

# We must search to find the best form of capitalism



Ideas and  
The Arts  
by  
John Sommer

putting our world together again. Which is one more thing that unites us with our brothers and sisters on the other side of, what was only a few years ago, the iron curtain.

According to the Austrian economist Eward Nowotny, neither outright communism, nor outright capitalism has won, but rather the controlled market economies practised in many West European countries, as well as in Asian countries such as Japan, South Korea, and Taiwan.

And the American economist Robert Kuttner, in his recently published book "The End of Laissez-Faire" puts forward the thesis that the utopia of a self-regulating market was the ideology of the Cold War, and really nothing more than the propagandistic foundation for the American domination of the West during that period in recent history.

None other than the German magazine "Capital" declares

that the ideas of the ruling economic class (in this case the conservative and liberal coalition parties in Bonn) met their Waterloo during the last year in the former German Democratic Republic.

The introduction of a hard currency did not automatically revive the moribund economy in that unfortunate communist part of Germany, as it was forecast, but on the contrary, destroyed rather ruthlessly the existing infrastructure, however bloated, leaving behind a short of scorched-earth economy and staggering unemployment figures.

A more gentle approach, with temporary assistance for the state enterprises, helping them to transform themselves into viable free market companies, might have been a better alternative to the present chaos. In particular, since huge masses of unemployed people tend to drift toward radical parties.

In America, deregulation has destroyed many illusions. American business has traditionally blamed governments as the enemies of free enterprise. Now the realization dawns on many people in responsible positions of power, that deregulation has not been able to solve the problem of global competition. Low wages, low taxes, and low interest rates will not automatically make an economy more competitive.

What creates a strong, com-

petitive economy is the whole complex framework provided by the state, by society, and by culture.

This framework consists of educational institutions, a great network of training facilities, scientific research laboratories, liveable towns and cities, roads and transportation, a sensible agricultural policy, a regard for the environment and for one's fellow citizens, a social system of help for the weak.

In the early 80's, the management of Chrysler was in such big trouble the members of the United Auto Workers Union, fearing for their jobs, agreed to take lower wages in order to make Chrysler more competitive. In the long run, neither Chrysler nor the union have benefitted from this at all.

The American car industry is not one iota better off today than it was 10 years ago. Lower wages don't make workers more productive. Chrysler should have given the workers better training, instead of making them poorer. Every government that wants to overcome a recession and become a force on the world market again must enable it's citizens to create wealth by providing them with the kind of infrastructure, that will make it possible for the individual to adjust to sudden changes and shifts in the market.

If a government shirks from this responsibility, the country and it's society will deteriorate

because of loss of coherence.

At the top will be a very wealthy class of experts, adept in handling an independent global economy for their own personal benefit. Below that will be an increasingly restless service sector class, in permanent revolt because of an obsession with its own security. At the bottom will be a massive population of industrial workers, with a constantly diminishing income and a growing hatred against everything and all.

Because we have witnessed the self-destruction of the communist planned economies, no serious economist would argue in their favor anymore today. Fortunately for us, the debate is now finally at a point where it should have been all along: We have to debate and find the best form of capitalism.

It seems that not only communism has come to a richly deserved end. Closer to home, deregulated capitalism, or social Darwinism, or laissez-faire, in short the voo-doo economics linked to the Reagan presidency and responsible for the present recession, might be on the way out too.

The wild 80's will enter history as a time of unprecedented economic folly, and the question is now, how will we manage in



Artistic delight

Agnus Olive, from the Forge Gallery in Terra Cotta, displays some of her work on Raku Fired Masks during the "Autumn Celebration '91". Other displays include work from Stephan Kitras, Tracey Bowen, and Frances Tennant. The exhibition is open until Oct. 10. (Herald Photo)

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