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(Extract from Inflation and Society by Graham Hutton (Allen and Unwin) Review of appearing in The Economist of July 9, 1960.)

"It is not quite inextricably mingled with an absolutely first-rate analysis of that constellation of circumstances, political and economic, which in modern democracies is apt to link together an over-ambitious state programme, *immobilisme* on the part of special interests, equalitarianism, chronically rising prices - and a sluggish rate of economic growth."

"This weakness might be labelled unrealism, or hypocrisy, or infantilism. It is unrealistic to undertake collective action which demands of the public greater sacrifices - of consumption or private investment - than that public can be persuaded or effectively coerced into making. Totalitarian states have no inhibitions about coercion; the more squeamish democracies must either limit their collectivist ambitions or - since they cannot, by those measures which their consciences can stomach, compel the necessary transfer of resources - inflate. It is hypocrital to vote for a welfare state of which each voter is personally determined to avoid the cost; the burden which, as taxpayer or contributor, the individual refuses to shoulder emerges as a state deficit whose inflationary effects fall on those very beneficiaries whose welfare is ostensibly aimed at. It is, above all and most generally, infantile to demand incompatibles: the full fruits of dynamic progress together with the comforts of *immobiliste* lethargy - job by job, enterprise by enterprise, industry by industry - and an equality that denies to the dynamic elements of the economy both adequate incentives to fulfil their functions and the conditions in which they can be fulfilled. On the one hand, these demands depress and distort total production; on the other, they express themselves in inflationary wage claims and in an equally inflationary public bill for subsidies to the uncompetitive."

"The moral that emerges is that the democracies - particularly the "social democracies" - need a lesson. They need, in the long run, a lesson in the astringent but hopeful facts of economic life; more immediately, they need an essential prerequisite, a return to the sound money that alone allows that lesson to be learned."