

# **THE REVIEW OF INSTITUTIONAL THOUGHT**

**A Publication of the  
Association For Institutional Thought**

**David Hamilton**

**THE U. S. ECONOMY**

**The Disadvantage of Having Taken the Lead**

**Jerry L. Petr**

**WILL THE UNITED STATES SURVIVE  
UNTIL 1984?**

**An Analysis of Privatist Creed Versus  
Public Need**

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**NUTRITION AND ECONOMY**

**Some Observations on Diet and Disease in  
the American Food Power System**

**Abstracts of the Papers Presented at  
the Second Annual Meeting of the  
Association For Institutional Thought**

**VOLUME II**

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VOLUME II

DECEMBER 1982

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## The U. S. Economy: The Disadvantages of Having Taken the Lead

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Much of the decade of the 1960s and all of that of the 1970s was very frustrating for the American people. It has been fifteen years of bad news without much good news to offset the stress created by the bad. Some of the causes of the frustration have been real; some of them have been imagined. But paranoia and depression can be brought on by either real or imagined causes. To the victim, both have an equal validity.

Undoubtedly the marketing of news is a factor in the general feeling of frustration. The competition for an audience, especially on television, leads purveyors of news, if not to manufacture the product, to put a crisis emphasis even on events and circumstances which represent problems on the way to solution or disappearance. Routine affairs, both domestic and foreign, are treated with an amount of solemnity and gravity that the occasions hardly warrant. This daily and weekly bearing of sad tidings is conducive to perpetual social paranoia. People otherwise not disposed to more than average worry conclude that things must truly be bad, just as the news media indicate.

But even without the efforts of the newspeople to secure an audience, sufficient events have occurred to discourage some of the most hearty. We began two wars in the 1960s, neither one of which could be

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David Hamilton was President of the Association For Institutional Thought during 1980-81. He presented this paper as his Presidential Address to the Second Annual Meeting of the Association For Institutional Thought in San Diego, California on April 23, 1982.

said to have been won. One of these, Viet Nam, was the traditional war taking a heavy toll in human life. The other, The War on Poverty, was a nontraditional one to prevent the heavy human toll from social and economic deprivation.

In their own ways, each of these wars contributed to the present cynicism toward government action to solve any kind of problem. The government during several administrations, and despite substantial opposition, persisted in Viet Nam in a hopeless undertaking. It was possible to succeed only by destroying that which was presumably being saved. The solution was far worse than losing the war. Long after this became apparent to the mass of the people, the government persisted single-mindedly in prosecuting a losing war. Rather than condemn the administrations specifically responsible for this persistence, it seemed much easier mentally to conclude that government per se was at fault. The war was not the product of certain bungling and bunglers; the problem was government. Ironically, on this ground, the liberals, who largely opposed the Viet Nam war, joined cheek to jowl with the conservative vested interests who have always been against government, especially when its actions have been beneficial to the general welfare, an effort that liberals traditionally uphold.

The war on poverty began with high hopes. Sargeant Schriver, the first director of the war on poverty, declared at its inception the admirable purpose to eliminate the poverty level of living by 1976. That the war on poverty would not eliminate the poverty level of living was almost foregone at its inception. What the poor need is money. The war on poverty was so designed as to give them everything but money. They were to be trained for jobs, largely nonexistent as it turned out, and certainly not relevant to a large part of the poverty population, the senior citizens and the children and youth and their guardians, largely female. Certainly there is nothing wrong with providing people with skills and opportunities to use them. Unfortunately, the skills provided the poor were not matched with the opportunities to use them.

A real war on poverty would transform income in such a fashion as to eliminate the poverty level of living. Doing so would also stimulate the economy so that the increased demand would provide the opportunities for employment. During World War II, when we operated the economy at the highest level we ever achieved before or after, the problem of poverty was minimal. The war on poverty failed, by virtue of misdiagnosis of the disease at its onset. That is not to say that the great middle class would have been receptive to transferring any more income than it was to the limited war on poverty. Nevertheless, something that set out with very high hopes achieved only limited success. In 1976, as today, we still have the poverty level of living. Those

with little staying power declared the objectives unattainable, a conclusion joined enthusiastically by those who always find the poor themselves offensive. That the high goals of the war on poverty were not met lends credence to the cliché that problems cannot be solved by "throwing money at them." Government is twice discredited; automobile bumpers disport stickers such as "Make Organized Crime Not Pay: Turn It Over To The Federal Government."

The disenchantment with federal government has its counterpart at the local level. New York City is the prime example, and, being our largest city and supposedly our capitol for many things other than government, attracts a nationwide attention and becomes symbolic for the alleged "collapse of our cities." Clever phrases, such as "New York is ungovernable," are given a credence that leads to serious discussion as to whether it is or is not. The real plight of New York and other cities similarly situated is wholly ignored in a mood of unwarranted cynicism. Actually New York's problems are largely financial ones that relate to the fact that the governmental and taxing unit is not coterminous with the metropolitan area. The real problem is how to ungovern, if it may be put that way, the municipal, county, and state satrapies that cut and divide one area calling for one government. Until this problem of local sovereignty is recognized as an institutional barrier to effective metropolitan government, New York's problems will not be on their way to solution.

We have other metropolitan areas suffering from a similar situation including Boston, Pittsburgh, and Cleveland. All of them have central city areas, losing population to the escape hatches in the suburbs, and all suffering from urban neglect. Ironically, a long standing sentiment against "large" government precludes a solution to the problem which is a nagging contributor to a more general despair of government. In short, the sentiment is self-fulfilling. Local government cannot govern simply because it is local.

The environment is despoiled. That the environment has been despoiled in the sense it has been altered has been true since man the tool-maker arrived on the scene. Having been born and partially reared in the Pittsburgh region, I can well remember when I took it for granted that air had a sulphurous odor. Since those times we have come to recognize new sources of air and water pollution brought about by the very new industries that were allegedly to be our salvation. The promise of a new life, free from the filth and pollution of what Lewis Mumford referred to as the paleotechnic period of technical development, does not seem to have materialized. New environmental problems exist today that provoke nostalgia for an idealized past when no such problems

existed. And there is truth to the nostalgia, to the extent that our contemporary experimental problems did not exist; but environmental problems did. Nevertheless, the new concern over the environment, which in truth is a hopeful sign, contributes to the general state of despondency.

According to much of the thinking of the last century, the United States and the North American continent in general represented a boundless resource cornucopia. The contrived oil shortages of the 1970s rather starkly called attention to our dependency upon known resources in general and emphasized that non-renewable resources had a life expectancy that would not sustain the boundless cornucopia view. The observation that we were not "energy self-sufficient" had an effect on our morale somewhat analogous to that which occurred in England in the decade of the 1790s when that nation became generally cognizant of the fact that it was no longer "food self-sufficient." This latter recognition is partially what led to the Malthusian population doctrine and gave impetus and meaning to the corn law controversy, a controversy that today seems tedious and dull. That resources are defined by the state of the industrial arts is much more difficult to comprehend than that some particular substance, for the moment a critical resource, is limited in amount. Projectionists, and who does not enjoy applying linear regressions to phenomena to demonstrate the year of the Apocalypse, in the masquerade of science have a field day. Actually, our new awareness of resource conservation, like our new awareness of environmental pollution, is a hopeful sign. But, unfortunately, it too has contributed to the general malaise.

Our dependence upon importing resources, which we always had, but not to the same degree as Holland, Belgium, England, Sweden, Norway, Denmark, and Japan, all of whom have somehow managed to survive, has given us a problem in our balance of payments. The payments problem is evidence of the fact that the international trade sector of our national income and product accounts is relatively more important than it once was. We have come of age. We just may have lasting nagging problems of payment on somewhat the same relative scale as those nations mentioned above. But to people in Peoria or Kankakee or Muleshoe, who never knew there was such a thing as a balance of international payments, here is a new frightening problem.

To some the problem of international payments is a function of a loss of productivity. The productivity of the American worker was a legend. The perspicacity and enterprise by virtue of which the legendary captains of industry managed and organized that productivity made America the workshop of the world in the twentieth century as England was alleged to have been in the nineteenth. During World War II we were the "arsenal of democracy." To the conventional mind,

something is wrong with today's American working man. You just cannot get any good and faithful servants any more! They just do not work as hard as they used to! Trade unions are most frequently pointed to as the cause of reduced productivity. And it is contended that American working men have become too content, too well off. They expect too much. We all need to put on the hair shirt and get down to work. To all of us who have been told about the new life of leisure that modern technology promised, the outlook is grim indeed.

With our new dependence on the rest of the world and our loss of productivity is a belief that we no longer lead the world. Henry Luce's "American Century" has turned to ashes. We have lost the world. The fact that it was never ours to lose does nothing to deter those who wish to despair over the loss. After all, the fact that China was never ours did not deter those who insisted that it had been lost through duplicity and treason. Their enthusiasm in searching out the responsible agents for the loss was not diminished one whit by the fact that nothing had been lost, any more than the enthusiasm of the hunters of the Loch Ness monster was ever diminished by its non-existence. Non-existence cannot be proven, which, to those of great faith, means that the existence of that in which they have faith, is real.

Last in this tale of woe, we are beset by both inflation and unemployment, a condition which the vaunted Phillips curve testifies cannot be. Like the Loch Ness monster, there are those who say the Phillips curve is still there, but lurking somewhere over to the right. "Tradeoff" is a word that just does not seem to be around any more.

All of these real as well as alleged events have brought on a new despair and even cynicism concerning the decade ahead. It is a kind of failure of nerve.

Gilbert Murray, a renowned classic scholar early in this century, wrote of a failure of nerve in Greek society. This was a period that followed the great classic period of Aristotle and Sophocles and was most marked in the early Christian writers prominent in the first two centuries A.D. He wrote of the difference that characterized these later writers and teachers as,

... a rise of asceticism, of mysticism, in a sense of pessimism; a loss of self-confidence, of hope in this life and of faith in normal human effort; a despair of patient inquiry, a cry for infallible revelation; an indifference to the welfare of the state, a conversion of the soul to God. It is an atmosphere in which the aim of the good man is not so much to live justly, to help the society to which he belongs and enjoy the esteem of his fellow creatures; but rather, by means of a burning faith, by



contempt for the world and its standards, by ecstasy, suffering, and martyrdom, to be granted pardon for his unspeakable unworthiness, his immeasurable sins. There is an intensifying of certain spiritual emotions; an increase of sensitiveness, a failure of nerve.<sup>1</sup>

In the last century something like this was experienced by the Indian peoples of the Great Basin and the Plains. Buffeted on all sides by the invasion of the whites, by the extension of the railroads, and by the disappearance of control over those factors by means of which they secured a livelihood, such as the buffalo, despair took hold. In this atmosphere the Ghost Dance phenomenon spread among them in the 1870s and down into the 1890s. It represented an attempt by performance of the Ghost Dance ritual to return to the ways of the ancestors. It was a promise that the whites would disappear and life would once again assume the idealized form it allegedly had once possessed.

A somewhat similar phenomenon occurred among the peoples of the north coast of New Guinea and in the Admiralty Islands following World War II. These peoples had their lives disrupted by the Japanese invasion and occupation and then further disturbed by the subsequent invasion and occupation of the Allies. A kind of despair took hold and what was known as the Cargo Cult promised a way out by a return to an idealized past that probably never existed. The promise was to the effect that if they would return to the ritual purity of the past a great fleet would appear on the horizon bringing all kinds of wondrous things.

The climate of opinion in the United States has changed in somewhat the same fashion over the past two decades. The decade of the 1960s began with new hope and determination to overcome what economic and social problems beset us. It was the time of the New Frontier and a new faith in human intelligence and in human action. We were masters of our own destinies. We could solve the problems that confronted us. And all without dogma and revelation.

To some people today that viewpoint seems to be arrogance. A general despair seems to characterize our thoughts about the human condition. Catch phrases such as "New York is ungovernable" get an unwarranted ready acceptance. Inflation and unemployment are considered to be problems for which there is no intelligent solution. Government in general is looked upon as hopeless; government employees are viewed with contempt. There is an urge to turn to an idealized past and to scuttle much that has been constructed in the twentieth century.

Cults flourish. They run the gamut from innocent little health cults to the bizarre cult that took a terrible toll in Guyana. Things of the

intellect are discounted; emotions and feelings are extolled. Human intellect is denied; gut reactions are prized. Discredited ideas of the last century are dusted off, such as supply-side economics, and presented much in the same manner as the many faces of Richard Nixon. Science and technology are denigrated; revelation is viewed as the way to warranted belief.

This despair is partially understandable in view of the *total* experience of the American people between 1960 and now. But most of it is not understandable in terms of any real deterioration in life styles, because such a real deterioration just has not taken place. For example, although not the last word, disposable per capita personal income nearly doubled over that period and, at least through 1979, had continued to inch upwards. This is in real terms, meaning that, despite inflation, life in general was not deteriorating insofar as it is measured by disposable personal income.

The attitude now prevalent, among liberals as well as conservatives, is much like the cynicism that prevailed in the Weimar Republic in Germany in the 1920s and early 1930s. Having a government they felt had been foisted upon them by the Treaty of Versailles, a government blamed for the runaway inflation of 1923, a government seemingly incapable of coping with the great depression of the early 1930s, the Germans, especially the lower middle class, turned to the nostrums peddled by the Nazis. They sought scapegoats for their problems, the Communists, Socialists, and Jews; they sought panaceas that would solve all problems for eternity. They took to a government that promised to get things done and a philosophy that appealed to an alleged greatness that existed in the past. Those days would return if they but adhered to the rather simple nostrums and ceremonies offered by the Nazis.

While not ignoring the fascist elements in American society, we are not today about to be taken over by the American Nazi Party or a reasonable facsimile. But in our despair, largely unwarranted, we are being offered nostrums from the nineteenth century that will, we are assured, solve all of our economic and social problems. If we but take certain simple actions, if we forego the behavior by which we have deviated from the "truths" of the past, life will become a thing of beauty and a joy forever. To get there, as with all such prophecies, we must bear a period of suffering or sacrifice. The virtues of the hair shirt are touted.

In economics we are being offered doctrines that stem from the middle of the last century when the Manchester School of economics reigned supreme in England, when the gospel of wealth was being preached in the United States by such as Andrew Carnegie in the business world and William Graham Sumner in the academic, and when

Herbert Spencer offered the last word on "the survival of the fittest" and laissez faire. The simplicity of these doctrines today is sometimes not apparent because of the self-assurance, credentials, and technical virtuosity of today's advocates.

What is being said is that we need to get back to an abiding faith in the market as the governor of our economic affairs. Supply-side economics is merely a set of policy recommendations that follows from the "free" market faith.

Faith in something called the "free market" has been an abiding one for the business community in this country for decades. In a way, and especially in its popular form, it serves as justification for the primacy of the role of business in American society as well as an origin legend concerning how we came to have the particular form of economic life that now prevails. It emphasizes the supreme role of the business entrepreneur, the heroic accomplishments of entrepreneurial heroes of the past, Carnegie, Morgan, Rockefeller, Vanderbilt, and even Gould, Fiske, and Drew, three buccaneers correctly named "robber barons." Today it rationalizes and romanticizes the activities of the rather impersonal and faceless corporate officials who have assumed the role once occupied by the legendary captains of industry and finance of the past.

In the very opening sentence of his *Theory of Business Enterprise*, Veblen stated: "The material framework of modern civilization is the industrial system, and the directing force which animates this framework is business enterprise."<sup>2</sup> The theme of the book is an explanation of just how "investment for profit" frustrates and thwarts the most effective application of the machine process. As he went on to put it,

The business man, especially the business man of wide and authoritative discretion, has become a controlling force in industry, because, through the mechanism of investments and markets, he controls the plants and processes, and these set the pace and determine the direction of movement for the rest.<sup>3</sup>

Unlike that of Veblen, the conventional interpretation of the economic development of the United States, as noted above, is essentially that which we find adequate to interpret the earlier "industrial revolution" in England of the eighteenth and early nineteenth century. T. S. Ashton's conventional and now classic account of those events, *The Industrial Revolution: 1760-1830*,<sup>4</sup> is hardly more than a panegyric to the entrepreneur operating under the divine guidance of the principles of investment for a profit. The accounts of both the new and old economic history of the United States are simply an extension of this conventional view of the American scene.

It is unfortunate that Veblen, in his *Absentee Ownership*,<sup>5</sup> did not devote his attention to answering the question concerning American industrial preeminence in the first quarter of this century that he asked concerning that of Germany. The technological difference between the United States in the first half, and perhaps even three-quarters, of the nineteenth century and Great Britain through the same period was even more marked than was that between Great Britain and Germany. Yet by the opening of World War I, the United States, as had Germany, had surpassed Great Britain technologically. The full implications of this were not commonly recognized until the early years of World War II and the years immediately after that war.

Had Veblen asked the question, there is no doubt the answer would have been much the same as that which he found in the case of Germany. We had all of the advantage of the technological borrower doubled in spades. Unlike Germany, we were uninvited guests on a continent occupied by a people with a neolithic, and in some cases paleolithic, industrial art. No vestigial remains of a preceding industrial technology stood in the way of the most advanced application of the latest technology. It is more flattering to our sense of self-importance to attribute the accelerated technological development to some American *geist* or genius, a self-indulgence most peoples seem to allow themselves. But the veritable transmission belt for science and technology provided by the late nineteenth century parade of American youth to the centers of learning in England, Germany, and France is testimony to the conscious and deliberate borrowing on which American preeminence was built. Evidence of this dependence was to be found in the American graduate schools even after World War II in the almost rigid requirement that all graduate students acquire ceremonial adequacy in French and German, proficiency in English being presumed. Such proficiency supposedly gave access to the then known world of science and technology.

The United States in the latter half of the nineteenth century sent its youth to the most advanced centers of learning just as the contemporary underdeveloped countries send their "finest" to the United States. The very structures of our universities bear evidence to this period of borrowing. Our undergraduate colleges, especially those catering to what are referred to as the humanities, operate more on the British system in spirit, if not organization. Our graduate and professional colleges, largely founded in the latter half of the nineteenth century, bear a heavy Germanic hand. An examination of Charles Singer's *A History of Technology*<sup>6</sup> reveals that, up to the opening of the twentieth century, the vaunted American contributions are rather modest ones indeed. While an English and continental bias could be expected because of the locus of most of those who contributed to the volumes, there is no mistake in

the general account. It is quite clear that Europe is where the technological action was located in the nineteenth century.

If we look at the American case in this fashion, our prodigious technological accomplishments of the twentieth century rose clearly on a borrowed base, no less than in the cases of Germany and Japan, both of which were recounted by Veblen. Ironically, we obliged both Germany and Japan in this second half of the twentieth century by eliminating, during World War II, much of the obsolete technological system perpetuated by investment for a profit. Obsolete technology, protected from elimination or even improvement by ownership equities, found no such immunity from aerial bombardment and other means of physical destruction.

Through World War II we had no reason to question our technological dominance and therefore we had no reason to question long established use and wont. The steel barons were content with their dominance of that industry. The automobile industry, hoisted on the petard of its own propaganda, was convinced that the American people demanded a built-in living room in their automobiles and that the demand, not of the automobile makers' creation, of course, was of genetic origin. The railroad barons moved the freight in World War II and were singularly confident in their capabilities, unimpressed with new ways and new techniques. They deliberately scuttled passenger traffic at a time when the motortruck was cutting into their staple source of revenue; they refused to accommodate to an adjustment between railroading in its traditional form and the over-the-road truck. Our textile industry, faced with a textile revolution brought about by a chemical revolution, blamed all of their difficulties upon recalcitrant labor unions and moved south to so-called cheap labor. They were bested in that game by Korea, Formosa, and Japan, just as the Italian shoe industry undermined the obsolescent one of New England.

We are now showing the other side of Veblen's coin. We are now technological lenders. The advantages to the technological borrower turn out to the same extent to be eventual disadvantages to the one who initially took the lead. The lender has an extensive technological fabrication, only part of which is representative of the most advanced technological capabilities. Institutional considerations prohibit a full and unrestricted proliferation of technology, this inhibition in the modern industrial economies being worked largely by investment for a profit and the protection of ownership equities. As Veblen put it,

All of this apparatus of conventions and standard usage, whether it takes the simpler form of use and wont or the settled character of legally competent enactment and common-law

rule, necessarily has something of this effect of retardation in any given state of the industrial arts, and so necessarily acts in some degree to lower the net efficiency of the industrial system which it pervades. But this work of retardation is also backed by the like character attaching to the material equipment by use of which the technological proficiency of the community takes effect. The equipment is also out of the past, and it too lies under the dead-hand.<sup>7</sup>

The real problems that furnish some substantial basis for our present despondency largely derive from our beginning to lose the technological leadership. Our problems with local government are largely attributable to an unwillingness to experiment with new forms of municipal organization. Our problems with the balance of payments, other than those largely deriving from oil, are substantially attributable to a loss of technological leadership in a number of basic industries. Our almost wholly irrational freight transportation system lays a burden on every industry it touches. Our energy problems in general are aggravated by an unwillingness and inability to adapt quickly to new sources and new techniques. In almost every case, down underneath, are the institutional barriers of investment for a profit and the demands of ownership.

Our conventional diagnosis of our present dilemma is almost wholly wrong. We are being told that business and industry are being strangled by burgeoning government, especially on the federal level. This premise is almost never questioned even by the economics fraternity. Yet the facts are wholly at variance with such an interpretation. The burgeoning federal work force has gone down from 3.6 percent of the civilian work force in 1955 to 2.8 percent in 1978. As a matter of fact, not only has it gone down relatively, it has gone down absolutely so that between 1970 and 1978 the federal work force declined by 50,000. Insofar as regulation is concerned, those economies such as Japan and Germany which are besting us at the moment have far more regulation of industry than we have. Japanese workers, at least in terms of fringe benefits and most certainly in job security, are far better off than the so-called "coddled" American worker. We refuse to even examine the possibility of controlling inflation by price controls on the implausible pretext that public controls, in contrast to private controls which we now have, "will not work," a premise substantiated by the irrefutable evidence that when we remove the public controls, or rather when we do not have public price controls, prices rise.

