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Trods disse åbenlyse svagheder er mange af hans resultater absolut interessante. Således er der sikkert noget rigtigt i hans bemærkning om, at monopolgraden må antages at være større i et rigt land end i et fattigt, simpelthen fordi e_d er mindre. Ligeledes virker kombinationen af hans egen analyse med spindelvævstilfældet yderst realistisk. Hans forsøg på at overføre teorien til makrosfæren ved at anvende den på opsparings-investeringsproblemet er interessant, men knapt så overbevisende.

I det hele taget er jeg overbevist om, at der er meget værdifuldt og relevant i Zimmermans analyse. Jeg tror, at han har fået fat i nogle forhold, der virkelig har deres betydning. Det er blot svært at følge ham, når han udelader alt andet, og når han får alt til at passe sammen med sin teori. Selv om man må regne med, at kritikken vil gøre det af med en del, bliver kernen sikkert stående tilbage. I hvert fald vil jeg gætte på, at Zimmermans teori vil blive inddraget i diskussionen i de kommende år, og de rester, der måtte blive tilbage efter den proces, bliver vel også engang inkorporeret i den almindelige pristeori.

Bjarke Fog.

John Kenneth Galbraith: American Capitalism. The Concept of Countervailing Power. Houghton Mifflin Company, Boston 1952, pp. 217. \$ 3.00.

Modern economic thought has suffered from a kind of schizophrenia. On the one hand, economists have been interested in

the determination of prices, outputs, and employment under assumptions of competition and individual or corporate maximization of return. On the other hand, they have been interested in the phenomenon of great organized power blocs such as huge business corporations, trade associations, farm organizations, corporatives, and labor unions. But they have never successfully fitted the power blocs, with their combined economic and political power, into the basic economic theory of prices, outputs, and employment. An attempt of such as integration is Professor Galbraith's great contribution.

Galbraith demonstrates that the advanced stage of United States capitalism, as characterized by industries dominated by few large firms, is in fact as highly productive and socially responsible as prescribed by the theoretical rules laid down by Smith, Bentham, Ricardo, and other early proponents of laissez faire. His question is: How does it happen that an economy containing power blocs, administered prices, monopoly, and public controls can be reasonably successful when all of these things are inconsistent with the traditional ideology of capitalism? He finds the answer in "countervailing power." He argues that power, whenever exercised resolutely, creates "an incentive to the organization of another position of power that neutralizes it" (page 119). For example, the power of employers gives rise to labor unions, the power of the buyers of farm products stimulates farm organizations, the power of monopolistic manufacturers encourages mass buying by chain stores or cooperatives. Moreover, when no one group is able to achieve the power necessary to counter an oppressor, coalitions are possible.

The Scandinavian reader would be particularly interested in Galbraith's illustration of his newly rediscovered concept by the development of consumer cooperation as the dominant instrument of countervailing power in consumer's goods market. Had the large retail buying corporations not established chain stores and

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The Scandinavian reader would be particularly interested in Galbraith's illustration of his newly rediscovered concept by the development of consumer cooperation as the dominant instrument of countervailing power in consumer's goods market. Had the large retail buying corporations not established chain stores and

super markets, cooperatives might also have grown in the United States. As it happened, "... the chain stores pre-empted the gains of countervailing power first" (page 132).

The theory of countervailing power could easily become the basis of a new theory of laissez faire. It could be construed to mean that governmental intervention is not only unnecessary but harmful and that, if individuals and groups are only left to their own devices, a balance of power will be achieved in which no one is able to exploit anyone else, and the economic conditions envisioned by the early advocates of laissez faire will be realized.

Actually, the book permeates one with a feeling that here is somebody who has tried to "humanize" the impression of ruthless exploitation which the pure theory of monopolistic competition creates in a reader. Professor Chamberlin and Mrs. Robinson are, in a sense, brought closer to the brass tacks-grass roots reality. "Thank God that *this* is the way American capitalism works" is the relieving reaction.

The relief is not complete, of course, because Galbraith recognizes the countervailing power can be made effective only over long periods of time and that serious problems arising in the shorter run may call for governmental intervention. And even in the longer run, he has no blind faith in the automaticity of countervailing power. He explicitly states that it is one of the prime duties of government to facilitate the attainment of "countervailing power" by measures intended to weaken excessive power or to strengthen inadequate power.

Perhaps, the main shortcoming of Professor Galbraith's treatment of his theory as a prescription for the future is that he gives inadequate attention to the fairly common tendency of power blocs to try to take over the government itself and thus to suppress countervailing power. This is essentially the nature of fascist and communist revolutions. The tenability of the theory of countervailing power

rests, therefore, upon the maintenance of liberal democracy with strong guarantees of the rights to freedom of thought, speech, assembly, and organization, and with definite limits on the tactics and ruthlessness with which any power bloc pursues its end. In the new laissez faire, there must be rules for competition among blocs just as in the old laissez faire there were rules for atomistic competition.

Galbraith has made a profound contribution not only to economics but also to literature. He has again proved that economics can be presented briefly, wilyly, and without ponderous language or complex mathematical apparatus. This should serve to remind us that economics is a discipline with a distinguished literary tradition.

Men like Adam Smith, John Stuart Mill, Alfred Marshall, and J. M. Keynes were influential economists not only because of their keen analytical insights but also because they knew how to write well. Unfortunately, much of today's science is put down in a criminally dry and boring jargon. It seems like the French maxim "if your language be jargon, your intellect, if not your whole character, will almost certainly correspond" contains more truth than many an economist would like to admit.

Frank Meissner
University of California.

Otto Kraus: Der Kapitalzins im Kreuzfeuer. Plaum Verlag, München 1951. 148 s. Pris: DM 6,90.

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vise finansieringsbehov fremkommet ved investeringsbølger, men som ikke kan holde kapitalmarkedet fri for enhver ligevægtsforstyrrelse, og ganske særlig ikke kan være bølgebryder mod konjunkturedgange. Den funktion kreditforøgelse udøver på pengemarkedet, nemlig ved forfinansiering, har efter forf. skabt en ganske overdreven tiltro til kreditudvidelse som middel i den økonomiske politik og fået mange til at glemme, at grænserne for produktionsudvidelse sættes af kapitalreserven ikke af kreditten. Forf.