

New Economics, Old Values

The Affluent Society by John Kenneth Galbraith. Houghton Mifflin. 368 pp. \$4.75.

by Robert Lekachman

By now a great many Americans know that John Kenneth Galbraith has written a new book. Readers of his controversial *American Capitalism* or his evocative account of the Great Depression, *The Great Crash*, will probably find in it the same suave style, novelty of approach, and amiable delight in shocking that made the other books exceptionally interesting reading. But there the resemblances end.

The Affluent Society is a much more ambitious effort to understand the American society, diagnose its defects, and prescribe some medication. One of the shades which hover over its pages is Veblen's. This is the book of a social critic, something of a moralist who happens at the same time to be a first-class economist.

In the year 1958, what does such a man have to say about his society? In the first place, that its thinking is obsolete. Veblen once said that everything that is, is wrong. Galbraith charges that much of our thinking is adjusted to past problems and anachronistic conceptions.

This is especially true of our superstitious awe of production. We act as though one of the recession's tragedies is the loss of unproduced consumer durables: cars, refrigerators, deep freezes, blendmasters, toastmasters, and shavemasters. Perhaps nostalgia reminds us of a one-third ill-fed, ill-clothed, and ill-housed. No doubt, the poor are still with us. But the reasons for their poverty have little to do with our economic performance. Defective heredity and improper nurture are individual in their incidence.

Mr. Lekachman is Associate Professor of Economics at Barnard College.

The inappropriate skin color which penalizes Negroes is inappropriate because racial prejudice lingers, not because indices of the gross national product lag. Possibly Galbraith overstates his case. But until as strong an opposing argument is advanced, his conclusion stands: poverty has ceased, in this country, to be a national problem.

Something has gone awry with our values as well as our intelligence. An individual is known by what he can afford. College teachers buy books, records, and prints; they travel inexpensively to Europe; and they contribute to the causes which move them. Presumably many of the clergy (a group I know less well) do the same. These are the two worst-paid professions in the country, yet they can afford to educate themselves and their families. Among the many things which they cannot afford are new cars, expensive gadgets, and fashionable clothing.

A society, too, is known by what it can afford. Ours cannot afford adequate schools, decent medical care for all, appropriate psychiatric facilities, prisons which reform instead of merely incarcerate, and colleges which admit the talented, regardless of their families' incomes. It can afford dozens of brands of dog food, striped toothpaste, Queen Bee jelly, endless varieties of cigarettes, and myriads of other products which at worst do great damage and, at best, uselessly distract.

Is this what we want? Do we will the composition of output? The agnostic stance most economists take to the performance of markets leads them to this conclusion. Galbraith does not share it. To put it most simply, he thinks that we want what *he* wants. I am proud to share Galbraith's tastes, because Galbraith is a cultivated man. But the critical point in the

argument is: how does Galbraith, or anyone else, know that what is hawked around us is the result not of what we want, but of certain misconceptions of what we want?

Galbraith's reasoning has its ingenuities. If, he asks, we really wanted the gaudy trinkets which our manufacturers and merchants shower upon us, why must they advertise them so frenetically? Does it not appear that the producers of goods create rather than fill the demand for their products? After all, we really do want the schools and the hospitals, but we are confused about how to get them, because we have convinced ourselves that public output is wasteful or dangerous, and private output, however trivial, is soundly American. These delusions have prevented us from reforming our tax system in such a way as to give effect to our real wishes.

Galbraith's own book is obviously a powerful literary weapon in the hands of those who wish to shift these attitudes. But the key question remains: what do Americans really want? One year of recession does not prove that they have tired of Detroit's monsters. Sales of Oldsmobile, known in the trade as the King of Chrome, have held up better than slightly soberer medium-priced cars. And, where are the signs that Americans want more than the vocational and social benefits of education?

Galbraith says little about the rest of the world. This is a very American book, even in its being written by an ex-Canadian, about the American economy and its surrounding society. I cannot resist a few random comments on the international meanings of Galbraith's argument.

It is wearily said that one of the roots of anti-Americanism is the gross materialism of our culture,

If Galbraith had his way, the chrome would be muted, and the schools would be more numerous. Smaller cars, traded in less frequently, would ride on narrower highways. Perhaps even the prefix "super" would vanish. Of course, it is questionable whether the world loves its rich relative better because he spends his money more quietly. Quite conceivably, it will shift the attack to his penury. It is always possible that more education will help us to understand others better. Education isn't much of a hope, but is there a better one?

Perhaps there is a more important benefit to be won. Much of the world both hates and imitates us. Perhaps we cannot do much about the hatred, but we might

change the model which the world emulates. Some of the underdeveloped countries have bought our luxuries which, in their poverty, they *should* not afford, because these have symbolized our achievement. If we shifted our emphasis, for our good, other lands might shift theirs, for their good.

One more point. It has been said that when the American economy sneezes, Europe catches pneumonia. Although Europe has caught nothing worse than the sniffles in our last two recessions, nothing guarantees the same good luck in this one, or another more severe. One of the merits of the social balance which Galbraith preaches—the sane distribution of resources between public and pri-

vate uses—is greater economic stability in this country, and less danger to other economies.

I have not treated this book as an economic tract. As such, it is brilliant. The heavy thunder of the academic journals has not sounded, but Galbraith is no mean artilleryman. He will emerge scarred, but still mobile.

I have a single concluding comment. Galbraith's criticisms and even his remedies are more closely argued than his assumptions. If the book is incomplete, it is because its author has assumed rather than justified the social ethics which give the bite and the drive to his indictment. It would be pleasant if Galbraith were as good a theologian as he is an economist.

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