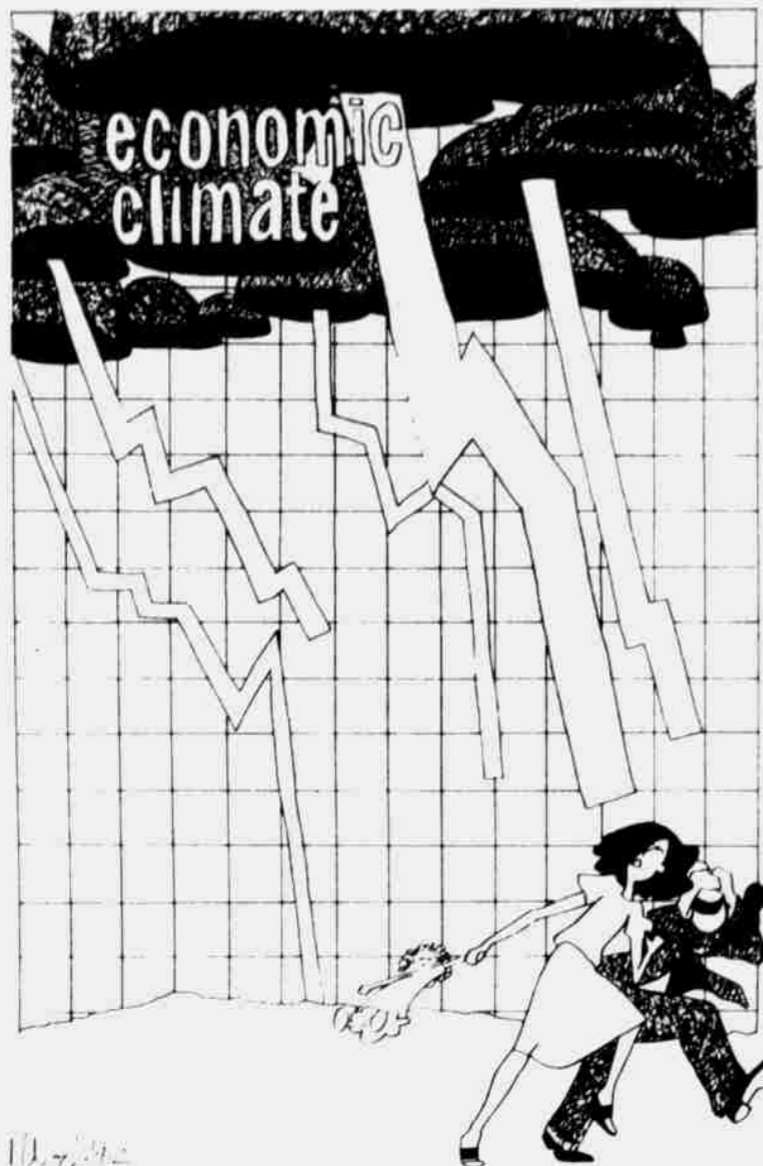


# Arts & Entertainment

## Little book examines five big economic problems



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By David Wood

*Five Economic Challenges*/Heilbroner & Thurow/Prentice Hall

Inflation makes inflation. The recession takes jobs. Government gets bigger. The dollar means less. Energy runs scarce. Bad times darken the economic outlook on at least five horizons.

What is to be made of it? What is to be done about it? What has been done about it, and what is that doing? *Five Economic Challenges* is a primer for the average person who gets muddled just thinking about such things.

The authors, Robert Heilbroner and Lester Thurow, are after two birds with one book. First, they have tried

### ROBERT HEILBRONER & LESTER THUROW FIVE ECONOMIC CHALLENGES

to put the book's 140 pages in plain enough terms that a basic grasp of economic perplexities is in anyone's reach. The second intention is to impress on everyone that solutions lie not in theoretical progress. Changes in attitude are what are needed.

