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Conference on Business and Economic Affairs

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not easy, but students obviously found them or the writer worthwhile, for the bookstore soon sold all their copies of his book.

"I eat everything, but I do have an accent," Dorr, who was born in Hungary, had written before his visit, but what strikes the reader about Dorr's stories is that they are not *written* in an accent. That is, like Conrad and Nabokov before him, Dorr uses the English language with an eloquence that few native speakers demonstrate.

In a public address entitled "The Christian Fiction Writer and the Christian Reader—An Interaction," Dorr spoke candidly of his personal odyssey as a writer: searing war experiences in Europe leading to a loss of faith; consequent wanderings across Europe and England; acquaintance

with an English woman—later to become his wife—who brought him to a sense of forgiveness and renewal of faith; and the adoption of a new country through immigration.

Dorr also led a fiction writing workshop in which students read their own stories and Dorr provided critique. His evaluation was honest and incisive, but also constructive, so that while students at times felt themselves on the hot seat, they nevertheless recognized the positive character of the critique.

The Dordt community was strengthened by the visit of Lawrence Dorr. We look forward to more of his fiction, for it gives us a clearer glimpse of Christian hope in a fallen world.

Hugh Cook

Conference on Business and Economic Affairs

The Conference on Business and Economic Affairs, held February 27 and 28, 1978, at Dordt College, was sponsored by the Department of Business Administration and Economics, and the Special Events Committee. Visiting scholars were Dr. Marvin G. DeVries, Dean of the F. E. Seidman Graduate School of Business and Administration of the Grand Valley Colleges, Allendale, Michigan, and Dr. George Monsma, Chairman of the Department of Economics and Business of Calvin College, Grand Rapids, Michigan.

Dr. DeVries spoke on the topic, "How to Cope with Inflation and Unemployment." He noted many underlying causes of inflation. The problem is not simple, and there is no evident simple solution. An overexpansion of the supply of money, a considerable spread between "current" dollars and "real" dollars (such as wages earned compared with their buying power), pressures on food prices (caused to some extent by adverse weather conditions), the emergence of an energy problem and a dramatic increase in the cost of oil—a

persisting fear of a depression—all these factors have augmented inflation.

Other contributing causes are federal debt increases, increases in minimum-wage rates, unfavorable balances of trade, the labor wage-price push, and the mere expectation of inflation. For a long time we have experienced an acceptable, unanticipated inflation rate of 4%; now it seems that we have an anticipated, but unacceptable, inflation rate of 5-7%.

Dr. DeVries offered several suggestions on how to deal with the inflation problem. Fiscal policy, involving taxation and government expenditures, must be evaluated for effectiveness. Monetary policy, involving availability of money and credit, must also be critically evaluated. Wage-price controls could be considered, although they typically deal with symptoms rather than root causes. The government should continue to try to persuade business, labor, and consumers to avoid decisions which cause or increase inflation.

In regard to the problem of unemployment also, we must recognize that there

are many causes. There is *seasonal unemployment* when the product or service is seasonal and results in layoffs. *Frictional unemployment* appears somewhat expected as workers change jobs. As the change is made, there will be a time when the worker is not employed. There is *voluntary unemployment* for those who do not desire to work or who retire early in life. And *structural unemployment* involves those who are not properly trained, educated, or otherwise prepared for available work.

The solution to the problem lies in the eradication of the cause (or causes) of inflation. An effort must be made to deal especially with structural unemployment through the implementation of specific programs by various levels of government as well as by the business community. Congress must also stimulate investment in the private sector.

In his discussion of "The Future of Capitalism," Dr. DeVries presented several historical economic developments which led to capitalism and free enterprise, and made comparisons with other economic systems. While no economic system is a "pure" system, he characterized capitalism as a combination of many elements, comprising an economic organization which makes decisions concerning fundamental economic questions. Capitalism, he said, includes several essential features: 1) economic freedoms for the individual, as in our market system; 2) consumer sovereignty, in which consumers determine which products will be produced and distributed (evinced by the fact that over 50% of new products are not accepted by the consumer); 3) competition that forces an orderly and economic use of scarce resources, causing business to serve consumers better and allowing producers also to have freedom of choice; and 4) promotion of political freedom by a free market, where coercion by one's fellowman is absent.