We have totally lost our confidence in social experiment. We refuse to look at the facts of existence. We refuse to use the major device we have for resolving our real, not our imagined, problems. Despite the

fact that the most startling and innovating technological advances of this century have been under public initiative and some of the most miserable failures have been under private auspices (the governance of oil, to name but one), we are firmly convinced that public action is bound to fail.

To the same extent that public employees are demeaned and demoralized, private entrepreneurs are seen as wearing seven league boots. The doctrine is most certainly flattering to the businessman who has never been known to be reticent about claiming authorship of all of our technological advances of the past as well as the present. The consequence is to buttress a status system in which the business leader sits at the apex, financially secure.

Just like the Plains and Great Basin Indians, the north shore Papuans, the residents of the Admiralty Islands, the Greeks, and, yes, the Germans of pre-Nazi Germany, we are being offered a nostrum in the form of a return to an idealized past. Our Ghost Dance comes in the form of supply-side economics purveyed by old minds in young bodies. Just when we need every public and social device we can muster to get around the institutional encumbrances thrown up in the private sector (traditional sector), we are being told that our problems of the present originated in earlier public action. We need to scuttle public action and have faith in the market. Let competition, in the guise of Exxon, General Motors, General Dynamics, U. S. Steel, Lockheed, Chrysler, take care of things. We have been on the wrong road since the 1930s. Let us return to the old days, under the divine guidance of J. B. Say and the "lazy fairy."

What we are being offered is sophistry, nostalgia, and even worse. And it will not resolve our problems because the solution offered is the problem.

Returning to Veblen for the last word on the subject:

. . . history records more frequent and more spectacular instances of the triumph of imbecile institutions over life and culture than of people who have by force of instinctive insight saved themselves alive out of a desperately precarious institutional situation. . . .<sup>8</sup>

## NOTES

- <sup>1</sup> Gilbert Murray, *Five Stages of Greek Religion*. New York: Doubleday, 1955, p. 119.
- <sup>2</sup> Clifton: Augustus M. Kelley, [1904] 1975, p. 1.
- <sup>3</sup> *Ibid.*, pp. 2-3.
- <sup>4</sup> London: Oxford University Press, 1948.
- <sup>5</sup> New York: B. W. Huebsch, 1923.
- <sup>6</sup> Charles J. Singer, Editor, *A History of Technology*, Oxford: Clarendon Press, Volumes I-V, 1954-1958.
- <sup>7</sup> Thorstein Veblen, *Imperial Germany and the Industrial Revolution*. New York: Viking, 1939, p. 30.
- <sup>8</sup> Thorstein Veblen, *The Instinct of Workmanship*. New York: B. W. Huebsch, 1914, p. 25.

## Will the United States Survive Until 1984?: An Analysis of Privatist Creed Versus Public Need

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In 1969, a young Russian historian and political dissident wrote an essay asking the question "Will the Soviet Union Survive Until 1984?". It was an insightful and moving analysis, focused on societal trends in the U.S.S.R. and neighboring countries, but in many ways it is applicable to reflection upon "the human condition."

As he drew that essay to a close, Andrei Amalrik developed an extended metaphor which captured an essential component of his message. Amalrik expressed his concern over the impact of diverse social cleavages in terms of a "city/village" confrontation. In beautifully crafted passages he discussed conflict between the "city" of scientific progress and the "village" of social ignorance; between the "city" of privileged elites and the "village" of pauperized masses; between a "city" veneer of civilization and the "village" of threatening barbarism; between the "city" of enlightened reason and the "village" of the primitive subconscious.

The city was portrayed both as the repository of progress and as a fragile entity, while the village was portrayed as a looming, enveloping threat. Amalrik's concluding paragraphs, written from "internal exile" in the U.S.S.R., included the following thoughts:

The threat to the "city" from the "village" is all the greater in view of the fact that in the "city" there exists a noticeable tendency toward the ever greater isolation of the individual, while the "village" is aspiring to organization and unity. . . . The inhabitants of the world's cities have reason, as I see it, to worry about their future.

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. . . Evidently, if "futurology" had existed in Imperial Rome, where as we are told, people, were already erecting six-story buildings and children's merry-go-rounds were driven by steam, the fifth-century "futurologists" would have predicted for the following century the construction of twenty-story buildings and the industrial utilization of steam power.

As we now know, however, in the sixth-century, goats were grazing in the Forum—just as they are doing now, beneath my window, in this village.<sup>1</sup>

I cite Amalrik, now deceased, because I find in his analysis a parallel and a foundation for consideration of a growing social conflict within the United States, a conflict which portends increasingly destructive societal tension, paralysis, and worse, within this decade. I refer to the clash between an insistent and resurgent American "privatism" and a reality-based "community imperative"—between the "village" of unenlightened self-interest and the "city" of reasoned cooperation. We are participants in a socially divisive battle between the rampaging cavalry of the individualistic myth and memory and the ill-armed advance elements of the coordinated society of shared participation.

Consider, on the one hand, that we live in what has been an increasingly personally constraining political economy. Government has attempted to regulate the temperature of buildings in which we work; tell us where we can and cannot smoke; mandate what set of costly equipment must be on our automobile, how fast we can drive it, and what sort of fuel we must burn in it; stipulate how we may or may not go about hiring employees; force our electricity bills higher by demanding stack scrubbers at the utility plant; remove our favorite food from the grocer's shelves—or scare us away from enjoying it; occasionally tell us when we can wash our car or water our lawn; and, according to clever propagandists of the privatist persuasion, the government also forces us to work for it through January, February, March, April, and only at some ever-later date in May allows us to begin to devote our income to ourselves. (This, of course, is a misleading way of illustrating the thirty-five percent of our income which now goes to taxes.)

We remember an earlier world, perhaps partly mythic, in which the relationship between government and individual was vastly different, particularly in the American west, the foremost nurturing ground of the contemporary privatist surge (the "sagebrush rebellion"). Only a century ago this land was typified by the self-reliant, and largely independent, household. The government neither influenced the heat of the mid-summer day, nor the ice of the winter blizzard; didn't care a whit if, when, or whether they or their house-fire smoked; mandated no saddle

horn nor rump-bag for their horse; had no influence on their utility bills, as there were no "utilities"; had not the slightest idea, nor cared, what their menu was like; was uninterested in the depth or output of their well; and allowed them to work nearly every day of the year, for themselves, alone.

It is clear, I think, that most Americans are not delighted with the contrast. And the dismay and frustration felt at the realization of lost independence fuels the triumphant rise of privatism.

What better evidence is there of the political aspect of this phenomenon than the elections of November, 1980? We spoke, loudly and distinctly, with the message that we want to be left alone, that we want government off our backs and out of our lives; that we be allowed to drive as fast as we want, stay as warm as we want in winter and as cool in summer, dig as many resources as we wish to provide as many consumer conveniences as we crave; and, in general, we demand our own decisions without interference from others, particularly governmental "others." We've imposed government spending and tax lids, and, finding them insufficiently satisfying solutions, we stage tax revolts and slip into the "underground" economy to reinforce our "independence."

The prevailing social winds blow not only in a political direction. Who can fail to observe the parallel religious, literary, judicial, and sociological manifestations of the dominant public mood?

Economic theory and analysis have not been left behind. Leo Rogin, in *The Meaning and Validity of Economic Theory*, argued in 1956 that theoretical developments in economics are often spurred by the need to develop analyses:

[relevant] to the guidance of policy in relation to some practical issue conceived to be so central to the predicament of society as to justify granting the theoretical model the role of the predominant mode of apperception. . . . The paramount item thus largely dictates the scope and direction of the selective appeal to fact.<sup>2</sup>

Rogin further urged that as one seeks to understand the development of economic theory, one focuses on "the strategic factor":

some institutional aspect of human enterprise which has become a central public issue, dramatized by politics, as expressed in projects either of reform or of reevaluation. It is to be discovered in the area of the intersection of the theorist with the social scene.<sup>3</sup>

Is that not potent analysis when we consider the recent emergence of the theoretical worlds of "supply-side economics" and "public choice economics"?

As the public mind becomes increasingly restive with the constraining and frustrating political economic reality in which it lives, the relative roles of individual and government have emerged as central policy issues. And, as had happened with J. M. Keynes in the 1930s, or Karl Marx in the mid-nineteenth century, or Adam Smith a century earlier, theoretical models have emerged as prescriptive analyses directed at the societal *angst*.

How eagerly greeted by a perplexed public are new economic theories which emphasize and elevate the individualistic orientation of the market and analyze even community decision processes and policies only from the standpoint of individual gains and losses. The privatism addict, offered one more fix, ecstatically embraces it, and hardly considers the consequences of the overdose. But perhaps it is time to make such consideration.

As we know, one blade of a scissor does not cut, one hand does not applaud, and one statement of fact does not a dilemma make. The crux of the societal clash which is the topic of this essay is the confrontation of the privatist rush described above with the unforgiving reality that collective decisions, cooperative actions, and societal judgements will become more pervasive and constraining if a livable community is to be maintained. Victory for the privatist mood can be achieved only at the cost of societal destruction—perhaps not by 1984, but inevitably.

The reasons why are not obscure and accessible only to the intelligentsia. Kenneth Boulding created a vivid image years ago when he contrasted “cowboy economics” with “spaceman economics”—the economics of the open system (the frontier) with the economics of space-ship earth.<sup>4</sup> One need not accept the notion that we live in a closed economy to benefit from the Boulding analysis. Consider again the 1980-1880 comparison of social reality.

The American westerners, circa 1880, required, as do we, food, clothing, transportation, energy, and more. When they needed food, they grew it. In their agriculture, they used manure for fertilizer, hoeing or simple tillage for weeding, rain for crop irrigation, and heavy hand labor for harvesting. The transportation needs of many of those folks were met by saddling or hitching up old Dobbin, and replenishing the feed bag. Their household operations at times required the family to make candles, or homespun, or, on rare occasions, to “import” some finery from Pennsylvania or Ohio.

Today, our need for food causes an immense industrial, chemical, ecological process to be put in motion. My breakfast may be related to the chemicalization of your drinking water, or the depletion of a major North American aquifer, or the supply of armaments to Saudi Arabia to

protect the fuel supply on which the bowlful of flakes rests. Our transportation needs are met in automobiles imported from Japan which exacerbate a human crisis in Detroit. That auto is propelled by an around-the-world fuel line which occasionally results in unexpected oil deposits on the beaches of Normandy, or the harbor of Santa Barbara, or in the wilderness of Alaska. Our household operation may require electricity from a nuclear plant which also dispenses less benign forms of energy, or from a coal-burning plant whose emissions increase the probability of “acid rain” downwind from its location. Such a plant also builds up levels of carbon dioxide in the atmosphere with the potential consequence of climatic alteration. The clothing which we wear, or the upholstery upon which we sit is probably fabricated from petrochemical-based fibers which, according to a recent journalistic report, have been found to add the mutagenic agent 1,3-dichloro-2 propyl phosphate to the semen of tested college males in Florida.<sup>5</sup>

Valid conclusions from these observations are not obscure. In a sense, perhaps other than that meant by John Donne, in 1981 no person is an island. Of course, our bedrock ideals of “freedom” have always been constrained, at least by those who understood them. My freedom to extend my arms has always been limited by the proximity of your nose. The problem of the 1980s is that we have longer arms, and there are more noses. We flip a light switch and generate a fish kill in Adirondacks lakes. We drive to the grocery store and increase tension in the Middle East. We open a tap and lower the water table in a neighboring state.

The press of population and the reality of a complex technological society mean that you can hardly draw a breath without involving yourself in someone else's life—and you can hardly be surprised if those so affected want some influence over your behavior. There is, therefore, stark clarity in the clash between a pervasive privatism and an increasingly interconnected societal reality. Ignoring or rejecting that reality only increases future conflict. Private decisions, made by individuals or corporations, regarding water use in California, or coal mining in Montana, or irrigation in Nebraska, or electricity production in Pennsylvania, or flame-retarding chemicals in fabrics, or industrial chemicals, or food additives, and more, are clear examples of “pay now or pay later.” We can either allow the private individual or organization to take the action which suits them, or we can demand a social decision which takes account of community interests. If we choose the former course of action, we will still confront the consequences at Love Canal or Three-Mile Island or in our bodies.

Consideration of the pathology of societal schizophrenia is not novel for social scientists of the “evolutionary” persuasion. While the

often-dominant equilibrium models of economic "orthodoxy" have historically had trouble identifying the symptoms of social collapse, creative observers of processes of social change have offered numerous analyses of societal flight from reality. Karl Marx and Friedrich Engels, for example, in their notions of social foundation (mode of production) and superstructure (other social institutions) portrayed what we might call a societal "mental illness" in which adherence to an obsolete institutional structure relevant to a prior stage of economic reality could be an integral element of social collapse. Thorstein Veblen and Clarence Ayres wove into the fabric of their social analyses the familiar dichotomy between ceremony and instrument—between elaborate fiction of psychological utility and the tangible reality of functional human life. Karl Polanyi, predating our contemporary analysis by a generation, discussed what was already an obviously "obsolete market mentality" which nevertheless served to severely damage the integrating and enclosing potential of a social fabric. More recently, John Kenneth Galbraith and George C. Lodge, in discussion of "revised sequences" and "new ideologies" reinforce again the validity of the notion that society can all-too-easily believe one "truth" in the face of overwhelmingly contradictory evidence.

Thus, one may observe that identification and analysis of the divergence of societal personality from reality is an honorable tradition in non-traditional corridors of economics. And, history further suggests that one characteristic of a schizophrenic society is its failure to accept the pessimistic diagnoses. Just as analysis of societal misapprehension of reality is not unique to the present essay, so also have diverse attempts to confront the negative social consequences of "privatism" proved unsuccessful. Three major institutional approaches to the problem of self-interest in a social environment may be instructively reviewed before we conclude with a consideration of contemporary options for dealing with the challenge of privatism in an interrelated society.

The most familiar of the traditional strategies is the Smithian assertion of public benefit emerging from private interest through the mitigating role of competitive markets. The argument that self-interest is converted to social benefit is a familiar one, as is the fact that such a view has been found lacking to the degree that market power, inadequate information, externalities, market rigidities, public goods, equity and numerous other factors complicate theoretical simplicities. Perhaps it is sufficient to remind ourselves of Polanyi's interpretation of the nineteenth and twentieth century public involvement in economic policy as the attempt of societies to repair social fabrics tragically torn by the failures of the market premises. Self-interest checked by the competitive market and turned to social good has proved a costly delusion.

An alternative form of failure to deal with the social consequences of self-interest has been exhibited, for example, by the Soviet Union. The Soviet assumption, quite different from Adam Smith's, was that self-interest can be coercively repressed *via* central planning organs and institutions for administrative direction of an economy. Self-interest, in this view, cannot result in social disadvantage if it is overridden by social directives.

One result of this attempt to cope with self-interest is a fundamental reconfirmation of Petr's Law of Social Adaptability: "A creative and self-interested individual can always outwit and outmaneuver an institutionalized bureaucracy." In the Soviet economy, the demonstration of this human capability has resulted in declining growth rates, plan under-fulfillment, high inefficiency, an extensive black market, and, ultimately, a rather ineffective groping toward decentralization and reliance on some market forces to turn perverse individualism to public gain. In other words, a struggling administered economy turns to the Smithian remedy to cope with a destructive self-interest. (In an ironic symmetry, the Smith-influenced U. S. economy has historically tried to deal with failures of the market by instituting expanded administrative direction of the economy.)

In yet a third major option to the market and administrative philosophies of responding to the force of individual self-interest, the Maoist attempt to supplant self-interest completely merits reflection. Mao Tse-tung and the post-revolutionary Chinese political leadership were aware of, and addressed, the issue of self-interest and public good. Their response is echoed in slogans such as "Fight self; fight self-interest," which typified Chinese political economy from 1949 until Mao's death in 1976.<sup>6</sup> The strategy of revolutionary China was the submergence of individualism in a new socialist morality which would inculcate the primacy of social concern in the Chinese population.

This was a strategy of "eradication" of self-interest as opposed to the "control" self-interest policy of the U.S.S.R. or the "use" self-interest policy of the U. S. Like the other two, the Chinese approach has been found wanting. Since the death of Mao, Chinese policy is swinging more and more clearly toward "economic rationality," concern with profits, and reliance on material incentives to increase the efficiency, productivity, and modernization of the Chinese economy.<sup>7</sup> Another society appears to be discovering the benefits of market stimuli—and will later discover the associated costs of such a policy.<sup>8</sup>

We have, therefore, observed: 1) an impending clash between a clamorously increasing privatist political economy and the clear demands of societal integration; 2) the precedent of previous and repeated "social schizophrenia" analyses finding little attention in the American



body politic; and 3) consistent failure of three major alternative attempts to cope with self-interest in a social environment. What can we say of contemporary American possibilities of successfully responding to the sharpening conflict?

One visible strategy to cope with decision-making in a world of interlocked impacts (a spaceship economy) is to involve affected parties in the decision process. That is not a policy direction consistent with the privatist political thrust, but it is a significant phenomenon directed at recognizing the demands of social externalities. The results of such a strategy, to date, are not encouraging.

Consider one, presumably typical, example of public involvement in economic decision-making. The Kaiparowits Project<sup>9</sup> in southern Utah has similarities to many other community decision processes of the past quarter-century. Kaiparowits was to be a giant electricity generating facility which was proposed in 1967 by Southern California Edison Co. It was to convert western coal into southern California electricity. The essence of a major argument in this essay is that such a decision, with its complex implications and ramifications, cannot be left to the corporate management of the utility, nor to the consumer pleasures of laid-back Californians. But neither is it acceptable that such decision-making should consume a decade, result in a fourteen-fold increase in the cost per kilowatt of electricity, or compel more than 200 permits and authorizations from more than 40 public agencies. And, in this case, at the end no decision was reached as Southern California Edison threw up its corporate hands and left the arena.

Electricity is useful; we need some of it. So are scenic wilderness and clean air. But it is not useful to wrestle with problems of utility location, or dam construction, or chemical utilization through five or ten or fifteen years of litigation, rising costs, and political anguish. The "confrontational pluralism" method of societal integration does not seem demonstrably successful. As Kaiparowits shows, our processes for dealing with social planning are too primitive and frustrating and expensive. In part, that is because of our antipathy to the idea at all. And, in part, that failure is due to our insistence on seeing the community as an arena for the clash of private interests rather than an opportunity to formulate a transcending social interest.

To avoid metaphysical language and to pursue the social decision process concretely, let us consider the "public choice" response to the dilemma posed in this essay. Public choice economics presents itself as an attempt to apply the rationality calculus of the marketplace to analysis of collective decisions. Assuming and asserting that a community is nothing more nor less than the summation of its individuals, not as

people but as economic units of varying weight (income) in the evaluative scales, it evaluates collective actions *via* their net cost or benefit to individual members of the community.

For example, if we wish to decide whether or not the community should support the 1970 federal Clean Air Amendments, one should compute the cost/benefit ratios for individuals in the society. In so doing, we find that:

. . . the largest gains go to families living in densely populated areas, particularly in the industrial Northeast. . . . 71 percent of the populace will experience greater costs than benefits, whereas only 29 percent will experience a net gain.

. . . As a result mainly of their overrepresentation in industrial urban areas, nonwhite families will gain more than whites. Except for those with incomes greater than \$25,000, nonwhite families will be net gainers.<sup>10</sup>

Peskin's cost-benefit analysis determined that white families with incomes over \$20,000 per year are each net "losers" of more than \$100 per family *via* the Clean Air Amendments. Nonwhite families with incomes from \$3,000 to \$19,999 are each net "gainers" of more than \$100.<sup>11</sup> One can therefore argue that market rationality explains the Reagan administration reduction in environmental control programs. (One might also argue that such analysis also explains the fact that there is a Reagan administration.)

Similar arguments can be made for locating air traffic glide paths to urban airports over low-income neighborhoods where tens of thousands of people reside in low property value areas instead of over sparsely populated affluent high property value suburbs. The cost of the glide paths in terms of reduced property values would clearly be greater in the suburban areas. *Via* the market test, auto traffic safety provisions are less useful in retirement villages where elderly people live. The market value of their lives is relatively small compared with what might be substantial costs of law and safety enforcement. The rising levels of street crime and muggings of the elderly poor are probably perfectly consistent with a public choice analysis of benefit/cost. Law enforcement expense in reducing the crime rate may well be greater than the few dollars lost in such robberies and the value of the unproductive time lost by these non-working individuals. And, in a society with a population of increasing average age and declining birthrate, the summation of individual cost/benefit ratios will soon render public education irrational. Somehow "public choice" economics always seems to be private choice elevated.

It may be clear that I am not convinced that a summation of private market-valued costs and benefits is necessarily the correct approach to public policy. A "science" which might counsel young high-income parents against taking their child to the circus because the "costs" to them outweigh the child's "gain" has not yet captured my allegiance. There may be values accruing to a "family" which qualitatively differ from the summed cost/benefits of the individual members. Such may also be true of a "community" in which health, or education, or quality of life for all members is a concern of the community, including those who suffer negative individual cost/benefit calculations. Therefore, the "public choice" solution to the dilemma of social interconnections in a privatist world is no more satisfying than the "adversarial pluralism."

