

## Books Received

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## BOOKS RECEIVED

**Recession: The Western Economies and the Changing World Order**, by Lars Anell. New York, New York, St. Martin's Press, Inc., 1981, 181 pp., \$22.50.

The Western industrialized nations rode the wake of the U.S.-created international economic order from the end of World War II until the 1970's. Latent structural defects of the economic system, intensified by the 1973 Arab oil embargo, have plagued the Western economies with a deep and lasting recession, the phenomenon of "stagflation". Lars Anell, coauthor of *The Developing Countries and the World Economic Order*, paints this historical setting for his analysis of the changing role of the western countries in a dynamic world order.

Before evaluating alternative economic orders, the terms must be defined, the need for an order justified, and the goals established. Order is defined as "the rules and norms applying to international economic cooperation." Incorporating a utilitarian approach, order is seen as a neutral concept necessary to spread the costs of international public goods and to enforce the terms of international agreements. This process should produce stability, predictability, and the effective utilization of given resources of production. Methods for maintaining an order are examined throughout the book. Five different, but nonexclusive, dimensions which interact as cohesive forces are presented: altruistic orders, orders based on enlightened self-interest, orders based on clear systems of rules, hegemonic orders, and regional orders.

With the conceptual framework erected, Anell sets out statistically to explain the development of the "old economic order" through three post-War phases of stable expansion and increased international interdependence. The high demand created by reconstruction, followed by consumerism, fueled the steady growth. This expansion gave way when structural defects surfaced in the early 1970's. High inflation rates, increased monetary supply, greater demand, and quadrupled oil prices brought about high levels of unemployment, high interest rates, low levels of capital investment, and insecurity about the future of the world economic order.

The best feature of the study is the thoughtful and intelligent discourse on the effects of international interdependence and the role of government in the new economic order. With the globalization of the industrial sector, the penetration of transnational corporations into domestic economies, and the resulting instability, a government must perform the role of a broker. Free trade is the ultimate goal, but some structural adjustments must be allowed in order to attain the widest participation of states possible. The

OECD countries are in too weak of a position to attempt to hold the status quo of Western economic hegemony. Increased harmonization is the key to long-term recovery.

With these cornerstones in place, Anell sets out the prerequisites for a new international economic order and the factors necessary to maintain such an order. He adeptly perceives a problem in the financial imbalance between the OECD and lesser developed countries, but exaggerates the influence of OPEC. Although he displays keen insight into the role of states in the economic system, Anell's final conclusions are somewhat tainted because of his reliance on increased western oil consumption and rising world prices. The OECD has substantially reduced its energy consumption, but by creating political obstacles which impede the resolution of economic problems, contrary to Anell's suggestion, the Western nations may stagnate the current economic upswing.

**The Mystery of Wealth: Political Economy—Its Development and Impact on World Events**, by John Hutton. New York, New York, Halsted Press, 1979, 412 pp.

John Hutton's politico-economic analysis of the impact of Western economic theory, from its origin in scholasticism to the recent reverberations in the wake of the energy crunch, is an excellent review of major theorists, and reads in the manner of a fast-flowing textbook. Beginning from the perspectives of three of the most influential theorists, Hutton sets the stage for a unique comparative study; Adam Smith is cast as the economic scientist, Karl Marx as the revolutionary prophet, and John Maynard Keynes as the social engineer.

The book considers the impact of the philosophies and theories of over fifty renowned thinkers, from Saint Thomas Aquinas to Harry S. Johnson, on the development of economic systems. For more than five hundred years the history of the Western countries has been the history of economic and political debate, frequently in a violent manner. The weaving of these perceptive figures into the tapestry of human evolution permits the reader to understand the diverse influences during this dynamic period. Encompassed within this history is the development and growth of trade, the rise of transnational corporations, and the resulting domestic problems. Hutton argues that governments must establish policies which reduce domestic problems inherent in growth to a functionable level.

The book examines the way in which Western, Marxist and developing countries, as well as Japan and China, have set policies to achieve optimal growth. He discusses the evolution of industry and management for increased productive efficiency. In the West, public ownership and planning are the mode, in the Marxist countries, it is central planning, while in the

developing countries the influences vary. For Hutton, the contemporary economist is entangled between the various perspectives, aware of "the continuing central ambiguity which revolves around the study of the science of man, in pursuit of material wealth and welfare, in a finite and rapidly changing world."

**Latin America in Caricature**, by John J. Johnson. Austin, Texas, University of Texas Press, 1980, 330 pp., \$19.95.

This collection of editorial cartoons displays the not so subtle arrogance of the U.S. toward Latin America over the past one hundred and fifty years. Johnson employs an effective medium to demonstrate why America is so often held in contempt by Latin Americans, and so often looked to for assistance. We are allowed to look back upon the history of our own national attitudes, captured by the artists of periodicals and daily newspapers. This history is the result of widely accepted stereotyped negative images of the region's people, religion, and value systems. These stereotypes are the product of the Anglo-Saxon cultural assumptions prevailing in the early nineteenth century.

Johnson groups the cartoons into various categories of issues and artistic symbols. The nations of Latin America are seen as an indistinguishable lot, susceptible to a unitary approach. In sympathetic settings, the countries are cast as a helpless female, and, in quest of democracy at the turn of the century they are depicted as immature children. These caricatures, complete with explanation and analysis, accurately characterize how regional economic and security issues have been viewed from the U.S.. Unless Americans take a less condescending view of these people and their cultures, the portentous current events could pass us by in a surge of upheaval.

**The World Economic Order: Past and Prospects**, edited by Sven Grassman and Erik Sundberg. New York, New York, St. Martin's Press, Inc., 1981, 586 pp., \$37.50.

A product of the Stockholm University Centenary Symposium on the *Past and Present Prospects of the World Economic Order*, this book addresses the question: What are the economic inter-relationships between the rich and poor countries of the world? The economists contributing to this book present conflicting views on the norms of income distribution and outline the many facets of the international economic system.

**North Sea Oil and Environmental Planning: The United Kingdom Experience**, by Ian R. Manners. Austin, Texas, University of Texas Press, 1982,

307 pp.

This book studies the British environmental policies in the context of North Sea oil exploration and development. The book reveals the problems which the U.K. faced in planning for offshore oil production and points up the important environmental management concern which should be addressed in the initiation of any offshore oil production program.

**Industrial Policies in the European Community**, by Victoria Curzon Price. New York, St. Martin's Press, Inc., 1981, 131 pp., \$22.50.

This book studies the "industrial policies" (i.e. government intervention in the marketplace) of the European Community and points out that these policies have helped reduce Western Europe's position in the industrial world. The author presents several arguments in favor of ending subsidies to business firms and restoring many governmental services to the private sector.