DeVries noted that competition tends to decentralize and disperse centralized power. He quoted Justice Black as writing that "the unrestrained interaction of competitive forces will yield the best allocation

of our economic resources, the lowest prices, the highest quality and the greatest natural progress. . . ."

Dr. DeVries sees key trends and issues as affecting the future of capitalism. Imperfections exist in the market place. Government has encouraged the continuation of uneconomically small farms and the preservation of obsolete job skills. "The wisdom of politicians has never adequately substituted for the wisdom of the marketplace." Excessive expectations must be controlled. "Equality of opportunity does not imply equality of results." Trade-offs are necessary for safety, health, pollution, and leisure, where a maximization of each element is not possible.

There must also be a balance between the public interest and the private interest. Competing economic systems may cause us to moderate our system. Multinationalism must be reconciled with the inherent forces of nationalism. There must be a more effective government-business relationship; a workable energy policy must be established; inflation must be kept under control; and a new international monetary system must be instituted.

DeVries concluded that capitalism, though certainly not a perfect model, has worked well in the United States, providing work and products with a minimum of inequity.

Dr. Monsma spoke on "A Christian Critique of Orthodox Economic Theory." He noted that economic models should be positive, in that one may predict results, and normative in stating what ought to be. Models must also include a faith-commitment to determine direction. Economics cannot be value-free. Most basic economic assumptions are not acceptable to the Christian, because they are not Christian in essence. Man is sinful and does not always choose what is best, although he is a steward of resources provided by God. Such resources must be used to provide equity among men.

Christians must change economic standards by the Biblical teachings on justice. The economic laws of God (given through

Moses and the Prophets, and exemplified by Christ) must be observed; there should be no large disparity in the distribution of wealth. Christians must modify economic theory or provide a new theory, though Christian economists are not agreed as to the nature of a new theory.

"Love, Justice, and U.S. Economic Life." according to Dr. Monsma, must provide the following: 1) all families must always be assured access to the basic necessities of life; 2) they must be given the opportunity to develop their God-given talents, so as to provide for themselves and for others who are in need; 3) they must be provided with the economic and political freedom necessary to exercise responsible stewardship as producers and consumers; and 4) there must be a reduction in the concentration of wealth and income, and in its resultant power. In the U.S. there is great disparity in income, concentration of wealth in the hands of a few, and concentration of unemployment among the lower classes at a high social cost. This disparity tends to perpetuate itself.

Dr. Monsma recommended several government policy changes that could help us move toward justice according to love. A negative income tax, a guaranteed income, and a comprehensive national health-insurance plan, would provide major advantages. We must educate to improve work-skills, end discrimination, and increase work opportunities. Large corporations must be

decentralized, and large mergers prevented. A more progressive income tax is needed, along with limitations on advertising and public-relations expense.

Workers should be encouraged to become involved in management; corporation boards should be required to include workers. Government should make loans available to beginning small businesses and cooperatives. Lobbying and campaign contributions must be restricted. There should be a limit as to the spread between the lowest and the top salaries.

We must be more conscious of the needs of others; we should change our attitudes toward material goods; and we ought to exercise better stewardship. Christians must also develop a better standard of living, and then share their goods with others. Christians should have the assurance that the Christian community will meet their needs as they develop. We must love God first and our neighbors as ourselves.

In summary, then, our visiting scholars provided analyses and evaluations of the American economic system, each designating weaknesses, concerns, and recommended modifications. Their insights were candid and straightforward; their suggestions were carefully considered. Their conclusions should be studied thoughtfully as we seek to improve equity and to make progress in demonstrating the love of Christ in our economic life.

Henry De Groot

Reid Gilbert

Dr. E. Reid Gilbert, and two apprentices from his Wisconsin Mime Company, recently spent three days (January 25-27) on Dordt's campus. During his residency, Gilbert conducted workshops, gave a lecture, and presented a public performance. Between sessions, he made himself available to anyone who wanted to discuss mime, the theatre, religion—or Reid Gilbert and

his evolution as a professional actor.

Gilbert's background includes a wide variety of educational and occupational experiences. As a boy growing up in the hills of Kentucky and Tennessee, he was deeply influenced by stern Baptist preaching; self-taught, guitar-strumming, banjo-picking folk singers; country dances; and a vibrant natural environment. As a student,