Perhaps, in a spaceship society, a centralized "mission control" which gives competent orders quickly is the only solution. Spacecraft cannot drift aimlessly for a decade while argumentative interests wrestle over a decision. Additionally, a spacecraft must develop a group ethic superior to decision-making *via* individual cost/benefit comparisons. Insisting that we live in a "cowboy" world, in a privatist "village", only shortens the time available for construction of a spacecraft guidance system.

The frustration of attempting to confront the tension of declining individual "space" and increasing societal control is captured, to some degree, by Robert Heilbroner in the new edition of his 1973 book, *An Inquiry Into the Human Prospect*:

. . . there are periods in history in which it is not possible to reconcile the hopes of the moment and the needs of the future, when a congruence between our personal lives and the collective direction of all mankind cannot be established without doing violence either to our existence or our understanding. I believe that the present is such a time and that we must learn to live with its irreconcilable conflicts and contradictions. These conflicts and contradictions fill me with discomfort, but less so than any simpler or more consistent alternative that I can construct for myself.

This is the conclusion to which my analysis of the human prospect drove me eight years ago, and it remains the conclusion to which it drives me today. I may complain at this state of affairs, but I cannot change it, just as Atlas, too, complained unendingly at the task that had been thrust upon him, but could not change that. To accept the limitation of our abilities, both as individuals and as a collectivity, seems to be the most difficult idea that Promethean man must learn. But learn it he must

and learn it he will. The only question is whether the teacher will be history or ourselves.<sup>12</sup>

Economists have not generally articulated such pessimism. We have marched forward under banners proclaiming the triumph of the neo-classical synthesis, or other such resounding phrases, as those with wider vision were pushed to the side. But even if we don't clearly proclaim the dilemmas of the future, our children perceive them. They apparently, at least viscerally, understand the point of this essay. Unfortunately, they may only exacerbate the problem.

One example may suffice. Arthur Levine, reporting recently on the results of several Carnegie Foundation studies of college students' mood and opinion, identified a "Titanic ethic" as a predominant position.<sup>13</sup>

There is a sense among today's undergraduates that they are passengers on a sinking ship, a Titanic if you will, called the United States or the world. Fatalism and fear of becoming one of the victims is widespread. And there is a growing belief among college students that if they are being forced to ride on a doomed vessel, they owe it to themselves to make the trip as lavish as possible and go first class. This attitude permeates their educational, social, and political lives.<sup>14</sup>

There it is in a nutshell. "I want to get mine now, without you bothering me, because I know that we're headed for trouble." The human interconnections which increasingly impose themselves on our individual lives make the need for community action more pressing. As a society, we are most reluctant to accept and act upon that truth.

## NOTES

<sup>1</sup> Andrei Amalrik, *Will the Soviet Union Survive Until 1984?* (New York: Harper & Row, 1970), p. 67.

<sup>2</sup> Leo Rogin, *The Meaning and Validity of Economic Theory* (New York: Harper & Brothers, 1956).

<sup>3</sup> *Ibid.*, p. 13.

<sup>4</sup> Kenneth E. Boulding, "The Economics of the Coming Spaceship Earth," *Economics, Ecology, Ethics: Essays Toward a Steady-State Economy*, Herman E. Daly, ed. (San Francisco: W. H. Freeman and Co., 1980), pp. 253-263. (Boulding's essay originally appeared in 1966.)

<sup>5</sup> Richard Severo, "Chemical Tris Is Found in Semen of Participants in Florida Study," *New York Times*, February 22, 1981.

<sup>6</sup> An excellent description of the political mood of Maoist China is contained in E. L. Wheelwright and Bruce McFarlane, *The Chinese Road to Socialism* (New York: Monthly Review Press, 1970).

<sup>7</sup> Fox Butterfield, "Chinese Province Tests Profit Incentive in Industry," *New York Times*, January 27, 1980, pp. 1, 14.

<sup>8</sup> Fox Butterfield, "China Wakes Up to Dangers of Industrial Pollution," *New York Times*, April 6, 1980, pp. 1, 14.

<sup>9</sup> A brief account of the Kaiparowits matter is contained in G. Christian Hill, "A Replay of Kaiparowits," *Wall Street Journal*, October 20, 1977.

<sup>10</sup> The source of this quotation and related information is a study by Harry Peskin, "Environmental Policy and the Distribution of Costs and Benefits," in *U. S. Environmental Policy*, Paul R. Portney, ed., (Baltimore: Resources for the Future, Johns Hopkins University Press, 1978). I have drawn it from James Gwartney and Gerhard Stroup, *Economics: Private and Public Choice* (New York: Academic Press, 1980), pp. 718-719.

<sup>11</sup> Gwartney and Stroup, p. 719.

<sup>12</sup> Robert Heilbroner, *An Inquiry Into the Human Prospect*, "Updated" edition, (New York: W. W. Norton & Company, 1980), pp. 177-178.

<sup>13</sup> Arthur Levin, "Today's College Students: Going First Class on the Titanic," *Change*, 13 (March 1981): 16-23.

<sup>14</sup> *Ibid.*, p. 17.

## Nutrition and Economy: Some Observations on Diet and Disease in the American Food Power System

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### I

In radical institutional economic theory one fundamental principle underlies and pervades all the rest. That principle highlights the real conflict between instrumental forces, which emphasize the power and enlarging scope of genuine knowledge, and ceremonial power institutions, which attempt to control and encapsulate the growing knowledge fund for their own maintenance, benefit, and expansion. This fundamental principle is called the *ceremonial-instrumental dichotomy*. While institutionalists have explored its theoretical power as an analytical tool, they have not adequately developed its eminently practical relevance for problem solving and policy formation. This paper is a contribution toward filling that gap in the institutionalist literature.

A premise of radical institutionalist theory is that the process of inquiry can produce genuine, warranted knowledge distinguishable from false knowledge and propaganda. Genuine inquiry is different from, and opposed to, the ceremonial value structure that rationalizes propaganda. The imperatives of the process of inquiry are that we should tell the truth, show tolerance to alternatives, dissent when necessary, maintain integrity and independence, and, above all, realize that science and inquiry cannot exist if these values are violated.<sup>1</sup> The ceremonial value structure, on the other hand, justifies selling the product, making profits,

<sup>1</sup>The late Louis J. Junker delivered this paper at the Second Annual Meeting of the Association For Institutional Thought in San Diego, California, April, 1981. The paper has been edited for publication posthumously by the editor. The Association For Institutional Thought wishes to thank Fran Junker for permission to publish her husband's paper in *The Review of Institutional Thought*.

and neutralizing the opposition in any way necessary. Truth becomes whatever people can be persuaded to believe. The control of mass media becomes a means by which such persuasion is accomplished. Partial truths are accepted, dissent is treated as disease, and distortion is commonplace.<sup>2</sup> Survival requires acting upon instrumentally warranted knowledge, but relying on the ceremonial value structure is inevitably fatal. The hope of humankind is to understand the difference between these two systems of value and to act upon that knowledge to change institutional structures accordingly.

A second important premise of institutionalist methodology is that ceremonial power institutions, especially the core of capitalist society, modern corporations, are defined largely by their capacity to manipulate the population. They have the financial capacity and political power to make what is true seem false, the sophistry to make the false seem true. Knowledge is fragmented so that people cannot link appropriate portions of their understanding to see the larger configurations and consequences of genuine learning. Such fragmentation limits the community's insight into corporate power to control social relationships. Modern corporate decision making is a master-servant system of control which maintains narrow corporate interests against the interests of humankind at large.

The first requirement of ceremonial power institutions is to maintain and extend their power. The key to that maintenance and extension lies in their capacity to encapsulate and control the use of knowledge. Media control is crucial to this exercise of power, because it denies access to newly developing knowledge upon which opposition to corporate interests may be based. Mass communication is controlled communication, not by the obvious use of force, but by the subtle control of information. Nevertheless, even in the face of massive propaganda, the power of genuine knowledge should not be underestimated. It can be used by the community to subvert and alter power institutions. When channels of information are closed by vested corporate interests, alternative channels can be opened. A dynamic force maintains and extends the flow of instrumentally warranted information. It is defined by the community's hopes and needs for life-giving institutions. This hope for a better future is indomitable, a necessary part of living, of being human. If life and culture are to survive "imbecile institutions," the magnitude of the community's concern and effort must match the magnitude of the problem it faces.

Institutional analysis emphasizes the way we think about the relationship between persons and institutions. Leslie White used to say that if we would understand Uncle Tom, we must understand the institution of slavery; and, if we really want to understand slavery as an institution, we must see the human impact of slavery on specific persons. A

symbiotic relationship exists between persons and institutions. Human beings internalize behaviors, the macro conditions and alternatives of which are institutionalized. Contrary to the neoclassical economist's view, this is not a case of atomistic human behaviors added together to form institutions. Institutions and individual behavior are coextensive aspects of the same cultural process. Similarly, change in personal behavior and institutional change are coextensive. Human effort is significant precisely because it can bring about both personal and institutional changes. Because inquiry is the foundation of significant human action to control causal processes, inquiry is subversive to the status quo.

Instrumentally warranted knowledge incorporates the concepts of continuity, linkage, and causality viewed dynamically.<sup>3</sup> It formulates causal relations in temporal and spatial terms. It defines evolutionary, multi-dimensional relations and requires many levels of generalization. Levels of complexity require the postulation of *levels of causality* for explanatory hypotheses. What causes disease? How are crippling and death related to the smoking habit? One answer to the latter question might be addiction. At another level it might also be the efforts and expenditures of BAT Industries (British-American Tobacco). Addiction and BAT as causes of health impairment do not negate each other. As levels of causality they reinforce and enlarge upon each other. We cannot explain the one without implicating the other. A comprehension of the combined aspects of the *levels of causality* reveals seemingly separate features and factors as integrations. These linkages are coexistently temporal-spatial, evolutionary, contextual, and multi-dimensional.

Physical and biological scientists often fail to appreciate this causal complexity by neglecting the socio-economic and political matters as direct causal features, just as social scientists regularly neglect the physical and biological features of the causal chain. Developing a system of inquiry to unite all of these aspects provides a more complete picture of the causal network and a better appreciation of its complexity. Through this extended causal linking system, it is possible to discern the scope and limits of the processes of inquiry that produce instrumental knowledge and to contrast them with ceremonially warranted values and behavior. By continuous comparison and differentiation it is possible to define a "worsening" social condition from an "improving" social condition. Thus, an understanding of the ceremonial-instrumental dichotomy offers an evaluative procedure for choosing among the alternative social policies.

The study of the political economy of food, nutrition, and agriculture requires an ecologically oriented recognition of the principles and corollaries discussed above. It also requires the linking of the corporate

power system with the "diseases of civilization." Social scientists recognize that powerful corporations control a large part of the world food system and the mass media through which their products are advertised and sold. The main objective of these corporate institutions is to sell products and to make profits in spite of the fact that the products advertised and sold are recognized to be overly processed, thereby more expensive, nutritionally questionable, and destructive of health. It is also well established that there exists in our country and in other parts of the economically developed world a large assortment of what have come to be called "the diseases of civilization." These diseases are largely preventable and are the consequences of the massive array of ingestibles concocted and sold by profit-minded, nutrition-indifferent multinational corporations. These commodities are consumed regularly by a purposely misinformed public whose range of choice is limited by a range of awareness defined primarily by corporate-controlled mass media. Even when consumers learn better, they often have a difficult time breaking long-nurtured addictions developed through years of disastrous dietary and culinary habits. These problems become much more acute when government and corporate interests coincide, as is often the case.

The specific task of dealing with the integral relation of nutrition and political economy can now be understood in the context of the principles and corollaries discussed above. The diseases of civilization that permeate our society at all levels leave a trail of destruction, pain, and human despair. The hope to alleviate such suffering does not lie with the chemical solution (toximolecular medicine), but rather with the development and use of information on sound nutrition applied with understanding and care. Since the diseases of civilization are largely encouraged and perpetuated by the policies of corporate producers, the battle lines are drawn between the forces of genuine inquiry, which emphasize the healing potential of better nutrition, and the corporate hucksters who will sell almost anything no matter what the human consequences may be. In short, the solution must take the form of rationally designed institutional changes which will improve the life processes of the community by eliminating corporate control over the food-nutrition system.

## II

It has become apparent to a large number of investigators from a wide range of disciplines that the persistence and growth of ecological decay and environmental destruction has produced massive insults to all life forms resulting in a well-documented deterioration in health and the quality of life. The range of insult is broad and inclusive. The ordinary American diet is a nutritional catastrophe.<sup>4</sup> The mode of food

manufacture deepens the crisis. The arable soil upon which food is grown is deteriorating in quality and quantity.<sup>5</sup> Drinking water is being massively polluted as the most dangerous chemicals and radioactive materials are dumped regularly into the environment by profit-seeking corporations (often serving government purposes).<sup>6</sup> Antibiotics, hormones, and other chemicals are fed regularly and routinely to domestic animals, creating super resistant germs and having serious effects on both animal and human populations. The mode of growing animals for food has become not only cruel and inhumane, but also heavily supportive of the use of chemical controls in over-crowded growth pens.<sup>7</sup> Massive amounts of pesticidal and herbicidal poisons are used unnecessarily in the United States. When banned here, they are often sent (without restriction) overseas to poor countries. Ironically, these poisons can return to the American dinner table by way of imported products.<sup>8</sup>

Americans are processing and altering foods more than ever before in human history, and forcing their bodies to cope with untold combinations of additives and other chemicals provided for their dining pleasure.<sup>9</sup> Through ecological and dietary excesses, America is creating a growing population of mentally impaired persons<sup>10</sup> whose behavior is often delinquent and even criminal.<sup>11</sup> Millions of Americans impair their internal oxygen transport system through their smoking habits.<sup>12</sup> When evidence appears of the diminishing use of tobacco in rich countries, tobacco multinationals pour huckstering efforts into increasing the Third World's tobacco addiction.<sup>13</sup> All kinds of drugs are pushed in the daily lives of Americans from childhood through adulthood, and when some are controlled or banned here, they are exported overseas.<sup>14</sup> The United States is a drug oriented culture that continuously seeks the chemical solution to health problems. When there are choices between drug treatment and nutritional alternatives, the medical establishment opts for drugs, hands down.<sup>15</sup> High protein diets and red meats are pushed, though both have been implicated in serious health disorders.<sup>16</sup> Americans consume massive amounts of sugar, sweeteners, syrups and the like, and suffer diabetes, hypoglycemia, altered metabolism, and behavioral impairment.<sup>17</sup> Typical American bread is made of refined flours devoid of dietary fiber. It is nutritionally denuded, yet it is still called "the staff of life." Investigators have connected the lack of dietary fibers to a large array of illnesses—the diseases of civilization—such as diverticular disease, colitis, hiatal hernia, and, in a roundabout way, to many of the more serious diseases suffered by humankind.<sup>18</sup> Alcoholism is a national disgrace, and much of it has been related to faulty metabolism and destructive dietary habits.<sup>19</sup>

Environmental pollution has increased the population's allergic reactions to a widening range of substances.<sup>20</sup> This has induced a portion

of the medical profession to become clinical ecologists to stem the rising tide of allergy-related illnesses.<sup>21</sup> The cancer syndrome has been related experimentally and environmentally to a large number of environmental insults and dietary habits.<sup>22</sup> Yet nutrition is rejected by the majority of physicians as a way of preventing or treating the disease in favor of the usual cut, burn, and poison system.<sup>23</sup> Cardio-vascular disease is one of the major killers in this society, yet there exists powerful medical and economic resistance to dietary programs that have been shown capable of alleviating the devastating effects of cardio-vascular impairment, and even of bringing regression to conditions previously thought to be incurable.<sup>24</sup>

It would be possible to extend this list of destruction, but that would not serve the purpose of this paper. The primary concern here is to demonstrate that the insights of institutional analysis are directly applicable to the specific set of problems posed by the American food power system. It will be seen that the methodology of institutionalism illuminates the integrative relationships, the causal complexities, the instrumental knowledge-ceremonial power conflict, the wastes and power relationships in technological-scientific encapsulation, and the unceasing human potential for workmanship within the community at large. The following sections will emphasize the benefits of "food for life" in contrast to the real human costs of "food for profit," a distinction derived directly from the principles and corollaries of instrumentalist philosophy and institutional economic theory.

Three syndromes will be isolated for analysis: the tobacco-smoking syndrome, the mental illness syndrome, and the cardio-vascular syndrome. The first has been chosen because it is so widespread and has had a dramatic effect on the other two, the second because mental illness is rising at such an alarming rate, and the third because it is the greatest killer and debilitator of humanity in the western world. These are only examples of a larger universe of death and destruction that unnecessarily plagues humankind. It will be demonstrated that existing knowledge defines the regenerative and rejuvenating process necessary to diminish the incidence of these syndromes, but that ceremonial power systems and internalized false knowledge block the way. By analyzing this manifestation of the ceremonial-instrumental dichotomy, the ceremonial gap can be identified. This will reveal the creative and necessary conflict that leads the way to beneficial institutional adjustments.

### III

It will only be possible to sketch the major relationships existing among health issues, corporate economic power, and governmental compliance with special interests. Nevertheless, in each case treated below, patterns can be discerned and levels of causality identified in the tangled, cross-linked behaviors by which the cases are joined. In the connections among the cases, an active dynamic exists; the knowledge that informs our conception of genuine health is often compromised by the economic and political power of pressure groups whose financial interests appear to be threatened by the emergence of new knowledge or the consolidation of existing knowledge. This power is most clearly exercised by major corporate institutions through their financial domination of the media, trade organizations, lobbying groups, and other institutions over which they wield influence. This includes government itself at all levels, local, state and federal, and the agencies that are supposed to protect the health of the nation, guard against pollution, prevent food adulteration, and minimize danger in the workplace. The first case to be examined will deal with the continuous growth and consolidation of our knowledge about the utterly destructive consequences of smoking and the institutional power system by which vested groups seek to nullify that knowledge.

#### *Smoking and Health: The Trail of Destruction*

One of the most descriptive analyses of the physiological stresses and the chemical effects of cigarette smoking was presented by Dr. Benjamin F. Byrd, former President of the American Cancer Society:

Within seconds after a smoker inhales cigarette smoke, his blood pressure starts rising by 10 to 20 points, his heart rate increases by 25 beats per minute, his skin temperature drops 5 or 6 degrees—because nicotine constricts the small blood vessels in his skin—and even his eyesight is adversely affected. And when he exhales, up to 90 percent of that true tobacco taste stays in his tissues as sub-microscopic particles of about 1,200 chemicals—among them acids, glycerol, aldehydes, ketones, aliphatic hydrocarbons, aromatic hydrocarbons, and phenols, most of which are in chimney smoke or automobile exhausts. . . . Sixty percent of the smoke is made up of a dozen noxious gases, including propane, butane, methane, formaldehyde, ammonia, and hydrogen cyanide. Perhaps the most dangerous of all is carbon monoxide, which replaces up to 15 percent of the oxygen in the smoker's blood.<sup>25</sup>

This statment indicates that the effects of cigarette smoking on health are broad in spectrum and highly specific. He was not just writing about the effects of nicotine and tars, although they are bad enough. Dr. Samuel Epstein has elaborated on the nature of the gases contained in cigarette smoke:

Tobacco is a cured, dried leaf plant. When burned in a paper wrapper, it produces a variety of products from incomplete combustion of the leaf, the wrapper, and the many curing agents, additives and fillers also present in cigarettes. These combustion products are either completely vaporized or are released as a suspension of microscopic particles in the smoke. The gas phase of the smoke contains a great variety of toxic and carcinogenic gases. . . .<sup>26</sup>

Many of these gases are potent carcinogens<sup>27</sup> and are blood vessel constricting substances<sup>28</sup> highly detrimental to oxygen dispersal in the body. As Dr. Epstein puts it:

Blood cells seem suicidally drawn to carbon monoxide. They are two hundred times more attracted to this toxin than to oxygen. When CO and the red blood cells' hemoglobin bind together, they form a stable compound, carboxyhemoglobin, which can tie up the red blood cells' oxygen-carrying capacity for up to twelve hours.<sup>29</sup>

Because oxygen is life for body tissues, when it is constricted death begins to occur in the affected tissue. Smoking not only produces a large range of carcinogens, it also involves a direct attack on the oxygen carrying capacity of the body, having a massive cardio-vascular effect. In his *Worldwatch* paper entitled, "Cutting Tobacco's Toll," Erik Eckholm made the following observation:

Although the publicity accorded the connection between cigarette smoke and cancer is well deserved, far more of the deaths arising from cigarette smoking involve coronary heart disease—the leading killer in most developed countries—than cancer. Cardio-vascular diseases probably account for more than half the premature deaths caused by cigarette smoking. Smokers under the age of 65 are twice as likely as non-smokers to die of coronary heart disease.<sup>30</sup>

The American Cancer Society has documented the broad spectrum of effects that smoking produces:

Smoking is responsible for about 83% of lung cancer cases among men, and about 43% among women—more than 75% overall.

