

## Introduction.

The philosophical citations that follow the title page, one from Heracletes and the second by Dorothy from The Wizard of Oz, sum up the position of both economic analysis and the economies of the world as the twentieth century draws to a close. The revolution in Eastern Europe of the spring and summer of 1990 means that tomorrow will not be like today: the Heracletian view that all is change, that evolution and revolution are the essential nature of society in general and in our view of economic usages in particular, has been vindicated..

We now know that the dialectic of history in a geographical domain does not end with the establishment of a socialist economy: A Chernobel can reveal that the emperor has no clothes. We should be aware that history does not end with the substitution of market economies for planned economies in the former Socialist domains. As is evident on the first and financial pages of the leading capitalist newspapers the specter that now haunts capitalism is that the complex set of markets that make up a modern economy can lead to a depression if they are left to their own devices. The specter is that laissez faire or inept intervention can lead to economic chaos and disaster.

The Wizard of Oz is a beautiful told tale of Utopia that is gained but which turns out to be false. Dorothy, bedazzled by the color of Oz, believes that the exotic

environment in which she has landed is over the rainbow, where all is to be songs by bluebirds. The wicked witch of the west - the banker in Kansas - soon disillusions her.

\*Boehm's Wizard of Oz was a reaction to a great victory of Capitalism a century ago. This was the victory William McKinley over William Jennings Bryan, which was based on the premise that the gold standard (the yellow brick road) guaranteed of universal prosperity. The gold standard was to bring prosperity to the farmer (the straw man), the worker (the tin man) and the intellectual (the cowardly lion).