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Ayres' Theory of Economic Progress:

An Evaluation of Its Place in Economic Literature

By DAVID HAMILTON*

ABSTRACT. Clarence E. Ayres was unfortunate in certain of his critics; they missed the point. With the publication of a new edition of his classic, *The Theory of Economic Progress*, the time is ripe to re-evaluate Ayres' contributions. Ayres, like Thorstein Veblen before him, assimilated into *economics* the findings of other *social science* and *humanistic disciplines*, particularly *anthropology*. Both portrayed clearly the role in the economy of what Veblen called the matter-of-fact and Ayres 'technology.' The understanding of the role of technology and its extension in *economic progress*, implicit in Veblen, is made explicit by Ayres. Similarly the insight that certain *entrepreneurial* and *financial* activities which are *ceremonial* are non-essential to the technological process and hence dispensable is a contribution by Ayres to the one by Veblen that enables us to distinguish the scientific elements in economic theory from the theological.

PERHAPS SOMEONE SOMEWHERE has made a study of the half-life of a book. If so, the results are not readily available and widely known. But surely it cannot be much more than two or three years. The remainder lists seem to indicate that most books make an appearance and disappear in five to six years. Few books remain in print for a quarter of a century and when one hangs around for longer than that, it is evident that it is some kind of a classic.

Clarence E. Ayres's *The Theory of Economic Progress*, now in a third edition, thanks to The New Issues Press of Western Michigan University,¹ has been around for thirty-six years and will probably still be available at the half century mark. That longevity alone warrants it being referred to as a classic. And being a classic we may well stop to examine why? We may well ask, just what place it has in economic literature and what value it has to warrant keeping it in print so long?

In responding to such a question we are not alone. Ayres was sufficiently

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prominent and influential in the economic community, especially the heterodox community, to have attracted quite a number of recent evaluations attempting to assess his place in economic theory. One such venture, ill-conceived and poorly executed, was a multi-authored affair in the form of a collection of essays in his honor. Most of the participants indicated only a recent and fleeting acquaintance with the institutional economics of which Ayres was so much a part. They hastily examined the subject, found it wanting, and duly departed. The editors were apparently oblivious to the irony of devoting a whole volume to an examination of the economics of someone who is largely found unworthy of such scrutiny.²

More recently several articles have been published on the economics of Clarence Ayres which have all the appearance of being destined for a book on the subject.³ The author (Donald A. Walker) claims an intimate association with the subject from having been a graduate assistant to Ayres some two or three decades ago. Whether intended or not, the consequence is to give the impression that the author is, by virtue of this close association, privy to the intricacies of Ayres's economics in a manner denied to others. In a few concluding paragraphs of the article on Ayres's economic theories, he largely dismisses Ayres's major claim to fame, the clarification and refinement of the Veblenian concept of institutions and technology, and insists that Ayres was largely a social critic who did much to eliminate myth and superstition. Those who find value in Ayres' work or who find it useful in analyzing our complex industrial economy are a notch above those who followed James Jones to Armageddon in the jungles of Guyana, but they suffer from that kind of messianic complex.⁴

I

SOMETHING IS AMISS in all of this new found attention to C. E. Ayres. If, as Walker contends, Ayres has a messianic appeal, then Walker's contention that no criticism of Ayres's ideas will dislodge them among his "following" may be well taken. But if this is all that Ayres's notions have going for them, then they are hardly worthy of the attention they have been given. In the last chapter of *The Theory of Economic Progress*, entitled "The Power of Ideas", Ayres makes a distinction between ideas and ideology. Ideas do have power, but the type of power possessed is what distinguishes an idea from an ideology. The latter has the power to mesmerize and excite a following; the former is a prescription for resolving some problem. The difference is that which exists between *Deutschland Über Alles* and $E = MC^2$.

The question that the persistent existence of Ayres' *Theory* raises is just

what is the power of the ideas put forth in that work? Is that power their ability to arouse the *Herrenvolk*? Or is it in the power of those ideas to resolve real and genuine problems?

To answer this question it is necessary to examine, if even so briefly, the major thesis with which Ayres went about his work. Frequently critics have treated the institutions-technology complex used so effectively by both Veblen and Ayres as though it were something they made up out of whole cloth. But ceremonialism is not something that Veblen or Ayres made up or discovered all by themselves.

Economic theory, just as any other theory, is advanced by combination of pre-existing theories. Surely it must be apparent by now that Adam Smith's great contribution to economics was in his combination of 18th century philosophy, mercantilist discoveries concerning the reciprocal flow of money and goods, the bullionist tracts on money and prices, and other notions concerning economy into a consistent whole which seemed to explain economic phenomena in a much simpler and clearer way than had been the case theretofore. And just as surely it must be clear that the innovations of Marx and of Keynes were no less combinations of pre-existing ideas into a more coherent understanding of economic phenomena.

Both Ayres and Veblen were very much at home in other disciplines than that of economics and both borrowed heavily from history, anthropology, sociology, philosophy and the history of technology and science. They clearly saw the significance of these areas to an understanding of economic relationships. This facility in other fields leaves most discipline-bound economists in a quandary concerning what they were saying.

If economists were intellectually venturesome and not the cautious, conservative individuals they seem to be, it would be quite apparent where the notion of ceremonial behavior patterns comes from. Veblen in *The Theory of The Leisure Class* unfortunately left the whole volume unfootnoted. Perhaps this was a deliberate snub of the prevalent habit of academics to engage in the conspicuous display of citation as a means of parading their erudition. But whatever the reason, it was a very sad mistake. To the individual not familiar with the anthropological literature of the late 19th century the impression is given that Veblen made it all up. But such is not the case. To anyone familiar with that literature the footnotes can be filled in quite readily.