Smoking also has been implicated in cancers of the mouth, pharynx, larynx, esophagus, pancreas, and bladder. Overall, smoking accounts for about 20% of all cancers, and is linked to conditions ranging from colds and gastric ulcers to chronic bronchitis, emphysema and heart disease. These smoking related disorders are estimated to cause 325,009 premature deaths each year, and cost the nation about \$27 billion in medical care. . . . Cigarette smoking is the single most important environmental factor contributing to premature mortality in the United States.<sup>31</sup>

Smoking induces aging by oxygen denial and other effects; it induces mineral deficits in bone material and changes bone tissue for the worse.<sup>32</sup> There is a close correlation between smoking and sudden deaths in coronary heart disease<sup>33</sup> and with changes in the body blood flow.<sup>34</sup> Women who smoke during pregnancy have significantly more stillbirths, and more of their babies die during the first month of infancy.<sup>35</sup> The babies of a smoking woman are smaller, shorter in stature at later ages, and have retarded reading ability in comparison with the children of non-smoking mothers.<sup>36</sup> Thus, it is easily documented that smoking is a deadly activity. So is being in the company of smokers, even if one doesn't smoke. Non-smokers who are exposed to cigarette smoke face equal, if not more, risk than those who actively smoke. Passive smoking is also a deadly business.<sup>37</sup>

The case against smoking is scientifically grounded, widely accepted, and relatively secure.<sup>38</sup> Why then do people persist in smoking? There is no conclusive answer to this question, and none may be possible. But there is a highly suggestive set of relationships that may throw light on different levels of explanation (levels of causality) in addressing this question.

Erik Eckholm has asked the key question, "Who profits from the tobacco business?"<sup>39</sup> But, the question *who profits* is, in most ways, the same question as *what causes* the insult, stress, and injury that derive from the use of tobacco. There is no single cause. There is a *causal system* and various *levels of causality* by which the process is activated and controlled. At one level, the process involves personal judgment, addiction, and habit. At other levels, it involves peer group pressures in social interchange, advertising, lobbying, profits, media compliance, and government subsidies and taxes. Eckholm's answer to the question he poses encompasses the overall causal system:

The long list of those with a financial stake in a booming cigarette trade includes private and government tobacco farmers, huge transnational private cigarette companies and

state owned cigarette monopolies, local and national governments that collect tobacco-generated taxes and foreign exchange from tobacco sales, and the thousands of newspapers and magazines that carry cigarette advertisements. The profitability of the global tobacco business is in turn enhanced by the direct and indirect subsidies provided it by many governments.<sup>40</sup>

Examples abound. In 1977, the largest cigarette companies in the world were: 1) the Chinese State Monopoly, 2) the British American Tobacco Company (B.A.T. Industries), 3) the Soviet State Monopoly, 4) the Phillip Morris Company, 5) the Japanese State Monopoly, and 6) R. J. Reynolds Company.<sup>41</sup>

The British American Tobacco Company is one of the world's most powerful. It was reported in 1980 that:

Only the Chinese State Monopoly makes and sells *more* cigarettes than B.A.T. Industries. . . . B.A.T. has expanded into a sprawling operation that ranks as Britain's third largest company. They operate 121 tobacco factories in 51 countries, sell 550 billion smokes a year (80% of the amount smoked in the U. S.), have the number 1 brand in 38 countries, and collect nearly twice the revenues of the two largest U. S. tobacco companies combined. They employ 100,000 people in their tobacco operations. And the last time they counted, they had about 700 brands of cigarettes, cigars, and pipe tobacco.<sup>42</sup>

The main U. S. subsidiary of B.A.T. is Brown and Williamson Tobacco in Louisville, producer of Kool, Viceroy, Raleigh, and Belair. The U. S. market brings in about one-third of B.A.T.'s profits.<sup>43</sup> "With the support and encouragement of companies like B.A.T. . . a hungry world is every year devoting some 10 million acres of valuable land, 1000 million person-days to growing the tobacco crop which is then ceremoniously burnt, at considerable risk to life."<sup>44</sup> In the U. S. market, the big four cigarette companies are ranked as follows: 1) R. J. Reynolds, 2) Phillip Morris, 3) B.A.T. Industries, and 4) the Liggett Group.

Major publications derive substantial revenues from cigarette advertising, especially since 1971 when the T.V. ban was enacted and advertising revenues shifted to newspapers and magazines. The *Report of the National Commission on Smoking and Public Policy* indicated that annual revenue for newspapers and magazines was as follows:

*The New York Times*, \$5 million; *Miami Herald*, \$3 million; *Parade Magazine*, almost 80% of its advertising revenue; *T.V. Guide*, more than \$20 million; *McCalls*, more than \$4 million; *Playboy*, about \$12 million; and *Time Magazine*, \$15 million.

A given issue of *Time* has between 20% to 88% of its advertising supplied by the tobacco companies.<sup>45</sup>

Furthermore, a study printed in the *Columbia Journalism Review* says that there is a very close correlation between those magazines that have large incomes from cigarette advertising and the absence of stories critical of the tobacco interests and on smoking's ill effects.<sup>46</sup> Those who eat the food, sing the song. The substantial government backing of tobacco interests may be measured in revenues from taxes, from foreign exchange earnings, and the government's tobacco price support system for the industry (in 1977, the USDA provided \$65 million in support). The government held "loan stock" in tobacco in 1977 was worth \$659 million. This is a significant investment by the federal government in the future economic growth of tobacco products.<sup>47</sup> According to Eckholm, the feedback system comes full turn to the smokers:

The mainstays of the tobacco business are . . . the hundreds of millions of tobacco consumers. Social forces encourage people to start and to cling to the smoking habit, but the \$85 to \$100 billion that consumers spend each year on cigarettes is what sustains global cigarette production and trade.<sup>48</sup>

While not covering the full array of economic and political interests involved in the tobacco system, this summary of available information indicates the causal network. Why do people impair their health and die from smoking? Because they are addicted; because the tobacco multinationals pay the advertising industry handsomely to manipulate consumers; because many tobacco advertising magazines do not print the truth; because the U. S. government supports the tobacco interests and collects substantial revenues from taxes; because the Tobacco Institute minimizes and distorts the voluminous scientific studies analyzing the dangers of the habit. The behavior of consumers cannot be divorced from the cultural forces which affect them. There can be no better demonstration of the conflict between ceremonial forces of manipulation and the generation and utilization of instrumental knowledge.

#### *Nutrition and Mental Illness*

A major change is coming in the conceptualization, the labeling, and the treatment of mental illness, a change so crucial that it will alter our way of life if ceremonial opposition does not overwhelm it. The change will require an alteration of life styles if it is to be implemented, and it will also require reconsideration of traditional views on medical-social issues involving most major illnesses. Dr. William Philpott recently put it this way:

I believe it is time to sort out such [mentally disturbed persons] by allergy induction testing and give them a chance. It



is my conviction that diagnoses such as "schizophrenic," "manic-depressive," and other psychotic, neurotic, or psychosomatic labels are relatively meaningless and tend only to aggravate the illness. It is the underlying organic cause that is important.<sup>49</sup>

Dr. Philpott feels that "if mental illness caused by allergies were recognized more, and emotional factors not always sought to explain mental disturbances, a great deal of time and money could be saved, and patients' mental conditions eliminated."<sup>50</sup> The change that must come to stem the growing tide of mental distress in our society is the recognition of the importance of foods, diet, nutrition, and allergenic factors in the causation of mental disorders. The orthomolecularist will perform a variety of tests on a patient to determine what conditions prevail. Among such tests are the glucose tolerance test, mineral absorption tests, hair analysis, diversified rotation diets, and others which provide the physician with information concerning the underlying organic condition of the patient. All of these procedures are based on two assumptions. The first is that there is no mind-body dualism. Whatever affects one affects the other. The mind cannot be treated as a separate entity. The second assumption is that the problems of mental illness are mind-body and environmental issues. Understanding of their transactional relationship is required, which means that physicians must be ecological detectives as well as healers.

This new outlook on mental illness is directly associated with the rejection of the mind-body dualism. It requires a direct examination of the environmental and institutional forces which perpetuate environmental insults to our bodies. Note how the clinical ecologists define health:

Health is a continuing property, potentially measurable by the individual's ability to rally from insults, whether chemical, physical, infectious, psychological or social.<sup>51</sup>

This definition is compatible with a ceremonial-instrumental conception of medicine. Perhaps this is the reason why the medical establishment regards orthomolecular physicians as rebels. The words "insult" and "rally" call to mind important normative characteristics of the ceremonial-instrumental dichotomy. As healers the orthomolecular physicians place themselves in direct opposition to those forces that create destructive insults to human life. This sets them apart from a medical establishment which represents the dominance of "good business practices" over the community's health needs. Thorstein Veblen said it earlier in a different context:

The test to which all expenditure must be brought is an attempt to decide that point [wasteful or not wasteful] is the question

whether it serves directly to enhance human life on the whole—whether it furthers the life process taken impersonally. For this is the basis of award of the instinct of workmanship, and that instinct is the court of final appeal in any question of economic truth or adequacy.<sup>52</sup>

Thus, it is not only the existence of genuine knowledge that is crucial, it is also the manner, scope, and effectiveness of its diffusion throughout the culture that determines its capacity to "enhance human life on the whole." Bertrand Russell observed:

Not only will men of science have to grapple with the sciences that deal with man, but—and this is a far more difficult matter—they will have to persuade the world to listen to what they have discovered. If they cannot succeed in this difficult enterprise, man will destroy himself by his halfway cleverness.<sup>53</sup>

Scientists are no longer free to ignore the institutional network. They are in it and of it. They cannot afford to underestimate the power of ceremonial behavior and vested institutions to betray genuine knowledge. The orthomolecularists raise this issue most clearly.

During the last decade a growing literature has been published that shows a direct connection between environmental pollution, poor diets, processed foods, allergens, and mental illness.<sup>54</sup> The presently accepted concepts of treatment for the mentally impaired involves drugs used at sublethal levels, identified as toximolecular medicine.<sup>55</sup> The newer system of treatment, "orthomolecular" or "orthonutritional" medicine, draws heavily on nutritional science and is a nutritional-ecological approach to illness emphasizing diet reform, using vitamin therapy, and the identification and avoidance of allergens which affect body function, stress, and mental stability.<sup>56</sup>

Philpott and Kalita describe the essentials of toximolecular medicine as follows:

Toximolecular medicine, a type of therapy used by a majority of physicians in our country for only the past forty years, is the administration of drugs at sublethal levels. Drugs, of course, are alien chemicals which are not normally present in the cellular environment of the human body. They radically alter man's biochemical-physiological internal environment and often occasion very severe and dangerous side effects. Needless to say, drugs do not halt or prevent the disease process, especially degenerative disease; at best they offer symptomatic relief, while the fundamental, underlying disease process continues uninterrupted.<sup>57</sup>

They offer examples of the harmful effects toximolecular medicine has produced. Thorazine, a phenothiazine tranquilizer has caused, or been connected to, permanent parkinsonism when used in the treatment of schizophrenia.<sup>58</sup> Haldone, a butyrophenone tranquilizer has induced tardive dyskinesia in patients and is beginning to cause alarm in the medical profession because of its wide use.<sup>59</sup> Side effects of the phenothiazines have been allergic skin reactions, allergic bone marrow reactions producing hepatitis, deterioration of the conduction system of the heart, silent coronary death (from stelazine, thorazine, and the like), and loss of brain cells (possibly explaining the parkinsonism and tardive dyskinesia). Philpott and Kalita say:

It is unfortunately true that a few years ago, the population one year swallowed 1,542,000 pounds of tranquilizers, 836,000 pounds of barbituates, and 4,037,000 pounds of penicillin; yet 93 million of 213 million people in the United States (almost half the population!) suffer from some form of degenerative disease. These statistics get worse every year. Obviously, symptomatic drug therapy is not getting at the heart of the nation's health problem.<sup>60</sup>

Why is the majority of physicians in our country oriented toward the toximolecular approach in medicine? A part of the answer was given in hearings before the U. S. Senate's Select Committee on Nutrition and Human Needs, June 22, 1977. During those hearings, Senator George McGovern said:

Established scientific thinking remains weighted against those few scientists and practitioners who are striving to understand the complex links between the food we consume and how we think and behave as individuals. For example, the newly appointed Mental Health Commission has no member with experience in this vital area.<sup>61</sup>

He went on to make the following telling observation:

You referred to the fact that some 50 percent of our hospitals' beds are filled with individuals suffering from schizophrenia. With the methods we are now using are we not simply adding to the burden of the hospitals and perpetuating a system of therapy [i.e., toximolecular] *that may help the drug industry* but really is not dealing with the basic problem.<sup>62</sup>

Dr. Michael Lesser, M.D., enlarged on McGovern's comments:

Tranquilizers came out in the fifties. Fortunately or unfortunately, for the treatment of mental illness, tranquilizers are drugs, and therefore *patentable substances* . . . a pharmaceutical house can receive an exclusive *monopoly* to produce that

particular substance. This allows the company to make money off of that drug. This money pays for research into further use of drugs. It also pays to hire detail men to visit physicians who are treating patients . . . it also pays for the testing necessary in order to receive Federal Government approval to use those drugs. . . . Vitamins [all nutrients] are not patentable substances. Nutrients are available in nature and no one can patent them.<sup>63</sup>

In response, Senator Schweiker noted: "The FDA tried to ban them [vitamin use] a year and a half ago. We had to fight that."<sup>64</sup> Dr. Lesser's closing comments were:

The physicians in medical school are taught to use drugs, not nutrients. Hours are spent teaching physicians how to prescribe various drugs to treat disease.<sup>65</sup>

Why are the majority of physicians, drug companies, and the FDA oriented toward the toximolecular approach in medicine? Because the medical establishment closes out orthomolecularists from important medical posts where they could exercise influence; because hospitals would have more empty beds if they used ortho approaches; because the large pharmaceutical houses have patents on drugs and exercise monopoly power in their sales; because vitamins are nutrients and not patentable; because the FDA is deeply tied to the vested interests in the food and drug businesses; and because the medical schools train physicians to use drugs and fail to train them in nutrition and the use of nutrients to help the body heal itself.

The Pharmaceutical Manufacturers Association's estimate of 1978 U. S. sales of prescription drugs is enlightening. "The PMA estimated that global sales of U. S. manufacturers totaled \$16.7 billion in 1978. Domestic sales in 1977 were \$8.2 billion. These are wholesale figures. The price consumers actually paid would be substantially higher."<sup>66</sup> The PMA also said that U. S. drug firms spent about \$1 billion on marketing, promotion, and advertising, including continuing education programs for doctors. Others have estimated that \$1.5 billion is a very conservative figure.<sup>67</sup> The federal government is cooperative with industry forces but in substantial opposition to public advocacy positions. The FDA's pro-industry bias works well for the drug industry and, in effect, makes ". . . the public the adversary and the industry the friend."<sup>68</sup> Professionals within and without the agency who attempt to take an advocacy position in favor of the public interest and a more adversarial position in their dealings with the industry are systematically silenced.<sup>69</sup>

The case is clear. Much mental illness is a function of poor diet, chemical pollution of the environment, and the iatrogenic effects (i.e., illnesses induced by medical treatment) of toximolecular medicine. It

is also a function of exploitive economic interests. This realization has led sensitive and rebellious physicians to develop orthomolecular, ortho-nutritional, and clinical ecological approaches to mental illness and other diseases. Their healing practices have allowed not only the reduction and reversal of mental distress, but also have had beneficial effects on all the degenerative diseases. The medical establishment in the United States practices crisis medicine not preventative medicine, and that bias runs through all the related industries serving the medibusiness establishment. There are many alternative healing methods that are similar to those discussed above. They have proved to be highly effective, yet they have been attacked by the medical establishment as dangerous. The real danger does not lie with these rejuvenating and healing methods, but with the systematic assaults on the body passed off as a curing system by orthodox medicine.<sup>70</sup>

To return to the question, "What causes disease?", the American food power system must be brought under direct analysis for the next part of the answer. Dr. Abram Hoffer, M.D., one of the pioneers in orthomolecular medicine, has stated the issue explicitly:

Costs of relieving degenerative disease symptoms have risen at an astronomical rate. Every decade a larger share of the gross national product is devoted to health-care. Even so, the more health-care expenditure, the unhealthier our people are. Why? The real villain, the catastrophic deterioration in our food, is ignored. As long as food processing continues to strip out essential nutrients, there will be no letup in the creation of chronic ill health. In 1940 about 20 percent of the food consumed in this country was processed. Today it is close to 75 percent. We consume the elements of our own destruction, with our excessive intake of sugar and unsaturated fats, loss of bulk or fiber, elimination of vitamins and minerals, and the pollution of food with chemicals never demonstrated to be safe.<sup>71</sup>

Hoffer identifies the role of the food technologists in the food deterioration process, but he does not clearly indicate that the food technologists are hired by the food manufacturers, and that the food manufacturers regard profits as far more important than the nation's health. Full documentation of food deterioration, chemicalization, adulteration, and nutrient stripping is readily available. Few have examined this activity more carefully than Beatrice Trum Hunter and Ross Hume Hall.<sup>72</sup> Their conclusion is that the food system is being denatured, polluted, adulterated, and poisoned with a massive, destructive impact on health.

Few have dealt with the economic forces at work better than Jim Hightower.<sup>73</sup> He finds the corporate power system extending its dominance and control over all aspects of the food system from the farm to

the consumer. The result has been the deterioration of the value of food as corporate profits have increased. "High cost food is here to stay because the food economy has become industrialized, corporatized, integrated and concentrated."<sup>74</sup> Higher profits are generally associated with more extensive processing, and both are closely associated with deteriorating nutritional value. Hightower indicts the food oligopoly's market strategy as follows:

What does a food oligopoly do if it is caught in the embarrassing position of peddling low nutrition at a high price? Does it (a) improve the quality of the ingredients used; (b) lessen the amounts of sugar and fat; (c) use its vast advertising resources to urge people to eat more basic foodstuffs; or (d) lower the price? None of the above. The food industry intends to keep manufacturing the same sugary, fat-laden, nutritionally inferior convenience items, but with three differences: (1) they will fortify their stuff with a few synthetic nutrients at the processing stage, (2) they will advertise the fortified product as better than nature's own, and (3) they will raise the price.<sup>75</sup>

What is the reaction of the American Medical Association, the criminal justice system, the major psychiatric institutions, the nursing homes and similar such organizations to the demonstration orthomolecular methods could have profound healing effects for persons under their jurisdiction? With some notable exceptions, the reaction is against reconsideration of their professional activities along these alternative lines. There is an adamant refusal to consider the importance of diet and nutrition in treating mental health problems. Nutrition-minded physicians and health workers are denounced as quacks, charlatans, and food faddists because of their preference for nutrition solutions over drug "solutions." The causal chain leading to the rise of chronic illness, hypoglycemia, and mental illness includes the social power structure of the capitalist economic system. Each of the institutions discussed above are part of that network and therefore responsible for the sad state of mental health in society today. They include corporations that manufacture garbage and call it food; advertising firms that are corporate hucksters; and the drug industry that sells its wares at the expense of more sensible and much safer solutions having less iatrogenic effects. It also includes the medical establishment, both the AMA and the medical schools, that teaches physicians how to use and sell drugs and avoids teaching them about nutritional answers to illness and the benefits of preventive therapy.

#### *Nutrition and Cardio-Vascular Illness*

There now exists a massive and sometimes contentious literature on the causes, characteristics, genesis, and retrogression of the various

cardio-vascular illnesses. This literature is both epidemiological and experimental. A significant portion of it recognizes that poor nutrition, as defined by emerging knowledge, plays a large role in the development of these diseases and that better nutrition can prevent them and assist in their regression. To take the full measure of this knowledge requires an understanding of cardio-vascular illnesses in terms of a multi-dimensional causal system rather than as singular, atomistic illnesses. Claudication is an ischemic problem occurring in a different part of the body than angina pectoris, but they stem from the same generic problem and are not different illnesses. In a larger sense these illnesses are as much a function of social institutions, vested interests, and political forces as they are of the physical alterations in body functions by which the maladies are more immediately apprehended. The linking of these social relationships with eating habits, smoking, and a sedentary life style enlarges one's perception of the causal network.

Atherosclerosis and other vascular diseases are exacerbated by "risk factors" which help us to set a statistical probability for the aggregate occurrence of the diseases. However, each of those risk factors (smoking, high blood pressure, high cholesterol, etc.) carries a *whole syndrome* of causes and effects at different levels of causality. For example, the high protein diet has been strongly implicated in the production of atherosclerotic plaque. High fats and cholesterol in the diet have been connected to the formation of plaque, angina, claudication, and such problems as blood cell aggregation. The shortage of magnesium in the body has been related to muscle spasm, arterial spasm, and the sudden death syndrome by arterial closure. The ingestion of large amounts of simple carbohydrates (refined flours, sugar, etc.) have been related, often in a roundabout way, to the intensification of the cardio-vascular illnesses. To understand these physical conditions is to enlarge one's understanding of the initiation and life course of an illness.

It is equally important to understand the socio-cultural, economic, and political network by which these physical conditions are induced, intensified, and perpetuated. Vested interests push high protein diets in spite of their well known ill effects. Trade groups and lobbyists abound to defend the economic interests of manufacturers of products high in fat and cholesterol. Food processing often causes the loss of magnesium in the food supply, yet people defend highly processed products. Processed "bread" is a good example. Some land grant university cereal scientists and nutritionists who receive generous grants from the processed food manufacturers cannot find a harsh word to say about this adulterated and denuded wheat product. They still call it the "staff of life."

There is a distressing lack of interest on the part of physicians and medical scientists in the field of cardio-vascular research to integrate

their findings into a larger matrix of linkages even within the narrow confines of their work on physical conditions, let alone the integration of socio-economic and political factors into their analysis. They isolate their work from the social factors in much the same way as the well-intended physician who says to the sick, poor, unemployed worker, "you should spend two or three months in the Florida sunshine relaxing and resting to help your condition." It is time to connect the pieces and visualize the larger puzzle. The material discussed below cannot be inclusive, but it will indicate the main lines of the argument connecting nutrition to some of the major cardio-vascular problems.

