire* system. Having described that system, he is able to deal more clearly with the contemporary modifications to it and pursue his explanation of what he calls "controlled capitalism."

The first part of the book is about economic institutions; the second is about economic behaviour, about how people in their various economic roles—consumers, entrepreneurs, managers and workers—act within the structure by which they are conditioned. That people are greatly influenced by institutions and by the activities of other people surrounding them is a truism: the challenge is to find out how we are to avoid, or at least reduce, the forces of conformity and retain independence of mind when all the pressures are to eliminate it.

Although the author touches on the existing relationships among the participants in the economic process, he does not deal at all with the many interesting questions about the changes of the future. For instance, will there be increased use of computers, and if so what will be the consequences for consumers and workers? Will there be much more leisure time? If so, will involvement in work as a career continue to decline; will more men look on their work as just a job and seek their main satisfaction outside it? Might we even see the return of the dedicated craftsman, secure in his standard of living, practising a craft as a means of creative fulfilment that he no longer expects from his employment?

Will economic units always grow bigger or will there come a time when they will collapse with the failure of their own organization and internal communications? Is

the managerial class becoming more powerful than its nominal bosses? Are the experts becoming more powerful than either? Is the ultimate control of companies still with those who have put money into them? Will the law go on treating shareholders as owners or is that concept about to wither away? Are we perhaps on the verge of an altogether new legal concept comparable to that of limited liability?

Will entrepreneurs, inventors, innovators of all kinds, flourish under the economic system or will they be smothered by the Government's or their own technical advisers? Above all, will the sovereignty of consumers survive; will production be determined by what people want, think they want, or are persuaded to want, or will it be determined by what tycoon-bureaucrats think they want or think is best for them or by what they are compelled to want by subliminal advertising or similar horrors as yet unknown?

Students of the sociology of economic relationships should be ready to ask questions such as these, but if they are it will be in spite of, not because of, some of the books they read. Dr. Musgrave's book is a good and readable textbook: it does not set out to inspire its readers with new ideas or to stimulate their thinking but only to tell them facts. It is successful in this, not so much in acquainting us with new information as in talking explicitly about things we already know but take for granted. The danger of this approach is that too much concentration on what is, may make us shrug off consideration of what ought to be. The faculty for criticism and imagination is very easily lulled to sleep.

\**The Economic Structure*, \$3.75, Humanities Press Inc., New York.