

**ECONOMICS, LABOR & BUSINESS**

Federal efforts to reduce unemployment, including President Carter's \$10 billion federal job creation effort (a new departure in U.S. domestic policy), tend to ignore an estimated 17 million potential job-seekers not now counted among the 7 million officially unemployed: those in school or in poor health, those with responsibilities at home, or those discouraged by unsuccessful job-hunting. Providing a job for everyone, says Ginzberg, is too ambitious; neither the public nor private sector can absorb these 17 million "overhangers" of the labor market. His conclusion: Manpower and training measures "should be focused on the groups that are currently least equipped to find and hold jobs."

*A Plague of Ills*

"Before the Black Death" by A. R. Bridbury, in *The Economic History Review* (Aug. 1977), 1 Mundells St., Welwyn Garden City, Herts AL7 1EU England.

Economic historians have studied the economy of the late 13th and early 14th centuries for clues to the "momentous subversion of the accepted order" in England after the Black Death of 1348. During the 14th century, the expansion of late medieval society came abruptly to an end; in England, this was reflected in the decline of the large-estate system, a net loss of land under cultivation, and political turmoil following the death of King Edward III (1327-77).

Most scholarly explanations of the breakup of English society tend to link political turbulence with economic decline and the Black Death. Some historians maintain that the plague simply delivered a death-blow to an economy already under strain; others hold that the medieval economy could have withstood the Black Death had it not been weakened by the Hundred Years War—and, in particular, by the foreign adventures of Edward III.

But Bridbury, a scholar at the London School of Economics, believes that political collapse did not necessarily mirror basic economic woes. Taxation ledgers reveal a "varied and opulent" farming economy in England. In Lincolnshire alone nearly 4,000 men were required to assist the chief commissioners in collecting taxes when Parliament authorized a new levy in 1298. Farm records indicate a sizable sheep-raising industry. Moreover, says Bridbury, medieval wars were relatively inexpensive affairs, "portentiously splendid melodramas" with rarely more than 10,000 men under arms.

In addition, he writes, price levels for labor, rent, and produce remained high in the period before the Black Death; the peasant population continued to grow. When prices fell, as they did in 1333, Edward III's wars had not yet commenced. Even after the Black Death, the population of wage earners was not seriously depleted. There was no difficulty filling job vacancies.

Rather than disrupting the fabric of peasant society, Bridbury concludes, the economic troubles of the early 14th century disrupted the lives of the nobles and the commercial classes, on whom fell the main burden, finally, of financing Edward's wars.

**ECONOMICS, LABOR & BUSINESS***Gains and Losses  
on Regulation*

"Will Carter Put Out the Fire?" by David R. Gergen, in *Regulation* (Sept.-Oct. 1977), 1150 17th St., N.W., Washington, D.C. 20036.

President Carter's early pledge to reduce "the burden of over-regulation" on business contrasts with his administration's early record of "almost studied ambiguity" toward regulatory reform, contends Gergen, a former aide to President Gerald Ford. This uncertain approach, he believes, is incapable of dealing with federal regulatory growth that has developed a momentum of its own, propelled by statutes already on the books.

The White House has made some changes, Gergen concedes. It has formed a new division in the Office of Management and Budget to oversee regulation. It has supported bills to require periodic "sunset" reviews and eliminated some overlap and contradiction among federal regulatory agencies. Moreover, new guidelines now take into account the economic impact on businesses of proposed regulations.

Other Carter initiatives, however, encourage more regulation. The administration has proposed sweeping new controls over energy production, pricing, and consumption, over toxic chemicals, water quality, on-the-job safety, hospital costs, and the operation of oil tankers. (In the first six months of 1977, 34,000 pages of new regulations were published by the federal government, up 25 percent from the previous six months.) Carter has also appointed administrators with pro-regulation backgrounds to high-level positions in the Federal Trade Commission, the Federal Energy Administration, and the Department of Transportation.

In sum, Carter has steered a "jagged course" on regulation, writes Gergen. He has been willing to favor more regulation rather than less when faced with strong political pressure. Unless there is a sharp change in strategy, Gergen predicts, regulatory "strangulation" of U.S. businesses will continue for some time to come.

*Homo oeconomicus  
and Rational Fools*

"Rational Fools: A Critique of the Behavioral Foundations of Economic Theory" by Amartya K. Sen, in *Philosophy and Public Affairs* (Summer 1977), P.O. Box 231, Princeton, N.J. 08540.

Two centuries ago, economist Adam Smith (1723-90) first suggested that a decentralized economy guided by individual self-interest and supply and demand would allocate economic resources more efficiently than alternative, "controlled" systems.

The hardening of this view into dogma in the ensuing years, says Sen, an economist at the London School of Economics, occurred amid Victorian debate over Utilitarianism, which held that the interest of all is the interest of each. The Utilitarian program of seeking the greatest good for the greatest number was challenged by Victorian economists like