Two M. I. T. neurophysiologists commenting on the groundbreaking work of Dr. Kilmer McCully of Harvard University, have said:

Arteriosclerosis, including the kind found in coronary heart disease, is the most common cause of death in America, significantly more so than cancer. In fact, about half the deaths in the United States each year can be attributed to arteriosclerosis. While most doctors would undoubtedly prefer a single underlying cause for arteriosclerosis, they cannot base their daily practice on any one of the well-known candidates because the evidence of other factors is too strong to ignore. Thus, conventional therapeutics is based on risk factors such as high-cholesterol diets, hypertension, smoking, lack of exercise, et cetera.

Recently a new theory has emerged that offers an explanation for many anomalies of arteriosclerosis. The principal proponent of the new idea is Dr. Kilmer McCully, a professor of pathology at Harvard Medical School, who has suggested that homocysteine is the cause of arteriosclerosis. How does the homocysteine theory fit together the importance pieces of the puzzle?<sup>76</sup>

According to Dr. McCully high protein diets contain high amounts of methionine, one of the amino acids of protein. "Homocysteine, a very toxic substance, is regularly produced from methionine,"<sup>77</sup> and is normally converted into the non-toxic chemical cystathionine in the presence of vitamin B-6. Where there is not enough B-6 to neutralize the homocysteine it will build up in the blood stream. The hypothesis is that homocysteine is a caustic chemical and will eat away portions of the arterial lining leaving a wound which, in healing itself, accumulates fat and cholesterol and forms plaque. Homocysteine alters the blood vessel walls by disrupting cellular relationships, altering the surface of cells, and disrupting the normal modes of interconnection. This leads to vascular pathology, buildup of cholesterol deposits, and eventual hardening

of the arteries.<sup>78</sup> Gruberg and Raymond recommend:

Caution requires that one hedge all bets. Thus, the advice emerging from the homocysteine theory, to follow a diet containing lower amounts of protein and higher amounts of B-6, *does not preclude* simultaneous use of other strategies. While the cholesterol hypothesis is inadequate, no one will be hurt by following a low-cholesterol diet especially since a tendency toward lower protein intake will occur.<sup>79</sup>

Dr. McCully goes further:

The only source of homocysteine in the human diet is the methionine content of proteins, and deliberate methionine restriction reduces the concentration of homocysteine in the plasma and urine of children with cystathionine synthetase deficiency. The use of a *low methionine vegetarian diet has been proposed as a new approach to preventing arteriosclerosis* and a prospective study is needed to determine the effect of deliberate dietary methionine restriction on the incidence of death from cardio-vascular disease in human populations.<sup>80</sup>

On the basis of McCully's protein-homocysteine theory, groups who have been discounting the fat-cholesterol theory all along have found renewed strength. They say that the homocysteine theory "proves" that the cholesterol theory is dead. Drs. Gruberg, Raymond, and McCully are more cautious. They indicate the important secondary and complementing role of fats and cholesterol in the homocysteine theory. They emphasize the ratios of B-6 to methionine in common foods. The vegetarian diet produces the most desirable ratios, but a significant loss of vitamin B-6 occurs when foods are subjected to drastic alteration by processing and certain methods of food preparation.<sup>81</sup>

Nathan Pritikin, at the Longevity Center in Santa Monica, California (formerly in Santa Barbara), urges a low cholesterol and low fat diet as a way to prevent, contain, and reverse atherosclerosis and its attendant complications. Although he emphasizes the fat-cholesterol theory, he proposes for the containment of atherosclerosis a reversal diet that is 80% complex carbohydrates (high in B-6), and only 10% fat, and 10% protein calories. This diet, even though it emanates from the fat-cholesterol theory, meets all the requirements of the homocysteine theory. It is relatively low in protein, low in fats and cholesterol, high in B vitamins and B-6, and essentially vegetarian in content. Even the Pritikin maintenance diet, adjusted upward slightly in fat-cholesterol content, is compatible with the McCully hypothesis.

The existence of vested interests often befuddles the essential compatibility of seemingly different approaches to scientific questions. In

the instant case, some groups favor the homocysteine theory because they reject the implications of the fat-cholesterol theory. This is true of the meat and dairy interests. They do not seem to realize that the protein reduction theory may do them a bad turn as well. The separability of findings does not appear to be warranted. What emerges from the above considerations is not a fat-cholesterol explanation or a protein-homocysteine explanation or a magnesium deficiency spasm explanation. The explanation encompasses the creative connection of all these and more. The McCully theory and the Pritikin approach are two aspects of a larger perspective.

The causal network entails the following linkages. There is increasing evidence that magnesium deficiencies may lead to spasm attacks, heart failure, and sudden death ischemic heart disease (SDIHD).<sup>82</sup> Stress indirectly causes the body to excrete magnesium, resulting in a magnesium deficiency in the heart muscle.<sup>83</sup> Magnesium is required for dilating or opening the blood vessels in the heart tissues, and calcium keeps the heart beating smoothly. Magnesium deficiency is primarily related to bad diet, processed foods, soft water, synthetic fertilizers, and nutritionally destructive cooking.<sup>84</sup> Clots may form after blood vessel spasms, triggering heart attacks.<sup>85</sup> An interesting body of emerging research deals with the effects of high protein diets. Some of that research indicates that high protein intake can induce greater acidity in blood Ph. This leads to withdrawal of minerals such as calcium and magnesium from the skeletal structure to neutralize the blood. Eventually, excretion of minerals occurs which results in a negative mineral balance in the body—that is, a net loss of minerals.<sup>86</sup> Thus, a high protein diet not only leads to homocysteine in the blood, but also to loss of minerals which may effect the heart and arteries through inducement of spasm, clotting, and heart failure.

If heart and arterial spasms occur because of magnesium and perhaps other mineral imbalances, and if a high protein diet leads to a negative mineral balance (or loss of minerals), as well as to the increase of blood homocysteine in the absence of neutralizing B-6, and if B-6 is in deficit because of nutritionally weak diet, then all these events are parts of a larger system of linkage, not separate theories of heart and arterial impairment.

But, the fat-cholesterol theory is not dead by any means. Continuing research emphasizes the relation between fats, blood aggregation (rouloux effect), and reduced oxygenation capacities. The McCully theory emphasizes the secondary effect of high fat-cholesterol diet on plaque formation. There is ample evidence that fat ingestion can trigger angina attacks without exertion, as reported in the latest large scale study released in the *New England Journal of Medicine* on the importance of

serum cholesterol in heart disease.<sup>87</sup> There is a close relationship between the fat-cholesterol and protein diet explanations of atherosclerosis and heart disease. People who feed on high protein diets most often derive their protein from animal sources. High protein diets are harmful both by McCully's and Pritikin's standards, and eating a large array of processed foods low in minerals would exacerbate the problem.

This analysis of the bio-medical causes of cardio-vascular diseases suggests that an *Integrated Artherosclerosis Management Program* (IAMP) is needed to reduce the incidence of these diseases. For the individual, the program would entail the following:

- 1) Eat an essentially vegetarian diet emphasizing whole grains, fresh vegetables, and fresh fruit which would be high in minerals and B vitamins including B-6.
- 2) Cut down on protein intake including red meats, cheeses, and dairy products. This will reduce homocysteine and increase mineral retention.
- 3) Cut down on cholesterol and fats of all kinds to diminish blood aggregation and subsequent oxygenation reduction.
- 4) Rid the diet of as much processed food as possible. This includes a large portion of most restaurant foods and most breads offered on the market. Processing reduces nutrient content and increases chemical additives.
- 5) Avoid simple carbohydrates (sugar, refined flour, other sweeteners, etc.), caffeine, excessive salt, smoking and being in the company of smokers.
- 6) Exercise every day in some way and reduce the sedentary character of existence. Develop some mode of life for stress management such as regular meditation, biofeedback and/or yoga exercise.
- 7) Some general supplementation of vitamins and minerals will offer protection from the increasing pollution of the environment. Supplemental B-6 would be consistent with the McCully thesis and supplemental vitamin C with Linus Pauling's.

But treating the bio-medical aspects of cardio-vascular disease will not address all of their causes, because cardio-vascular illness is also a societal-cultural illness. Cardio-vascular disease is the number one killer in the U. S. and in the western world in large part because of the encapsulation of knowledge by the agribusiness and medibusiness establishments.

Agriculture and medicine are devoted less to providing nourishment and healing for humankind than they are to generating high profits. Agribusiness is the capitalist mode of doing agriculture from seeds to

consumer purchases. Simply put, agribusiness cannot embrace the simple rules for maintaining healthful standards in food production because chemical processing is profitable and good nutritional practice is not. Agribusiness integrates the system of food power through corporate control, profitability, management, and domination of all levels of the food process.

Medibusiness also refuses to practice the prevention and correction of disease through sound nutritional programs. The medical profession, with notable exceptions, is nutritionally illiterate. Medical training and practice do not prepare doctors to give nutritional advice. They are health crisis managers, and, tragically, the crises they try to manage result partly from their mode of management (iatrogenic effects) and from their general resistance to nutritional solutions. The A.M.A. opposed the watered-down Dietary Guidelines of the Senate Select Committee on Nutrition and Human Needs not on sound scientific grounds, but to placate the fear in the agribusiness community that such guidelines would undermine the highly profitable food processing business. The A.M.A. seemed to ignore the literature being printed in its own journals.

The basic resistance to sound nutritional programs, preventive medicine, and holistic healing comes from the following set of power institutions and groups:

- 1) The food companies whose profits depend on food processing are unbending in opposition to simple, nutritional foods.<sup>88</sup>
- 2) The major chemical companies which provide food additives and food chemicals to food manufacturers as well as agricultural chemicals to farmers.
- 3) The meat lobby, the power of which is exemplified by the National Live Stock and Meat Board, holds that we should ignore all the research and eat more, not less, red meat.<sup>89</sup> The National Cattlemen's Association takes its cue from the Meat Board. Both opposed the Senate Select Committee's Dietary Guidelines and urged the eating of more meat, while opposing changes in their growing and fattening procedures.<sup>90</sup>
- 4) The egg lobby and dairy lobbies that urge the consumption of their products in spite of high cholesterol and high fat content.
- 5) The drug companies, which emphasize chemical solutions to health problems and resist simple, useful nutritional solutions that would decrease profits from the sale of drugs.
- 6) The medical establishment, which emphasizes drugs and surgery and virtually ignores nutrition for prevention and healing.<sup>91</sup>
- 7) The mass media, which provides garbled, incomplete information about nutrition and health.

- 8) The advertising industry which is paid by, and thus represents, the monied power of the giant corporations.
- 9) The professional nutritionists, who are paid consultants to the very companies that violate the principles of good nutrition.<sup>92</sup>
- 10) The nutrition departments of major universities that receive funding from the food multinationals most responsible for the deterioration of the American diet and issue reports supporting the food adulteration process.
- 11) The U. S. Government, which is often manipulated into serving the vested interests of the food power system at the expense of the public welfare.

What causes the cardio-vascular syndrome? Fats, cholesterol, homocysteine, mineral depletion, and all the socio-economic and political forces that prevent the utilization of genuine knowledge for the public welfare. This master-servant power system creates waste and perpetuates disease.

#### IV

The purpose of this paper has been to apply the ceremonial-instrumental dichotomy to an analysis of the food power system. The dichotomy has been used to examine the multi-causal pattern of linkages of certain "diseases of civilization" with contemporary medical practices and the vested interests of powerful food and drug conglomerates. A unique feature of the analysis is the extension of "holistic" inquiry into the causal linkages existing among the medical-physical-environmental domain and the socio-economic-political domain.

As a general theoretical principle, the ceremonial-instrumental dichotomy posits the existence of a gap between the growing knowledge fund (and the value structure it entails) and the vested interests of the existing power system that governs and exploits its use. All the forces that encapsulate and control knowledge for the benefit of limited vested interests create master-servant relationships between themselves and the community at large, and this produces organized waste. Genuine knowledge sets the outer limits of human potential. But ceremonial forces encapsulate genuine knowledge, and thus the human potential, by confining the use of knowledge within the framework of the core values of the established power structure. This encapsulation reduces the community's flexibility and adaptivity to the potentialities of the new knowledge. In the case of the food power system, the encapsulation can lead quite literally to death.

The three "diseases of civilization" selected for study were the tobacco-smoking, the mental health, and the cardio-vascular syndromes.

In each case, the ceremonial encapsulation of genuine knowledge was documented. The evidence revealed that socially-sanctioned patterns of behavior are inextricably bound-up in the causal determinants of these health syndromes. Furthermore, it was shown that the agribusiness and medibusiness establishments (along with government policies supportive of these vested interests) create, nurture, and even enforce behavior destructive to the health of the community.

The drift of health policy in the United States follows the line of greatest profitability for the food and drug conglomerates, even if the consequences for the health of the community are catastrophic. The burden of waste and human suffering derived from these policies has been fully documented in numerous studies conducted by orthomolecularists, the findings of which have been summarized in this paper. Iatrogenic illness is a function of ignorance and dogmatic rigidity on the part of the medical profession, which grow out of institutional rigidities, exploitive ceremonial power structures, and a parasitic economic system. Shortsighted benefits come to those who seek to maintain and extend these lethal structures in the face of genuine knowledge that points to creative alternatives.

The literature of orthomolecular medicine has been cited extensively in this paper for the purpose of describing the kind of genuine knowledge that has been encapsulated by the ceremonial power structure. The orthomolecular literature provides a creative alternative to the toximolecular medical practices sanctioned by the medibusiness establishment. Institutionalists would be hard put to find a better case in point for the application of the ceremonial-instrumental dichotomy in the analysis of profound social issues. Moreover, there is probably no area of social concern where institutional analysis could be applied more fruitfully in the formulation of meaningful social policies. This paper is offered as a preliminary effort to achieve these important results.

## NOTES

<sup>1</sup> See Jacob Bronowski, *Science and Human Values* (New York: Julian Messner, 1956); *Magic, Science and Civilization* (New York: Columbia University Press, 1978); *The Origin of Knowledge and Imagination* (New Haven: Yale University Press, 1978); and *A Sense of the Future* (Cambridge, Massachusetts: The MIT Press, 1977).

<sup>2</sup> Herbert Schiller has said it best in *The Mind Managers* (Boston: Beacon Press, 1973). See also his *Mass Communications and the American Empire* (New York: Augustus Kelley, 1969); and *Communication and Cultural Dominance* (White Plains, N. Y.: International Arts and Sciences Press, 1976).

<sup>3</sup> Louis Junker, "Instrumentalism, The Principle of Continuity and the Life Process," *American Journal of Economics and Sociology* 40 (October 1981): 381-400; and "The Ceremonial-Instrumental Dichotomy in Institutional Analysis: The Nature, Scope and Radical Implications of the Conflicting Systems," *American Journal of Economics and Sociology* 41 (April 1982): 141-150. [Editor's Note: Both of these articles were published posthumously.]

<sup>4</sup> See, for example: Robin Hur, *Food Reform: Our Desperate Need* (Austin: Heidelberg Publishers, 1975); James Lambert Mount, *The Food and Health of Western Man* (New York: John Wiley & Sons, 1975); Theron G. Randolph, M.D., *Human Ecology and Susceptibility to the Chemical Environment* (Springfield, Illinois: Charles C. Thomas Publishers, 1962); Rudolph Ballantine, M.D., *Diet and Nutrition: A Holistic Approach* (Honesdale, Pa.: Himalayan International Institute, 1978); Erik Eckholm, *The Picture of Health: Environmental Sources of Disease*, Worldwatch Institute, (New York: Norton, 1977); Nathan Pritikin, *The Pritikin Program for Diet and Exercise* (New York: Grosset and Dunlap, 1979); Beatrice Trum Hunter, *The Mirage of Safety: Food Additives and Public Policy* (New York: Charles Scribners and Sons, 1975); *Consumer Beware: Your Food and What's Been Done to It* (New York: Simon and Schuster, 1971); Ross Hume Hall, *Food For Nought: The Decline in Nutrition* (New York: Harper and Row, 1974); Roger J. Williams, *Nutrition Against Disease: Environmental Prevention* (New York: Pitman Publishing Co., 1971); Patricia Hausman, *Jack Sprat's Legacy: The Science and Politics of Fat and Cholesterol* (New York: Richard Marek Publishers, 1981); Alexander Schauss, *Diet, Crime and Delinquency* (Berkeley: Parker House, 1980); and Abram Hoffer, M. D., and Morton Walker, *Orthemoleculer Nutrition* (New Canaan, Connecticut: Keats Publishing Co., 1978).

<sup>5</sup> David Pimentel, et al, "Land Degradation: Effects on Food and Energy Resources," *Science* (October 8, 1976); Steve Daniels, "Are We Farming Our Way to Extinction?", *East-West Journal* (May 1980); Tom Monte, "The Breakdown of Mechanized Farming," *East-West Journal* (January 1981); and Lester Brown, "The Worldwide Loss of Cropland," *Worldwatch Paper*, #24 (October 1978).

<sup>6</sup> Barry Jacobs, "The Poisoned Land," *The Progressive* (July 1980); and Michael Brown, *Laying Waste: The Poisoning of America By Toxic Chemicals* (New York: Pantheon Books, 1980); and Carol Keogh, *Water Fit to Drink* (Emmaus, Pa.: Rodale Press, 1980).

<sup>7</sup> Orville Schell, "Wonder Drugs, Super Germs," *The Co-Evolution Quarterly* (Winter 1980): 96-107; and Jim Mason and Peter Singer, *Animal Factories* (New York: Crown Publishers, 1980). See almost any issue of *FDA Veterinarian*, U. S. Department of Health and Human Services, FDA, Bureau of Veterinary Medicine.

<sup>8</sup> David Weir and Mark Schapiro, *Circle of Poison: Pesticides and People in a Hungry World* (San Francisco: Institute For Food and Development Policy, 1981); and Robert Van Den Bosch, *The Pesticide Conspiracy* (New York: Doubleday & Co., 1978).

<sup>9</sup> Beatrice Trum Hunter, op. cit., 1971, and op. cit., 1975; Jacqueline Verett and Jean Carper, *Eating May Be Hazardous To Your Health, The Case Against Food Additives* (New York: Simon and Schuster, 1974); James S. Turner, *The Chemical Feast* (New York: Grossman, 1970); and Franklin Bicknell, *Chemicals in Food and in Farm Produce, Their Harmful Effects* (London: Faber & Faber, 1960); and Samuel S. Epstein, M.D., *The Politics of Cancer* (San Francisco: Sierra Club Books, 1978).

<sup>10</sup> Only one volume will be cited here. A longer list will follow in the section on mental illness. See William H. Philpott, M.D., and Dwight K. Kalita, Ph.D., *Brain Allergies: The Psycho Nutrient Connection* (New Canaan, Conn.: Keats Publishing Co., 1980).

<sup>11</sup> Alexander Schauss, *Diet, Crime and Delinquency* (Berkeley: Parker House, 1980).

<sup>12</sup> *Smoking and Health: A Report of the Surgeon General* (U. S. Department of Health, Education and Welfare, Public Health Service, 1979). A summary of this report was done by Ruth Winters, *The Scientific Case Against Smoking* (New York: Crown Publishers, 1980). An excellent study is Erik Eckholm's "Cutting Tobacco's Toll," *Worldwatch Paper* #18 (March, 1978).

<sup>13</sup> See Mike Muller, *Tobacco and the Third World: Tomorrow's Epidemic* (London: War on Want, 1978).

<sup>14</sup> See Richard Hughes and Robert Brewin, *The Tranquilizing of America: Pill Popping and the American Way of Life* (New York: Harcourt, Brace and Jovanovich, 1979); Milton Silverman and Philip R. Lee, *Pills, Profits and Politics* (Berkeley: University of California Press, 1974); and Milton Silverman, *The Drugging of the Americas: How Multinational Drug Companies Say One Thing About Their Products to Physicians in the United States and Another Thing to Physicians in Latin America* (Berkeley: University of California Press, 1976).

<sup>15</sup> See citations in note #14.

<sup>16</sup> An interesting literature is emerging on the harmful effects of a high protein diet. It needs to be brought together from different areas of investigation. See, for example: Edward R. Gruberg and Stephen A. Raymond, "Beyond Cholesterol: A New Theory on Arteriosclerosis," *Atlantic Monthly* 243 (May 1979): 59-65; Nancy E. Johnson, Emerita N. Alcantara and Hellen Linkswiler, "Effect of Level of Protein Intake on Urinary and Fecal Calcium and Calcium Retention of Young Adult Males," *The Journal of Nutrition* 100 (December 1970): 1425-1430; Robin Hur, op. cit., especially Chapter 5, "Protein"; Rudolph Ballantine, op. cit., see Chapter 6, "Protein: Building Blocks." High intake of protein has been indicated in relation to a number of problems. See the discussion in the section on cardio-vascular diseases. See John A. Scharffenberg, M.D., *Problems with Meat* (Santa Barbara: Woodbridge Press Publishing Co., 1979).

<sup>17</sup> See Weston A. Price, D.D.S., *Nutrition and Physical Degeneration* (San Diego: Price-Pottenger Foundation, 1945); Bonnie F. Liebman and Greg Moyer, "The Case Against Sugar," *Nutrition Action* (December 1980); T. L. Cleave, *The Saccharine Disease* (Bristol, England: John Wright & Sons, 1974); William Dufty, *Sugar Blues* (Radmor, Pa.: Chilton Book Co., 1975); U. S. Senate, 93rd Congress, 1st Session, Part 2, "Sugar in Diet, Diabetes and Heart Diseases" (Washington, D. C.: U. S. Government Printing Office) April 30, May 1, 2, 1973; and Michael Lerner, M.D., *Nutrition and Vitamin Therapy* (New York: Grove Press, 1980). Especially see Chapter 9, "Neurosis and Blood Sugar."