"Our message is that the economy is not a machine and that economists are not engineers," the introduction says. "The parts of the economy, no matter what fancy names we give them, are always people. The repairs, for all the economic jargon in which they may be clothed, are always political. The decisions are never just technical, but moral."

The authors were working together on a college text when they decided to whittle some of the material to a

point for a second, smaller book aimed at a broader audience. They have the credentials to sell it with.

#### Previous books

Heilbroner earned prominence in 1953 with his widely-used history of economic thought, *The Worldly Philosophers*. He has written several books since. Thurow's best-seller came out only last year. *The Zero-Sum Society* quickly made Thurow a credible, literary counterpoint to George Gilder, the author who recently popularized supply-side economics.

Heilbroner and Thurow never criticize Reaganomics directly. But their viewpoint, which is perforce political, is



### Book Review

fundamentally opposed. A corollary to their belief that the economy is not a machine is the belief that tentative tinkering will not fix it.

The problems facing us are organic symptoms of an ailing, over-strained, evolved system. Solutions may be available only at the long-term cost of overhauling whole parts of the accepted structure. Morally, the cost should be distributed equitably over the populace. But to do so is a tricky proposition, politically.

Implicit to much of *Five Economic Challenges* is the concept of "the zero-sum game." When the Gross National Product, per capita and in real dollars, stagnants, any change in the economy is only a change in the distribution

of the nation's total wealth. Greater incomes for some are losses for others. The choice is political.

#### Moving higher

A glimpse at the chapter on inflation illustrates the authors' way of thinking. Price floors, indexed rates and cost-of-living allowances have given inflation a built-in "ratchet tendency" to move in only one direction, higher. Voluntary wage and price ceilings could help, if cheating did not pay so well. Mandatory control, which might work, would be irritating and an administrative nightmare.

Higher taxes and cuts in government funding likewise are always unpopular, and a balanced budget is no sure cure anyway. Tight money seems to work only temporarily, while an all-out recession could do the trick, but at an extreme cost in jobs.

"The painless cure requires a higher order of political persuasion — plus a higher order of public consensus," the authors conclude. "Failing the ability to gain that, we have no alternative to policies that will impose the cost of stopping inflation on one group or another."

Heilbroner and Thurow stress that "the real challenge of inflation, as always, is political. Who will bear the brunt of the instability of our present economic order? So far we have imposed that burden largely on the backs of the weakest members of society (the unemployed) — those who are unwillingly drafted to be its inflation fighters."

*Five Economic Challenges* is clear and concise about the issues. The little book offers no quick and easy remedies because the authors see none. Yet in an economy that is overridden with corporate mentality and in dire need of revision, the book's egalitarian perspective is valuable. It is not anti-big-business, but pro-justice. The human-side economics of Heilbroner and Thurow is both appealing and sane.

## Cityscape



Carl Kamprath gets up and goes to work every day the Nebraska Legislature is in session, even though he retired from a job delivering mail on the UNL campus in about 1972.

"Many a morning you think, 'Hey, what's the matter with me?' You want to throw that alarm clock out the window," the 71-year-old assistant sergeant-at-arms said. But "I like to meet people and you simply don't want to vegetate, you know. This kinda keeps you in trim."

The Legislature's sergeant-at-arms and three assistant sergeants-at-arms help senators, lobbyists and visitors to the Capitol, and generally keep order on the Legislature floor.

The position pays "about \$4 an hour," so the men serving the senators earn more than the senators. Carl agreed that paying senators more than \$400 a month would help retain quality senators.

"But that's not pay for them. That's a gratuity. It's a privilege," he said, smiling.

Carl, who has worn the position's red jacket for five years, said he likes the job "but you know it's not a thing . . . you don't break a leg going after it."

"I'll tell you what . . . there's a time in every session when you think, 'Hey, I'm going to go traveling.'"

But the snow and cold of winter keeps Carl from traveling, and working in the Capitol gives him something to do.

"When there's snow outside, all you want to do is look at the walls. At least in here you can look at some senators."

By D. Eric Kircher