<sup>18</sup> There is a massive literature on dietary fiber, but it will serve best here to cite some of the more prominent works of the British masters of the subject: T. L. Cleave, op. cit.; D. P. Burkitt and H. C. Trowell, eds., *Refined Carbohydrate Foods and Disease* (New York: Academic Press, 1975); Denis Burkitt, M.D., *Eat Right* (New York: Arco Publishing Co., 1978); and H. C. Trowell, M.D., *Dietary Fibre and Colonic Disease* (London: Norgine Ltd., 1976).



<sup>19</sup> See Jean Paulos, Ph.D., and Donald Stoddard, Ph.D., "Sugar to Blues to Booze: Hypoglycemia Indicated as Major Cause of Alcoholism," *Journal of Health Science* 1 (November 1980).

<sup>20</sup> See Lawrence D. Dickett, M.D., ed., *Clinical Ecology* (Springfield, Illinois: Charles C. Thomas, 1976); Theron G. Randolph, M.D., op. cit.; Claude A. Frazier, M.D., *Parents' Guide to Allergy in Children* (New York: Grosset and Dunlap, 1978); Bambi Batts Young, "Food Allergies Remain Mysterious," *CNI Weekly Report* (Washington, D. C.: Community Nutrition Institute), April 9, 1981; Dr. William G. Crook, *Allergy: The Great Masquerader* (Jackson, Tennessee: Child Health Centers of America, Inc., 1973); and W. G. Crook, *Your Child and Allergy* (New York: Medcom, 1973).

<sup>21</sup> Ibid.

<sup>22</sup> Robert H. Boyle and The Environmental Defense Fund, *Malignant Neglect* (New York: Vintage Books, 1980); Samuel S. Epstein, op. cit.; Erik Eckholm, op. cit., especially Chapter 5, "Cancer, A Social Disease"; and *Cancer and Diet: A Nutritional Approach to Degenerative Disease* (Boston: East-West Foundation, 1980).

<sup>23</sup> Ralph W. Moss, "The Cancer Establishment: Whose Side Are They On?," *The Progressive* (February 1980); Ralph W. Moss, *The Cancer Syndrome* (New York: Grove Press, 1980); Peter Barry Chowka, "Cancer Research: The \$20 Billion Failure," *East-West Journal* (March 1981); and Tom Monte, "The M.D. Who Cured Himself of Cancer Now Heals Others With Diet," Interview with Anthony Sattilaro, M.D., *East-West Journal* (March 1981).

<sup>24</sup> Nathan Pritikin, op. cit., see especially the Appendix "For the Health Professional," pp. 352-389, in which Pritikin discusses the technical literature on disease and his dietary-exercise system. The work of Robert W. Wissler, M.D., Ph.D., and his colleagues at the University of Chicago, Department of Pathology is outstanding. Their work on regression of atherosclerosis in experimental animals and humans has been convincing. See Robert W. Wissler and Dragoslava Vesselinovitch, "Regression of Atherosclerosis in Experimental Animals and Man," *Modern Concepts of Cardiovascular Disease* 46 (June 1979); and Wissler and Vesselinovitch, "Animal Models of Regression," from *Atherosclerosis IV*, G. Schettler, Y. Goto, Y. Hata, G. Klose, eds. (Berlin: Springer-Verlag, 1977); Antonio M. Grotto, Jr., M.D., "Is Atherosclerosis Reversible?" *Journal of the American Dietetic Association* 74 (May 1979); and M. R. Malinow, "Atherosclerosis, Regression in Non-Human Primates," *Circulation Research* 46 (March 1980).

<sup>25</sup> Statement of Dr. Benjamin F. Byrd, in *Cigarette Smoking and Disease*, Hearing before the Subcommittee on Health, Committee on Labor and Public Welfare, U. S. Senate, February 19, March 24, and May 27, 1976. Quoted by Erik Eckholm in "Cutting Tobacco's Toll," p. 10.

<sup>26</sup> Samuel S. Epstein, op. cit., p. 153. See page 154 for a list of the gaseous components of cigarette smoke.

<sup>27</sup> Ibid., pp. 151-177. See also the two articles by Walter Ross, "Poison Gases in Your Cigarettes: Carbon Monoxide," *Reader's Digest* (October 1976), and "Poison Gases in Your Cigarettes—Part II: Hydrogen Cyanide and Nitrogen Oxides," *Reader's Digest* (December 1976).

<sup>28</sup> Nathan Pritikin, op. cit., pp. 52-53.

<sup>29</sup> Ibid., see also Erik Eckholm, "Cutting Tobacco's Toll," p. 12.

<sup>30</sup> Eckholm, op. cit., pp. 11-12.

<sup>31</sup> American Cancer Society, *Cancer Facts and Figures* (1981), p. 14. [Incomplete citation.]

<sup>32</sup> Harry W. Daniell, M.D., "Osteoporosis and Smoking," *Journal of the American Medical Association* 221 (July 31, 1972): 509.

<sup>33</sup> David M. Spain, M.D.; Henry Siegel, M.D.; and Victoria A. Bradess, M.D., "Women Smokers and Sudden Death," *Journal of the American Medical Association* 224 (May 14, 1973): 1005-1007.

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<sup>41</sup> Milton Moskowitz, Michael Kotz and Robert Levering, eds., *Everybody's Business: An Almanac* (New York: Harper and Row, 1980); and Eckholm, "Cutting Tobacco's Toll," p. 18.

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<sup>55</sup> Philpott and Kalita, *Brain Allergies*, p. 4.

<sup>56</sup> George Watson, op. cit., p. 44 ff.

<sup>57</sup> Philpott and Kalita, op. cit., p. 4.

<sup>58</sup> *Ibid.*, p. 5.

<sup>59</sup> *Ibid.*

<sup>60</sup> *Ibid.*, p. 6.

<sup>61</sup> Quoted in Philpott and Kalita, *ibid.*, pp. 7-8.

<sup>62</sup> *Ibid.*

<sup>63</sup> *Ibid.*

<sup>64</sup> *Ibid.*

<sup>65</sup> *Ibid.*

<sup>66</sup> Richard Hughes and Robert Brewin, *The Tranquilizing of America: Pill Popping and the American Way of Life* (New York: Harcourt, Brace and Jovanovich, 1979), p. 191. Especially see all of Chapter 8, entitled, "Selling the Chemical Solution."

<sup>67</sup> *Ibid.*

<sup>68</sup> *Ibid.*, pp. 228 ff. See all of Chapter 9 entitled "The FDA: Your Friend or the Drug Industry's."

<sup>69</sup> *Ibid.*, p. 229.

<sup>70</sup> See Ivan Illich, *Medical Nemesis: The Expropriation of Health* (New York: Pantheon Books, 1976); Vicente Navarro, *Medicine Under Capitalism* (New York: Prodist, 1976); John Ehrenreich, *The Cultural Crisis of Modern Medicine* (New York: Monthly Review Press, 1978); Jack Goldstein, *Triumph Over Disease By Fasting and Natural Diet* (New York: Arco Publishing Co., 1978); Nathan Pritiken, op. cit.; and Robert Mendelsohn, *Confessions of a Medical Heretic* (New York: Warner Books, 1979).

<sup>71</sup> Abram Hoffer and Morton Walker, op. cit., p. 5.

<sup>72</sup> Beatrice Trum Hunter has written a large number of books on this subject and has expended great efforts to bring this information with consummate skill and integrity to the general public. Her *Consumer Beware* (op. cit.) is now a classic. *The Mirage of Safety* (op. cit.) is a followup. Her latest effort is *The Great Nutrition Robbery* (New York: Charles Scribner's Sons, 1978). Ross Hume Hall, biochemist at McMaster, has written one of the most interesting books on the subject. See his *Food For Nought: The Decline In Nutrition*, op. cit.

<sup>73</sup> Jim Hightower, *Eat Your Heart Out: Food Profiteering in America* (New York: Crown Publishers, 1975). See also his keen discussion of the role of the land grant colleges in the agribusiness network, *Hard Tomatoes, Hard Times: A Report of the Agribusiness Accountability Project on the Failure of America's Land Grant College Complex* (Cambridge, Mass.: Schenkman Publishing Co., 1973).

<sup>74</sup> *Ibid.*, p. 72.

<sup>75</sup> *Ibid.*, p. 82. For example, note that General Foods spent approximately 43.6 million dollars advertising three products in 1979—Kool Aid (\$21 m), Cool Whip (\$10 m) and Jello (\$12.6 m). Can such non-foods add anything to the health of our nation? Emphatically, No! Between two major firms in the food industry (Proctor and Gamble and General Foods) more than \$1 billion was spent on advertising in 1979. For these facts, see *Nutrition Action*, February 1981, p. 11.

Who pays the bill? The consumer pays the cost not only for the advertising but for his poor health and wasted income. On this point see the excellent piece by Daniel Zwerdling, "The Food Monsters," *The Progressive* (March 1980). See also Russell C. Parker and John M. Connor, "Estimates of Consumer Loss Due to Monopoly in the U. S. Food Manufacturing Industries," a paper presented at the Industrial Organization Society of the A.E.A., Chicago, Illinois, August 30, 1978.

<sup>76</sup> Edward R. Gruberg and Stephen A. Raymond, op. cit., p. 59.

<sup>77</sup> *Ibid.*, p. 62.

<sup>78</sup> See the following literature for the McCully thesis: Kilmer S. McCully and Bruce D. Ragsdale, M.D., "Production of Arteriosclerosis by Homocysteinemia," *The American Journal of Pathology* (October 1970); Kilmer S. McCully, "Homocysteinemia and Arteriosclerosis," *Annotations*, Vol. 83, #4; "Vascular Pathology of Homocysteinemia: Implications For the Pathogenesis of Arteriosclerosis," *Homocysteinemia* 56 (July 1969); "Importance of Homocysteine-Induced Abnormalities of Proteoglycan Structure in Arteriosclerosis," *American Journal of Pathology* 59 (April 1970); "Macromolecular Basis For Homocysteine-Induced Changes in Proteoglycan Structure in Growth and Arteriosclerosis," *American Journal of Pathology* 66 (July 1972); "Homocysteine, Atherosclerosis and Thrombosis: Implications for Oral Contraceptive Users," *American Journal of Clinical Nutrition*, Volume 28; McCully and Robert B. Wilson, "Homocysteine Theory of Arteriosclerosis," *Atherosclerosis*, Vol. 22, 1975, pp. 215-227; Eliot Spindel and Kilmer S. McCully, "Conversion of Methionine to Homocysteine Thiolactone in Liver," *Biochimica et Biophysica Acta*, Vol. 343, 1974, pp. 687-691; Kilmer S. McCully, "Homocysteine Metabolism in Scurvy, Growth and Arteriosclerosis," *Nature* 231 (June 11, 1971): 391-392; and Peter Clopath, Virginia C. Smith and Kilmer S. McCully, "Growth Promotion by Homocysteic Acid," *Science* 192 (April 23, 1976): 372-374.

<sup>79</sup> Gruberg and Raymond, op. cit., p. 65 (emphasis added).

<sup>80</sup> Kilmer S. McCully, "Homocysteinemia and Arteriosclerosis," p. 572 (emphasis added).

<sup>81</sup> Ruth Adams and Frank Murray, *The Vitamin B-6 Book* (New York: Larchmont Books, 1980), pp. 22 ff.

<sup>82</sup> "Magnesium, Stress and Sudden Death," *Prevention Magazine*, January 1981.

<sup>83</sup> Bella T. Altura, *Medical Hypotheses*, Vol. 6, #1, 1980.

<sup>84</sup> See also *Water Hardness, Human Health and the Importance of Magnesium*, National Research Council of Canada, Research Report #17581, Ottawa, Ontario, Canada. One of their conclusions — "Higher mortality rates are seen in regions with the 'softest' (i.e., low calcium and magnesium) drinking waters," p. 93. [No date available.]

<sup>85</sup> Attilio Maseri, M.D., et al, *The New England Journal of Medicine* (December 1978); and Linda Shaw, "The Spasm Theory of Heart Attack," *Prevention Magazine* (October 1979).

<sup>86</sup> See Nancy E. Johnson, Emerita N. Alcantara and Hellen Linkswiler, "Effect of Level of Protein Intake on Urinary and Fecal Calcium and Calcium Retention of Young Adult Males," *The Journal of Nutrition* (December 1970); "Urinary Calcium and Dietary Protein," *Nutrition Review* 38 (January 1980); S. Margen, et al, "Studies in Calcium Metabolism, I, The Calciuretic Effect of Dietary Protein," *The American Journal of Clinical Nutrition* 27 (June 1974): 584-589; Robert E. Morrow, M.D. (Orthopedic Surgeon), "Relationship of Diet to Osteoporosis: A Review of the Literature on the Topic," a paper delivered at the Longevity Research Conference, Santa Monica, California, January 11, 1979; Hellen M. Linkswiler, Cynthia L. Joyce and Chander Rekha Anand, "Calcium Retention of Young Adult Males As Affected by Level of Protein and of Calcium Intake," *Transactions of the New York Academy of Sciences*, accepted for publication March 4, 1974; Robin Hur, *Food Reform*, op. cit., see Chapter 5, "Protein"; Richard B. Mazess and Warren E. Mather, "Bone Mineral Content in Alaskan Eskimos," *Human Biology* 47 (February 1975): 45-63; Richard B. Mazess and Robert Jones, "Weight and Density of Sadlermint Eskimo Long Bones," *Human Biology* 44 (September 1972): 537-548; Richard B. Mazess and Warren Mather, "Bone Mineral Content of North Alaskan Eskimos," *The American Journal of Clinical Nutrition* 27 (September 1974): 916-925; News Release, USDA, April 5, 1979, "High Protein Diet Related to Bone Disorder in Rats"; Frey R. Ellis, et al, "Incidence of Osteoporosis in Vegetarians and Omnivores," *The American Journal of Clinical Nutrition* 25 (June 1972): 555-558; Hara Marano, "The Problem With Protein," *New York Magazine*, March 5, 1979; Phyllis Machta and Michael Jacobsen, "Protein: The 'Buy' Word," *Nutrition Action*, January 1976; and J. C. Waterlow and P. R. Payne, "The Protein Gap," *Nature* 258 (November 13, 1975).

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ABSTRACT

Social Value Theory of Marxists:  
An Instrumentalist Review and Critique

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Neoinstitutionalists and neo-Marxists represent the main heterodox schools of thought opposing the claims of mainstream, neoclassical orthodoxy to generality and pertinence. Both decry the philosophical evasion of normative questions by orthodox scholars. This "pestilence of moral agnosticism," as Clarence E. Ayres characterized the evasion, rests on neoclassicists' concurrent pretensions to positivism and ethical relativism. Yet the development of social value theory by these heterodox groups appears to remain underdeveloped. This paper is addressed to that underdevelopment in Marxist literature.

The first part of the paper provides a philosophical setting that focuses on the writings of Karl Marx and Frederick Engels and illustrates their habitual and knowing use of normative observations and analyses. There are "no morally neutral statements in Marxism," Bertell Ollman contends. The second part of the paper presents a view of Marxian social value theory as expressed illustratively in the writings of three neo-Marxists. A synthetic and integrative criterion is identified through an exegesis primarily of writings of William Ash, Maurice Cornforth, and Bertell Ollman. For the purposes of this paper, their views are taken as representative of neo-Marxists generally. The third part of the paper presents a critique of the Marxist social value theory from the perspective of instrumental social value theory which reflects

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the Veblen-Dewey-Ayres-Foster tradition of instrumental philosophy and neoinstitutional economics.

As perceived here, the Marxist principle of social value is the "fulfillment of the Marxist design." Accordingly, one should frame, choose among, and implement alternatives which contribute to (a) the acceptance and permeation of Marxist dialectical materialist analysis as the embodiment of scientific truth; (b) the affirmation of the proletariat's historic mission, the raising of class consciousness, and the furtherance of the class struggle; (c) the acceleration of the revolutionary shift from capitalism to socialism; (d) the implementation of the socialist model, the pursuit of rapid growth, and the creation of new socialist men and women; (e) the creation of a communist social order devoid of division of labor, classes, alienation, state, exploitation, and religion, and committed to freedom, cooperation, and creativity. These elements of the Marxist design are distilled from, and illustrated by, the writings of Ash, Cornforth, and Ollman.

Areas of convergence or concurrence between neo-Marxists and neoinstitutionalists are found in their mutual avoidance of the entrapments of the positive-normative dichotomy; their mutual criticism of ethical relativisms and ethical absolutisms; their mutual recognition that human experience in the life process is the *locus* of social value; their mutual incorporation of the concept of "continuity" in their respective social value premises; and their mutual commitment to generate an optimistic and humanistic future. Both wish to remove alienation, poverty, discrimination, and other human follies and malevolence.

Areas of divergence are explored through an institutionalist critique of Marxism. The Marxist claim to have established a "truly scientific basis" for evaluation is refuted. It is argued that instrumental inquiry offers a more adequate causal accounting and is a more open inquiry mode than dialecticism. Marxists do not fully extricate themselves from the limitation of ethical relativism. They continue to be deferential to wants, needs, and desires. Moreover, they mistakenly make normative use of socialist and communist models of economic systems. But particular structures cannot be used as a general criterion for choosing among structures. Although Marxists reject most ethically absolute criteria, their analysis generates a similar given end—communism. Although Marxists recognize some logical connections between means and ends, their grasp of this relation is inadequate. Marxists, at times, appear to convert class membership itself into an invidious distinction. This is a serious error from the point of view of institutional analysis.

## ABSTRACT

Political Intervention and  
Science in Latin America

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Political intervention in public universities and scientific institutes of several major Latin American countries has become deeply institutionalized, and in recent years has interfered seriously with the scientific and technological development of the region. One consequence has been an appreciable brain drain at a time of acute need for specialized skills and intellectually disciplined leadership to carry on the process of economic and social development.

The historical record shows that many Latin American governments regard universities as centers of political agitation, rather than as establishments to produce more knowledge and skilled manpower. In severe political turmoil, the universities are among the first institutions brought under control by the imposition of tests of political loyalty, wholesale dismissals of teachers and research investigators, and suppression of normal student life. So ingrained are these reactions that they are often practiced by civilian as well as military governments, whether of the right or the left.

These repeated interventions deprive the teaching and research faculties of academic freedom and security of continuous tenure essential to the effective advancement of science and its technological applications. Failure to maintain academic safeguards cannot be considered apart from the general repression by dictatorial governments of human

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rights, freedom of the press, and free labor organization. This paper is directed to the effects of the politicization of universities on scientific achievements and technological development.

As Latin American governments, even military ones, confront the increasingly difficult problems of economic adjustment resulting from the energy crisis and the growth and urbanization of population, they will appreciate the technical contributions made by scientifically trained intellectuals in their own countries. Such contributions are generally valued primarily in the physical sciences and in engineering, but they may be valued also in the social and administrative sciences, which are of growing importance for the solution of technical economic problems and questions of administrative efficiency. Brazil and Mexico, and recently Argentina, have prepared extensive plans for scientific and technological development.

In providing assistance in scientific fields, international lending organizations are obligated not to contribute to the depletion of the resources of established educational institutions by encouraging raiding of their most distinguished faculty members, in favor of new centers with better financial support but few academic safeguards. As a matter of national development strategy, domestic science and technology cannot flourish under constant political harassment. The community of scholars, many of whom are actually apolitical with respect to current issues when permitted to work in a stable atmosphere, must be allowed to pursue its investigations over the lifetime careers of its members.

In recent years a network of national scientific associations similar to those in Europe and the United States has begun to form and has increased effective communication through the relatively new linkage of the hemisphere's Interciencia Association. These organizations have a common interest in the promotion of scientific effort, and each is aware of the potential role of science and technology in domestic economic and social development. Acting together, with outside assistance, they may begin to have significant impact on the basic conditions of research in the hemisphere.

Undoubtedly, domestic efforts will be reinforced if the world scientific community focuses attention on flagrant abuses of human rights as they affect academic freedom and scientific effort. However, the pattern of institutionalized political intervention is now so firmly established that there is serious question as to whether it can be reversed. Long and persistent campaigns will be necessary before the universities of the Southern Cone are functionally reorganized to permit their effective participation in the application of science and technology to the solution of their pressing domestic problems.

## ABSTRACT

Marx's Concept of Exploitation:  
What It Isn't; What It Is

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This paper examines two contending interpretations of the underlying foundations of Marx's concept of exploitation: exploitation as distributive injustice versus exploitation based on a critique of alienation. The view of Marxian exploitation as distributive injustice seriously misconstrues several key elements in Marx's thought. First, Marx was concerned essentially with production, not distribution. Exploitation for him was rooted in production, not distribution. Indeed, he expressly repudiated a distributional approach to exploitation. Second, Marx regarded exploitation as a social fact and morally objectionable. However, it does not follow that distributive injustice constituted the fundamental moral criterion for Marx's critique. It is argued here that Marx's basic moral criterion for a critique of exploitation is human emancipation from alienation, based on Marx's radical humanist view of human nature. Third, Marx's view of exploitation is often perceived as similar to that of the Ricardian socialists, who held to a Lockean natural rights doctrine based on a labor theory of value. They criticized the injustice of capitalist distribution, and advocated distribution of the whole product of labor to the working class. But Marx expressly repudiated the Ricardian socialist position, particularly the view of labor as the exclusive source of wealth, because it neglected the role of physical capital and land in the production of use values. Marx also rejected the view that exploitation was caused by unfair advantage in the process of exchange, and, as a corollary, declared that wages, rents, interest, and profits (under normal competitive conditions) were in accord with the rules of capitalist market economy and, thereby, "just." Finally, Marx denied the Ricardian socialist view that, under socialism, workers would receive the entire product which they had produced, and contended instead that they would receive the "diminished proceeds" only.

Marx's critique of exploitation, it is held here, was grounded on his category of alienation. First, alienation is a necessary condition for Marxian exploitation. (It is not sufficient, because exploitation also requires adequate productiveness to create surplus labor and surplus product.) The alienation of workers from their physical means of production in a capitalist market economy results in the economic necessity of the sale of their labor power to capitalists, thereby placing their labor capacity under capitalist control, a strategic foundation for exploitation. The alienation of workers from control over the work process has as a corollary the submission of workers to the dominion of capital in the process of production. Thus, capitalist manipulation of the strategic levels of surplus value is based on alienation.

A corollary to the alienation of workers from their products is ownership and control of output and revenues of businesses by capitalist employers, in accord with capitalist market economy and its affiliated socio-political and legal institutions. If this form of alienated labor were not characteristic of capitalism, capitalists' realization of exploited surplus values would not be reasonably assured.

Exploitation for Marx clearly rested on the alienation of workers from control over decisions pertaining to necessary versus surplus labor time. Thus, workers in effect are coercively "unpaid" (not underpaid) for a portion of the working day and thereby tied to a system of "wage slavery" from which they (as a class) cannot escape. Marx's point here is that the division between necessary and surplus labor time is determined by capitalists and the requirements of the capitalist system, not that workers receive personal income lower than the net value of the output which they have produced.

Exploitation, for Marx, is morally objectionable because the alienation on which it is based is perceived as "dehumanizing." Marx's view of essential humanness includes qualities such as human powers and needs pertaining to creative and purposeful human activity, self-realization through work, and cooperative association with others in the pursuit of common, collective purposes. Thus, Marx's moral indictment of exploitation is based on alienation, which in turn conflicts with perceived qualities of human nature.

## ABSTRACT

The Internationalization of Capital and the  
Rise and Fall of the Trilateralist Strategy

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The most recent regime of accumulation, dominated by U. S. hegemony and U. S. forged institutions in the aftermath of W. W. II, came to an end in the early 1970s. The driving force of this regime was ultimately to be found in the confluence of phenomena known as the internationalization of capital (IOC). These internationalizing forces eventually came into conflict with nation-based policies of Keynesian regulation and finally exploded this antiquated form of state control over capitalism's dysfunctional tendencies (i.e., unemployment, inflation, business cycles, stagnation). Keynesianism functioned within a nation state to regulate the economic aggregates, leaving the market to sort out the international forces. Consequently, the market, being essentially a blind, unplanned institution with a tendency toward anarchy, signaled to internationalized units of capital in the Advanced Capitalist Nations (ACN) that capital goods and consumer goods should be produced on a scale that in fact exceeded the collective absorption capacities of the world market, the consequences being that by 1970 numerous industries on a world scale were inundated with excess capacity and a prolonged recession-depression ensued.

To counteract the tendencies of purely or largely national units of capital to pressure their respective governments to engage in protectionist policies that would ensure the survival of these nation-based firms, the Trilateral Commission (TC) was formed in 1972. The solution, according to this group, was to reconstitute a world regime based not in U. S. hegemony but in "collective hegemony" of the largest ACN. Thus far the TC has formed two new institutions: The International Energy Agency (1974) and the International Summit Preparatory Group (1975). The very formation of such institutions that could constitute the

core of a supranational regime designed to control the anarchy of international capital accumulation bespeaks the tremendous power of the TC. Nonetheless, the TC acknowledges that these institutions have failed to create a common energy policy among the ACN and that the Summit Group has failed to coordinate national monetary and fiscal policies among the ACN.

The forging of supranational institutions to regulate the anarchy of national-based international capital accumulation will be necessary if the ACN are to reattain their dynamism and preserve their hegemony. The failure to impose quickly a world economic order based upon collective rather than unilateral hegemony does not mean that in the next ten years something similar to the original idea of a system of supranational regulation will not emerge from the present conjuncture of deep economic crisis, protracted international rivalry, and rising protectionism. The Trilateralists hope to subordinate 700 years of nationalism in order to bring national-based institutions into conformity with the internationalized dynamic of the world economy. Trilateralist style capitalist planning to regulate the destabilizing forces of the IOC would appear to be the long-run future of capitalism, if it is to have one.

## ABSTRACT

## Power: An Institutional Framework of Analysis

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In the United States the corporate institution dominates all other institutions, for ours is an uniquely pecuniary civilization. The corporation increasingly imposes order on the American institutional structure by linking other institutions to itself in a new form of a means-ends continuum. That is, the corporation uses other institutions as means for its own ends. Educational institutions produce a trained supply of corporate employees. The military protects corporate interests and buys corporate commodities. The family is another outlet for corporate commodities as it follows the corporate commandment of "Thou Shalt Consume." The family also instills children with respect for authority, lest school officials, or later, corporate officials find them unduly active and enforce the rules of the corporate game.

In short, a structure of institutional hegemony has evolved which vests the corporation with immense power. With few exceptions, other institutions are either ineffective or are extensions of the corporation. Corporate hegemony, the basis of a new American authoritarianism, is replacing institutional autonomy, the basis of the old American pluralism. The leaders of this emerging system are powerful corporate executives. Their power is not individual but institutional in nature. The ends of power are institutionally determined because the motives, goals, and ideals of the powerful have been imparted to them in their role-by-role climb to the top. From the role of father's little man, through teacher's star pupil, to chief executive's protege, the budding corporate executive learns how and why to act, how and why to think. Not all robots are programmed electronically; some are programmed institutionally.

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If we wish to reform this corporate system, then we must understand how it holds together. Corporate hegemony is maintained, not through a conspiracy, but through four social mechanisms: 1) *subreption* ties all institutions together so that noncorporate institutions become means to corporate ends; 2) *contamination* puts corporate role-motives into noncorporate roles; 3) *emulation* allows corporate leaders to gain acceptance in noncorporate leadership roles; and 4) *mystification* covers the corporate hegemony with a protective (magic) cloak of the most valued American symbols.

The works of institutionalists Thorstein Veblen, Thurman Arnold, C. Wright Mills, and Douglas Dowd can be consulted for basic insights into the evolution of corporate hegemony.

## ABSTRACT

Evolutionary Processes, Evolutionary "Visions"  
and Nonevolutionary Analyses in Economics

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The notion of economic processes being evolutionary in nature has been a theme of American institutional economics since Veblen. A strictly evolutionary economics, however, has not yet emerged.

In this article three sets of novel and exciting concepts regarding biological and physiological evolution are examined and related to Kenneth Boulding's evolutionary vision. These concepts may have important implications for understanding and dealing with economic processes by: (1) changing our perceptions of human nature; (2) modifying the *Weltanschauung* from which conceptualizations of economic process are drawn; and (3) providing new metaphors and concepts for comprehending the evolutionary dynamics of human social systems and the economic processes they contain.

The oldest of the three sets of concepts examined was initiated in 1975 by Edward O. Wilson's proposal for a "new synthesis" of the social sciences and humanities with the "modern synthesis" that emerged a few decades ago from a combination of Mendelian genetics and Darwinian processes of natural selection. Wilson's "sociobiology" proposal was embraced by a few economists, deemed irrelevant or ignored by most of the mainstream, and found errant by institutional economists. The second set of concepts involves a major controversy which arose in 1980 from a newer explanation of biological evolutionary change. Evidence has been found which supports a "punctationalist" set of *macroevolution*, according to which species evolution is viewed as a set of processes that generate rapid species change followed by slow change. The third set of concepts is based on growing evidence from physiology that humans have a "triune" brain (comprised of an ancient reptilian core, an

old mammalian brain, and the neocortex), and the discovery of molecular biology of interruptions among the genes in higher organisms; nucleated cells which seem to require some form of "thinking" and "communication" among genes. Both of these findings may improve our understanding of human nature and behavior.

According to Boulding's vision (*Ecodynamics*, Sage Publishing Co., 1978): (1) the universe is a disequilibrium system composed of interacting evolutionary disequilibrium systems; (2) in general terms, what evolves is "know how"; (3) evolution itself evolves; (4) human social evolution involves both biogenetic and mental image evolutionary aspects; and (5) newer forms of evolution have been added to ongoing prior ones. Boulding's work implies that the nature of evolution thus far has been to add new processes on top of older ones. This "add on" aspect is consistent with the triune brain and the findings of a genetic basis for human social behavior. But rather than genetic dominance of human emotions and behaviors, later evolutionary additions to the larger system introduce new capacities to use, control, and modify things added earlier.

Human culture is such an addition. It serves to use, control, and modify genetic based tendencies and urges. Boulding's social evolution may be divided into that producing the specialized, correlated behaviors of members of insect and animal societies and that using complex mental image creation, selection, propagation, and mutation. The latter appears to be a fourth type of evolution. In combination, the matters described above point to new understandings of human nature and human social processes. They also suggest new ideas about potentials for future human development. Perhaps these concepts will provide the basis for a truly evolutionary economics.

## ABSTRACT

Induction and the Method of  
Institutional Economics

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This paper addresses the issue of method in current institutional thought by examining ways in which the concept of "induction" has hampered the development of institutional thought. Many deficiencies in institutional thought result from, or are connected with, the notion of "induction," and involve a misconception of the nature of theory. The identification of institutional economics with inductive methods came about in at least two ways. First, institutionalists have claimed this identification as a reaction to the dominant neoclassical school's self-identification as "deductive." Second, mainstream observers, noting superficial likenesses between institutional economics and the German Historical School, applied the tag as a way of dismissing the possibility that institutional thought could attain any significance.

Despite a seeming agreement that a reliance on "induction" is a characteristic of institutional thought, a close reading of both institutional and mainstream literature raises questions about how "induction" could serve as a foundation for institutional thought.

The denotations of "induction" appear to be infinitely elastic. Two assumptions common to all conceptions of induction are that truths about a class of objects can be obtained by examining a subset of that class, and that, without any directive hypothesis, observation alone is capable of isolating truths of significance with a frequency that would make the enterprise worthwhile. The prominence of "induction" in discussions about institutional economics does not signify that there is, or ever has been, or ever can be, any actual behavior which corresponds to the notion of "induction" based on the above assumptions.

If there is no actual or possible behavior which corresponds to "induction," then the question may arise, "What purpose does the notion 'induction' serve in institutional thought?" An obvious first answer is that it validates doing something, perhaps anything, other than neoclassical work. The validation of such a use of "induction" will in all likelihood be exclusively subjective to the institutionalist employing it. It serves to release the institutionalist from the constraints of neoclassical assumptions which have been internalized, however unwillingly, during schooling.

A second usage might express the belief that methods exist which actually "induct." Nothing closer to a "quest for certainty" could be imagined. The "class struggle," Novak claims, is the outcome of just such an application of the scientific method. Some institutionalists would seem to agree.

Finally, "induction" could be used to object to the development of institutional theory. This usage would arise out of the misapprehension that institutional theory, if it is developed, would display the same characteristics as neoclassical theory.

The identification of "induction" as the method of institutional economics is evidence of the failure of institutionalists to acquaint themselves with their tradition. Instead of opposing induction to deduction, institutionalists ought to substitute Dewey's concept of "inquiry." *Logic: The Theory of Inquiry* was the mature expression of Dewey's methodological thought. He claimed to have bypassed the weaknesses of the disjunctive schools of empiricism (induction) and rationalism (deduction). If institutionalists persist in using the induction-deduction dualism, they will perpetuate the philosophical error Dewey tried to correct. In that case, they ought to show how he was mistaken.

## ABSTRACT

## An Institutional Pattern Model of Price Making

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Institutionalism has been long on criticism of neoclassical price theory, but short on alternatives. This paper addresses the problem of formulating an institutionalist theory of price. An institutionalist theory of price must perform the following functions: 1) it must explain and predict general patterns of price formation; 2) it must distinguish between the instrumental and ceremonial aspects of the price system and predict the consequences of various pricing practices under alternative institutional arrangements; and 3) it must offer a set of analytical tools by which the instrumental worth of a product may be evaluated.

John K. Galbraith and Marc R. Tool have addressed administered pricing and the influence of private "government" in both the "private" and "public" sectors, and James I. Sturgeon has suggested that the Veblenian dichotomy be employed to evaluate prices. This paper offers a pattern model of price change which complements these works.

The model is based on three key patterns of capitalist development: 1) Society has systematically removed non-commodities from the vagaries of the market (social protection); *pari passu*, the political process increasingly has become a means for business protection from competition (private protection). This dual movement is called the *political ambiguity*. 2) The development of industrial technology increased capital concentration and the scale of operation which, in turn, increased the pressure on the capitalist to ensure both a reliable supply of labor and a steady (and growing) market for his (her) product. At the same time, social protection of labor, business cycles, and market saturation continually interfered with the need to fully employ capital. This double movement is the *capital dilemma*. 3) Although household material living standards and discretionary incomes have increased in multiples, true

household discretion and human effectiveness have been undermined by the domination of market-defined, as opposed to community-defined, needs. The process by which increases in control over material wealth result in decreases in human effectiveness is characterized by diminished production for use, increased product complexity, and increased intensity of market activity. This double movement where more income actually inhibits discretionary decisionmaking is dubbed the *wealth paradox*.

An examination of these patterns reveals that prices are primarily *changed*, not determined, and that these changes are administered. The upper limit of a price increase depends on market conditions, but these conditions are generally subject to the influence of those firms existing in what Galbraith calls the "planning system." These firms find that raising prices is not the most effective way to pursue growth (or profit, for that matter), but that regular price increases are necessary to build contingency cash reserves to pay for capital and maintain the workforce in case of a recession. Consequently, the consumer is a victim of intensive commodity circulation which results in allowing the market to define both the material and symbolic aspects of needs.

The tremendous success of capitalism in producing material goods has raised the material living standard of the average American to a level unimaginable a few decades ago. But the result has been slavery to the motive of gain, rather than freedom from necessity. Human ability to create a social reality where individual and community faculties and goals can be nurtured and pursued has not been the outcome of material success.

## ABSTRACT

Plant Closings and the Community:  
The Instrumental Value of Public Enterprise

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Plant closings in New England and the Upper Midwest have become a serious problem. Over the last ten years over ten million jobs have been lost, substantial amounts of physical capital abandoned, and large resources of immaterial community capital and local infrastructure left useless. While some fraction of these plant closings are due to the normal ebb and flow of competitive markets sifting out the least efficient producers, the larger part of this movement is motivated by a desire on the part of management to 1) shift the locus of their operations to areas where labor commands a smaller share of the return and communities are willing to provide a subsidy to the firm in the form of services and reduced tax burden, and 2) create a situation where the threat of a plant closing can be used to force concessions on the part of labor and local government.

On a large scale, in meatpacking, the auto industry, and other industries where a limited number of large producers face strong unions, there has been a movement to decentralize operations and diversify. Decentralization, when the corporation opens facilities in the south or abroad, is instrumental in creating duplicate capacity outside the zone of organized labor to strengthen the corporation's bargaining position—and weaken labor's—in negotiating wage agreements. Diversification is also an important factor in enhancing the bargaining power of the corporation by diminishing the relative power of a union in any single sector to seriously damage cash flow during a strike.

While examples of this type of corporate behavior abound, the most well known is the case of the takeover and closure of Youngstown

Sheet and Tube by Lykes Corporation. Five thousand workers were thrown out of their jobs in Youngstown (with untold secondary effects in the community). Lykes also closed down U. S. Steel's Ohio and McDonald works in 1980. The takeover provided Lykes access to Youngstown Sheet and Tube's accumulated cash (accumulated for plant renewal) which Lykes then used to diversify into a textile mill in Taiwan.

In Iowa, problems with the meatpacking industry have been the source of substantial disruptions. In Dubuque, the Dubuque Packing Co. employs a substantial portion of the local work force. Although the community has provided a substantial municipal infrastructure (especially in terms of treatment facilities for plant wastes) at public expense for the packing company, it has repeatedly threatened to move its operations elsewhere unless granted substantial additional concessions by its workers, the state, and the local community. In Estherville (northwest Iowa), Morrell, employing over 600 workers in a town of 3,000, has recently threatened to close its facility if substantial concessions were not forthcoming from both local workers and the national union. Because of the dominant position occupied by the packinghouse in the economic life of the community, these sorts of threats have been impossible to resist.

This paper presents an analysis of the economics of plant closings and corporate flight. It discusses the motivation of the corporation, and the character of the losses to the community. Public enterprise is proposed as a response to the threat of plant closings. Such agencies would protect community values by maintaining intact both material and immaterial community capital and the livelihoods of community members. They would also act as a deterrent to other corporations that might attempt to blackmail the community into concessions through the threat of plant closings. In addition, the creation of such an option strengthens community morale, while laying the groundwork for community-based, socially responsible economic decisionmaking at the local level.

## ABSTRACT

Merit Goods:  
An Institutional Perspective

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Microeconomic theory treats government provision of goods and services within a "market failures" context (i.e., external effects and increasing returns). Musgrave, adopting a more positive approach to government, introduced the concept of a "merit good" in his 1959 classic, *The Theory of Public Finance*. Briefly, a merit good can be defined as a good or service provided or encouraged by the state in the absence of market failure. The concept has not found acceptance within the main body of modern economic literature. For example, Charles McLure has called the merit good concept a "normatively empty box."

This paper reconsiders the merit goods concept from an institutional perspective. By institutionalist, I mean a cultural/environmental/evolutionary paradigm as opposed to an individualistic/hedonistic/static paradigm. The paper contains three main sections:

- 1) Definitions of equity and merit goods provision.
- 2) Conceptions of human nature and risk aversion as a merit good.
- 3) Preference character formation and merit goods provision.

Three bodies of literature are discussed in the paper. First, institutionalist value theory and social theory (primarily the works of Dewey) are used to rationalize and defend merit goods provision in the cases considered. Second, in the spirit of Marc Tool's 1980 AFIT presidential

address ("The Compulsive Shift to Institutional Analysis"), a number of modern contributions to microeconomic theory leading credence to the institutional paradigm are considered. Potential candidates include Arrow's treatments of "transaction costs" and "risk spreading," Mishan's discussions of "property rights," H. Simon's concept of "bounded rationality," Marglin's treatment of the "social rate of discount," and Calabresi's and Bobbitt's treatment of "tragic choices." Third, the works of earlier advocates of markets (e.g., Adam Smith and Frank Knight) as well as the works of neoconservatives such as Daniel Bell and Irving Kristol are contrasted with the libertarian, moral agnosticism implicit in "positivist" critiques of the merit goods concept. This analysis demonstrates that much of the institutionalist paradigm is, in fact, more widely accepted than its critics realize.

## ABSTRACT

## In Search of a Paradigm: Entropy and Economics

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During the period after World War II, the reputation of neoclassical economics grew and seemingly reached its zenith in the early 1960s. Economics was seen as the most "scientific" of the social sciences. Other disciplines in the social studies attempted to emulate the methodology of the neoclassical economists. The phrase "fine tuning the economy" implied that economists could explain and control the course of economic events. In the 1970s this reputation became tarnished. The methodology of neoclassical economics produced predictions with large errors and failed to offer solutions to several pressing problems such as productivity growth, "stagflation," and issues in the use of natural resources.

It is the contention of this paper that the paradigm of neoclassical economics is too narrow and leads us to ask the wrong questions. The neoclassical paradigm emerged from the "scientific revolution" led by Bacon, Descartes, Newton, Leibnitz and others. This Newtonian mechanical view of the world largely shapes the questions asked by neoclassical economists today. Obviously, the answers we devise for specific problems are determined by the questions we choose to ask. Thus, neoclassical economists view the world from a mechanical perspective; they believe that processes are reversible and that appropriate results can be attained by pushing the right buttons.

Recent developments in the "new physics" suggest that Newtonian mechanics apply to a very narrow range of observations. Once this range is exceeded, the rules that have been used to explain and predict events are no longer applicable. Both subatomic particle research and astronomy produce anomalies that cannot be explained by the Newtonian paradigm. Research in these areas and in thermodynamics has yielded results which eventually may fundamentally alter our view of the world.

The world view of the "new physics" is being popularized and applied to a variety of fields including economics. This popularization alters the perceptions about many concepts fundamental to neoclassical economics. Examples are irreversibility of events, time, resource scarcity, progress, and equilibrium. As these concepts are altered there will be an increased probability of a paradigm shift in economics.

As the new physics begins to permeate thought patterns, the old mechanical models will be replaced. While this process will force changes in economic reasoning, it is not clear what those changes will be. One paradigm borrowed from the physical sciences is replacing another. There is no guarantee that the paradigm which results from the new physics will be more useful in explaining social phenomena. Institutionalists must also deal with the interaction between their paradigm and the changing world view caused by the development of the new physics. If institutionalists are truly evolutionary in their methodology, the changes wrought by the new physics may offer new opportunities for analytical progress in institutional economics.

## ABSTRACT

## Organizational Democracy: The Irish Situation

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Ireland, traditionally viewed as a conservative, rural, agriculturally based society, has recently undergone some major social changes. The percentage of the population engaged in agriculturally related occupations has declined, urban areas have grown at a tremendous pace, industry has been attracted from abroad by a variety of tax and capital repatriation schemes, and the European Economic Community (EEC) has accepted Ireland as a member. Along with membership in the Community goes a responsibility to accept and implement directives of the EEC Commission. One such directive relates to the development of forms of organizational democracy. This paper examines the structural features of the Irish economy that would affect implementation of this directive.

The first of these features is the legal and institutional framework of collective bargaining. Influenced primarily by British legislation enacted prior to independence, only minor legislative modifications have been made since then. Irish courts have, however, consistently interpreted this legislation in a much more conservative fashion than their British counterparts. Employers have wide latitude to sue unions; there are restrictions on union organizing activities, and certain union security concepts are illegal. The courts have created a strong employer/weak union society.

The second feature of the economy that would be affected by the EEC directive is the cooperative movement in Irish agriculture. In meat packing, fishing, horticulture, and other areas, the cooperatives operate in a "farm-to-table" approach. They are the most significant feature of agriculture, which is the most important industry in Ireland. With extensive government backing, they have expanded into providing credit, banking, and insurance services to their members. Land ownership is

widely distributed in Ireland with very few farmers being in a position to dominate production. The cooperatives are controlled by small holders and represent the closest approximation to organizational democracy there.

The third feature is the attitude of the government towards organizational democracy. This attitude is clearly outlined in a recently published government discussion paper. There, employee representation at board level was perceived primarily as a communication device rather than a mechanism to ensure joint decision making. Such representation should be by voluntary agreement and not rendered mandatory by government legislation. The paper recognized that representation at plant level would be beneficial, but suggested that it be concerned with such pseudo-participative techniques as discussion of job enlargement, flexi-time, and job rotation. Similarly, employee involvement in the financial concerns of the enterprise should be limited to profit-sharing according to this paper.

Enforcement of EEC Commission directives on industrial democracy would result in radical alterations in the Irish economic structure. While there is a very high degree of democratic control exercised in the agricultural segment, it is exercised by owner/operators and does not extend to farm laborers. In industry, despite a high rate of unionization, Irish trade unions have not been successful in efforts to influence the nature of the power relationships. This can be explained partly by a very conservative judiciary and by equally conservative governments. Implementation of EEC requirements in this area would require that current judicial interpretations of the constitution be reversed, that the government's conception of employee participation not be based on pseudo-participative techniques, and that a genuine effort to democratize the decision-making process be undertaken.

## ABSTRACT

Thermodynamic, Marxian, and Neoclassical  
Resource Methodologies: A Comparative Analysis

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Neoclassical philosophy separates social systems from physical systems (i.e., separates man from nature) and suggests that the former can control the latter. This control can endure indefinitely if and only if the social system is structured according to its "intrinsic (competitive) laws."

The separation of man from nature is merely an extension of the atomistic logic whereby the units of analysis can be isolated from one another. Thus the separation of man from nature is joined by the separation of man from man. Both separations manifest themselves as mechanical, time reversible models.

In social thermodynamics a naturalistic philosophy is embraced according to which natural systems and human systems are integrated. The resultant natural-human system is, however, governed by a single physical law: the entropy law. This view of the entropy law, especially as popularized by Georgescu-Roegen, is a holistic view which rejects all mechanistic and arithmomorphic interpretations of society.

The way in which Marx viewed the relationship between man and nature is entirely determined by the dialectic. Dialectics in Marx is also a time's arrow model in which human development can never be expected to reverse itself. The primary difference between Marxian irreversibility and thermodynamic irreversibility is that the latter is a natural phenomenon while the former is a human phenomenon.

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The neoclassical theory of value is entirely *subjective* (i.e., value originates in the mind). Thus, value reflects desire, and the intensity of this desire is what defines scarcity. Thus, nature's inventory of pleasure fulfilling substances is only relatively scarce.

Thermodynamic value theory is based on the potential which natural resources have for performing work. Value is a *naturalistic* variable which can be measured in the heat laboratory. Scarcity in this context is absolute and measurable.

In Marxian economics value is a *social* variable which measures the amount of alienated labor that is represented by a commodity. Value in capitalism is an attribute of things and represents certain social relationships between people. It is a category peculiar to capitalist commodity production and arises from the special way in which market relations make labor social labor. This view of value relates to Marx's implied notion of scarcity according to which resources are scarce insofar as they cannot be rapidly and profitably enough turned into surplus value.

In neoclassical economics the use of nature is defined within the context of Paretian optimality. In this context nature's inventory must be efficiently employed over time, indeed over generations. This can be accomplished only by (1) extensive use of the marketplace and (2) properly selected government policies.

In social thermodynamics, one gets the definite feeling that rational resource planning is essential to achieve thermodynamic efficiency, and that this planning goes well beyond the mere "policy making" of neoclassical theory. However, this school of thought provides little if any insight into how the thermodynamic efficiency of a society relates to the way that society is structured. Thus, thermodynamic efficiency can be equally well attained in capitalism, feudalism, or socialism.

In Marxian theory the man-nature metabolism is constrained by man's knowledge of that metabolism. The goal of Marxism, as I see it in the context of resource economics, is to learn how this metabolism works and how best to regulate it so that it works to advance the quality of human life. This goal, which clearly requires some kind of social planning, cannot be accomplished in capitalist societies. Nature must be "de-capitalized." In other words, in order to regulate the metabolism a termination of the exploitation of labor is essential.

## ABSTRACT

Institutional Aspects of Economic Development:  
A Synthesis

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Notwithstanding the relatively large number of theories of economic development which have been advanced before and after World War II, there remains a large measure of fuzziness and/or ignorance about the process of economic development. Several development experts have suggested that this state of affairs may be largely because inadequate attention has been given to the non-economic aspects of development. The purpose of this study is two-fold: 1) to review existing theoretical and policy issues regarding economic development in order to discover the extent of their non-economic emphasis; 2) to develop a synthesis of economic and non-economic aspects of economic development with special reference to the LDCs.

The theories reviewed include two types: 1) polycausal theories, which claim to be comprehensive explanations of economic development, e.g., classical and Schumpeterian systems; 2) monocausal theories, which attempt to explain economic development in terms of one factor or key variable, e.g., Boeke's social dualism or McClelland's achievement motivation. The policy issues and problems examined are related to the roles of capital formation, agriculture, and industry, which continue to attract a great deal of attention in development programs of the LDCs.

A major conclusion is that many of the development theories have been one-sided as have been the efforts to solve development problems. Some of these theories make no allowance for country differences in institutions and values, and others make institutions or values, or both, the key variables in development. To arrive at more relevant theories and policies for the LDCs, it is recommended that the economic and non-economic aspects of development be integrated. In such a synthesis the

role of the institutional framework must be recognized as an important variable of development. It must be elevated to a major determinant of output along with human, capital and natural resources, and technology. Other non-economic influences that should be included in such a synthesis are entrepreneurship, private and public, which influences technological change. The prevailing system of values and the economic, social, and political institutions which impact on the institutional framework must also be considered. These constitute the so-called subdeterminants of output.

Given an abundant factor endowment, a high level of technology, and a favorable institutional framework the level of productivity would tend to be high and so would income, savings, and investment. However, if the factor endowment is poor, the level of technology low, and the institutional framework traditional, as commonly the case in the LDCs, the result is low productivity, income, savings, and investment. Obviously the task facing the LDCs is large. Adequate funds have to be mobilized for investment in resource discovery, in plant and equipment, and in financing technology. Equally important, drastic steps need to be taken to change and/or improve the institutional framework so that it is supportive of economic development.

## ABSTRACT

## Power: Tool or Fetish?

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Tools, technology, fetishes, and ceremonial aspects of culture raise several important issues in treatments of the concept of power. A discussion of power is confounded if it is posed as exclusively technological or ceremonial. The concept of tool-technology formulated in the Veblen-Dewey-Ayres tradition and supplemented by the social psychological work of M. Sherif avoids this problem.

One confounding is ameliorated by following the position that all cultural phenomena have aspects that are *both* tool and fetish, having both technological and ceremonial aspects. Power has been predominantly associated with the fetish and ceremonial aspects of cultures, but this approach overlooks tool-technological relationships described in terms of power. Knowledge, change, choice, organization, communication, and group structure-process are all aspects of culture displaying both technological (tool) and ceremonial (fetish) characteristics.

Another confounding can be avoided by recognizing that power is a highly abstract concept used to designate events capable of description in other terms. The mysteries which surround power (social relationships) are being replaced by descriptions at lower levels of abstraction, thereby omitting reference to "power." Knowledge of social relations is knowledge of power and how it changes. As the use of the Ayresian dichotomy between technological and ceremonial aspects of culture evolved, power properly came to be seen as part of both processes in *all* social relationships. However, some persons continue to see power as totally ceremonial. Such a view is likely to see any form of power or authority as wasteful or even evil.

All social relationships involve what might be described as power. There are not two different categories of relationships, those that involve

power and those that do not. According to Sherif, the differential effects of power may not be evident but are always present in some degree. Power as a concept may be waning, giving way to more complete, less abstract descriptions of events. This reduction in the use of power might be interpreted as the "withering away" of power ("the state"). No doubt ceremonial power aspects are becoming less important, not to say that differential effects will disappear. Synonyms for power are also declining in use (e.g., energy, status, and position). Events (changes) categorized as evidencing power may or may not be so viewed by the participants. Persons may deny they are under the power of other persons. M. Sherif and others have refined the conceptualization of judgment processes to provide descriptive methodologies which avoid the concept of power altogether.

The complexities involved in all social relationships may require that the use of the word "power" be discontinued in favor of more specific description of the particular relationship. That the term has had so many ceremonial connotations assigned to it in the past also supports the argument that the word should be replaced. The imperative is to move beyond an absolute position to one in which the concept of power is more specifically redefined in terms of a relationship rather than a reified "thing." The challenge is to develop "power-relationships" that are more tool-like and less representative of fetishes.

## ABSTRACT

## Technology and Economic Development

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Economic growth in the United States and the less developed countries has been accompanied by economic inequality. This inequality is expressed in the contrast between luxury consumption and poverty. Technology, the combination of tools and human skills, is central to economic growth. It is the societal control over technology which determines whether the technological benefits will be widely distributed or siphoned away by only a part of the population.

Veblen, Galbraith, and Muller stress that power used for the pecuniary gain of a few will distort the productive and distributive functions of an economic system. To the litany of corporate pecuniary domination over the machine process may be added the financing of antisocial investments with worker's money. Billions of dollars in pension funds are controlled by a few New York banks which sometimes invest these monies in luxury housing or labor displacing technology. But the use of pension fund money for pecuniary purposes pales in comparison of magnitude to the public underwriting of corporate error (Chrysler, Lockheed, Penn Central, etc.), corporate produced externalities (acid rain, polluted water, nuclear clean up, etc.), corporate abandonment of declining industries (rail, steel, textiles), and corporate gain from the production of military goods. The resultant pressure to finance the socialized costs does not yield sufficient revenue to cover the needed expenditures, and a fiscal crisis is born. Nondemocratic investments lead to inappropriate technologies or technology which benefits the few.

In the case of agriculture, high-yield dwarf wheat and rice varieties could have benefited many more of the world's poor than they did. The Green Revolution is an example of technological genius run amuck.

This technology should have been used to ease hunger and buy time in which the world's population could be controlled. Instead, around the globe farmers are displaced from the land while a few with money to command the agricultural technology direct the output for pecuniary gain at prices beyond the population's ability to pay. Grains are made into beer and soft drinks, or fed to cattle for export or for consumption locally by a small middle class emulating and imitating the conspicuous consumption patterns of the rich nations.

In Mexico, the technologies embodied in fertilizers, pesticides, tractors, airplanes, and new seeds have benefited the large landholders. The Mexican government has not developed extension services which are necessary to dispense knowledge nor created adequate credit facilities for small landholders. The growth of Mexican agriculture continues unevenly at the expense of much of the rural population. Two rural Mexicos emerge from this process: one is rich and uses modern technology in the production of agricultural commodities on large landholdings; the other is poor, often engaged in subsistence agriculture, and is unable to take advantage of existing technologies and therefore relegated to a subservient economic and social position.

General Motors influenced the decision making process leading toward an auto intensive transportation system in the 1930s by creating subsidiaries which purchased, and then destroyed, the trolley systems in forty-five of our largest cities. General Motors then supplied buses as the new form of mass transit. Since the bus was a poor substitute for the trolley, Americans were led inevitably to the automobile. The creation of the interstate systems in the 1950s (presumably for national defense) further encouraged the use of the automobile and, of course, the truck. Increasing use of autos and trucks assisted the decline of the railroads. The decision making process in the first instance was pecuniary—General Motors wanted to sell buses and autos for profit. The power of the state was used later to further subsidize General Motors through the interstate system. Thus, the irrational transportation and energy systems we have today are in large part due to the pecuniary behavior of the firm backed by the power of the state.

## ABSTRACT

## Marx and Instrumentalism

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It is generally accepted by contemporary institutionalist writers that the two seminal thinkers of their tradition are Thorstein Veblen and John Dewey. In naming as their intellectual forerunners an economist and a philosopher, neoinstitutionalists clearly attempt to formulate a normative, holistic approach to social issues and problems. As is well known, Karl Marx was both an economist and philosopher who also developed a holistic approach to the study of society, and this is perhaps why the institutionalists have always had an intense interest in the relationship between their ideas and those of Marx. The similarities and differences between Marx and Veblen have already been, and continue to be, extensively explored. It is the purpose of this paper to examine the nature of the relationships between Marx and the other major figure of neoinstitutionalist political economy, John Dewey. We argue that Marx's philosophical views, while not identical to Dewey's, are largely consistent with instrumentalism and could serve to complement many aspects of neoinstitutionalist thought, thereby providing additional artillery for the assault on orthodox economic theory.

Instrumentalists (and neoinstitutionalists) have argued that Marxist thought is reductionist, teleological, deterministic, and perhaps even eschatological. The purpose of this paper is to demonstrate that, while there are differences between the two approaches, *they do not lie in these areas*. Moreover, the instrumentalist criticisms of Marxist thought (e.g.,

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the divorcement of means and ends, a la Tool), as they have been historically formulated, have thus far failed to address the real issues involved. The most important issues deal with the roles and uses of ideology, power, education, the state in capitalist society, the limits to reform, and class structures.

In this respect, neoinstitutionalist analysis is stronger than instrumentalism by itself, for it has had the work of Veblen and Ayres to draw upon. Veblen was aware of the usefulness and necessity of examining the structures and historical evolution of master-servant relationships and the bearing they have had on contemporary society. The question remains, however, whether evolutionary processes are adequate to significantly ameliorate the limiting effects such structures have on social progress. On this point Veblen was skeptical, and if the concept of the ceremonial encapsulation of technological progress accurately depicts reality, the viability of evolutionary processes by themselves is further reduced. In this case, more deliberate action may be required to break the ceremonial bonds constraining the growth of human knowledge and progress.

It is often said that the fundamental argument between neoinstitutionalists and Marxists is over value theory. While this is certainly the case, and while the respective value theories of the two schools are clearly very different, what is not clear is that the two theories are *inconsistent* with one another. In fact, the two theories deal with different aspects of value, both of which are important. Neoinstitutionalists use what is basically a theory of use value, whereas Marx develops a theory of capitalist exchange. But Marx was clearly aware of the concept of use value and he consistently distinguished between it and exchange value. Furthermore, Marx indicated that the labor theory of value would be meaningless in a cooperative society based on common ownership of the means of production. We view these differences not as points of fundamental disagreement between Marxian and neoinstitutionalist thought, but rather as areas of complementarity. As such, they provide a reason why a synthesis of the two perspectives would be beneficial.

ABSTRACT

An Inquiry Into the Prospect of Being Human

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*An Inquiry Into the Human Prospect*, written in 1974 and slightly revised in 1980, basically represents Heilbroner's position on the limits-to-growth issue. For a variety of reasons Heilbroner argues that unlimited economic growth should not and/or cannot continue. But given man's inability to limit ongoing economic growth, Heilbroner concludes that the human prospect is rather dismal. In answering his often repeated query, "Is there hope for man?", Heilbroner concludes "... the answer must be: No, there is no such hope." The contrary argument is presented in this paper. Assuming that ultimately there will be zero population growth, and, consequently, that there will be no compelling reasons for limiting economic growth, an optimistic view is presented concerning the future prospects of mankind.

The central issue is really not how to limit growth, but rather how to promote quality growth for the betterment of mankind. The question is how to provide the correct social organization, through institutional adjustment, to further advance the human life process. The problem does not lie in the potential for human progress. Given proper social organization, the human prospect need not be thwarted by ongoing economic growth. The issue is not how to limit growth, but how to use ongoing economic growth, of potentially unlimited dimensions, to promote the cause of human welfare. Thus, the derivation of the inverted title: "An Inquiry Into the Prospect of Being Human."

The fundamental weakness of Heilbroner's *Inquiry* rests in his failure to construct theories of economic growth, development and value. Heilbroner's eclectic approach actually serves to provide paradigmatic

blindness which prevent the correct identification of questions to be addressed. He does not provide a unified theory to serve as an acceptable basis for his policy recommendations.

In response to Heilbroner, a modified Veblen-Ayres matrix is formulated to substantiate the view that ongoing unlimited growth is possible. The major modification of the Veblen-Ayres general theory of economic development relates to corresponding social institutions as integral to technology. It is argued that institutions are not always confined to the habituation of the ceremonial patterns of behavior, but that they can also perform instrumental functions. Within the framework of the "principle of similitude," it is contended that the dynamics of technological change and cultural evolution make ongoing economic growth possible. Whether growth "can" continue is a question addressed by a theory of development; whether it "ought" to continue, and how best to provide that continuity must be addressed by a theory of value.

Human progress requires economic evolution as a necessary condition. The sufficient condition of progress entails the correct choice among alternative social structures to achieve continuity in economic evolution. Changing social structures of the economy should be planned, organized and controlled to fulfill this function of social organization. In arguing that this is possible to achieve, we consequently end on an optimistic note and conclude that mankind faces an unlimited potential for the prospect of being human.

## ABSTRACT

## Social Fabric Matrix: From Perspective to Analytical Tool

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This paper integrates the work of leading institutionalists into a transdisciplinary matrix which can be used for nonisomorphic, non-equilibrium holistic analysis. The matrix allows for the integration of beliefs and values as well as environmental, social, and technological components. The emphasis is upon what the components deliver to each other, how (by what appropriate rules) they deliver, the location, and the flow level. Techniques are available in systems theory and computer science for the articulation of institutionalism. The social fabric matrix allows for the integration of the various techniques in order to achieve data collection, analysis, and social evaluation.

The components for the matrix are developed through a review of the history of institutionalist thought, beginning with Veblen's technological-ceremonial dichotomy, followed by Ayres' incorporation of Dewey's instrumentalism. Polanyi's contribution in defining social institutions, beliefs, and values, is reviewed; and the incorporation of the environment into the institutionalist paradigm is examined. Finally, Walter C. Neale and Marc R. Tool's instrumental components are added to complete the modern instrumental-ceremonial dichotomy.

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The nonisomorphic, nonequilibrium process matrix is then constructed from the basic components of the paradigm. Each cell of the matrix is divided among the systems of reciprocity, redistribution, and market exchange. It is first necessary to decide which system is responsible for the delivery. Then, within each system, it is necessary to decide the level of the flow, the location of the delivery, and the appropriate rule by which its delivery is legitimized. When the matrix is completed for a problem area, it should function as a geobased data system.

## ABSTRACT

Multinational Corporations and  
Crisis in U. S. Capitalism

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This paper offers a theoretical and descriptive evaluation of the effects upon the U. S. economy of U. S. multinational activity.

The world economy has experienced profound structural change since 1945, and the U. S. economy has recently stagnated to the point of crisis. Evidence on the rate of profit within the U. S. suggests that the dramatic expansion of U. S. foreign direct investment is at least partially the cause of the declining domestic profit rate. After differentiating between multinationals operating in less developed countries and those operating in developed countries with respect to the basis of factors of attraction and manufacturing type, the effects of U. S. multinationals upon the U. S. economy are evaluated in terms of jobs, production, research and development, taxes, and finance.

It is argued that multinationals distort demand for skilled workers, dampen wage rates, and inhibit labor's ability to organize. The paper further suggests that multinationals reduce domestic investment, and therefore negatively affect growth, capital accumulation, the dollar's value, productivity, innovations in products and production technique, export abilities, and tax revenues.

To analyze how the falling rate of profit intensifies competitive pressure, eleven possible corporate strategic responses are considered. The paper concludes that four of the eleven strategies lead to multinationalization; but, more importantly, all possible strategies imply increased concentration. It is argued that, in an interactive process, investment abroad increases domestic oligopoly and forces the rate of profit down by raising the organic composition of capital. Multinationalization, an integral part of the internationalization of capital, undermines national crisis management efforts. Finally, the increased exploitation of labor is predicted.

ABSTRACT

On the Use and Abuse of Thorstein Veblen  
in Modern American Sociology

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The analyses and applications of Thorstein Veblen's social theory by David Riesman and Talcott Parsons are examined and found to be deficient. Riesman's study of Veblen lacks viability because the reductionist methodology he uses psychologizes and sociologizes Veblen rather than examines the theoretical import of his work. Parsons is wrong in denying the originality of Veblen's work and in treating him as an eccentric utopian. Thus the paradigmatic and ideological bias of both Riesman and Parsons precludes a proper understanding and use of such Veblenian concepts as status emulation and conflict.

The analyses and applications of Thorstein Veblen's social theory by Daniel Bell, Robert Merton, and C. Wright Mills are examined. Bell's analysis is deficient because it distorts Veblen's proposal for economic reconstruction and because it treats him as a hopelessly utopian theorist. Robert Merton's use of Veblen's theory of status emulation by linking it with latent and manifest functions is a noteworthy accomplishment; yet Merton's utilization of Veblenian concepts is too sparing and essentially apolitical. Only the treatment of Veblen's theories by C. Wright Mills is theoretically systematic and sufficiently political in tone. The significant import of Veblen's work for an indigenous critical theory resides in his theories of social value, status emulation, conflict, and cultural lag.

This paper is to be published in two parts in forthcoming issues of the *American Journal of Economics and Sociology*.