To somewhat the same extent Ayres is a victim of the same absence of zealous footnoting. But the overwhelming anthropological literature is testimony to the status-role complex to be found in every society the anthropologist has reached. In all societies, including our own, there is to be found

role behavior defined positively by the mores and negatively by the taboos. Those roles are ranked into a system of status marked by practices of deference. We, as well as all others, confer authority and authenticity to play a particular role by rites, some of which are so marked as to beget the term *rites of passage*.

These rites confer the mystic stuff, the possession of which supposedly justifies the deferential treatment accorded the individual playing the role. That 'stuff' can be both positive and negative, depending upon the status position from which it is viewed. Just as the commoner can profane a Polynesian chief by touching his head, so a Black can profane a White by swimming in the same swimming pool. In both instances, to the outsider and to the outsider only (Veblen, Ayres), it is a ritual pollution. And just as the king (president) can be profaned, so can he confer mystic stuff which is positively charged (shake the hand that shook the hand . . .).

Every tribe also possesses what the anthropologist refers to as myth and legend, and in more charitable moments, ideology. These are the beliefs that uphold the status/roles complex. They are a mixture of fact and of mythopoeic imagination and they develop in tandem with the practices which they supposedly authenticate. Our Thanksgiving rite, honored in so many ways today, but always with the traditional turkey and cranberries, has the Pilgrim legend as authentication. And that legend is undoubtedly a mixture of fact and legend which authenticates a fall harvest rite to which the Pilgrims were already conditioned in the society from which they came. In the new environment the menu was altered to accommodate the turkey, a contribution of the neighboring Indians, and cranberries, a contribution of the bogs of Massachusetts and those of what became Rhode Island.

The authentication of these ceremonial patterns by reference to a mythological past is what gives to all cultures an element of conservatism and resistance to change. The legend, accepted as fact, which justifies the ceremonial practices, is testimony to some event which supposedly happened in the past. Any deviation from myth-authenticated practice is fraught with all kinds of evil consequences. As it was in the beginning, 'tis now and ever shall be!

This kind of discourse is common in anthropological literature.⁵ It is all very fascinating to read. Ritual is dramatic. Bestowals and withdrawals of mystic stuff are the essence of pageantry. The dedication of buildings and the christening of ships, the flotation of a corporate enterprise, the inauguration of national and university and corporate presidents, the conferring of degrees, and the christening of babies are each of a different social magnitude.⁶ But whether on the national level, the corporate level, or the family level, it is

by virtue of such events that great presidents are made, great technological complexes produce goods, buildings are made to stand, ships to sail safely, and babies are sanctified for life. The comings and goings of kings and generals and dictators and entrepreneurs are the stirring stuff of history and their retelling reassures us that it is by such social legerdemain that the great things of this world are achieved.⁷

II

BUT GOING ON UNOBTUSIVELY right along with the ceremonial is a vast amount of activity Veblen referred to as matter-of-fact and Ayres referred to as technology. It is no less socially organized activity, but it is tool- and skill-oriented and it is the means by virtue of which the tribe, including our own, secures its livelihood. Where the ceremonial activity is authenticated by reference and conformance to the past, the efficacy of technological activity is verified by application of tools and instruments, both material and non-material, under hypothesized conditions. If we employ this snark in this fashion, then these consequences should follow. If the cylinder on an atmospheric pressure engine is contained within a steam jacket, then the output of energy will increase by x amount. The judgment of the means is always in terms of the ends achieved. The means determine the end and the end achieved is the basis for judging the means.

Veblen implicitly used a technological valuation process. Ayres did so explicitly by applying Dewey's instrumental theory of valuation. And he did not do so by arguing that we should value in this fashion. Ayres, like Dewey, insisted that this is the process by virtue of which we differentiate the meritorious from the meretricious.⁸ And both suggested rather strongly that if we examine the process by virtue of which we make such determinations we will find that it proceeds in this fashion. The "good" is not something that is found elsewhere than in the process by virtue of which it is determined. It is not found in supernatural edicts, in the fiats of ecclesiastical or lay authorities, in labor power or blood, sweat and tears, or in Benthamite subjective feelings or satisfaction.

Ceremonial activity emulates the tool process, but it is significantly different. The ceremonial end is predetermined by the legends of the tribe. It is not subject to question. Nor is it subject to test. We are assured by the legends of the tribe that if we follow these alleged time-tried ways we will always achieve the desired end and the good life. And if we do not achieve the desired end, it is because we have violated or erred in our application of the means (ceremonial). If the ritual is observed, nothing can go wrong;

therefore, when things go wrong the ritual has not been dutifully observed. That is obvious.

Orthodox economics, or more accurately the conventional wisdom of the tribe, has always been quite sure that our prodigious economic success in the industrial economy is attributable to "free enterprise," "private property," money investment and disinvestment, and great feats of entrepreneurial brinkmanship. These activities make themselves known in market transactions from whence springs human well being.

Ayres, as did Veblen earlier, is saying that our well being is located in the untrammelled extension of those matter-of-fact activities that are depreciated to the advantage of the ceremonial. It is the world of technology and matter-of-fact that determines human wellbeing or illbeing. And this area of human endeavor is extended through the process of invention, the combination of pre-existing cultural traits. It is this inventive process and the extension of technology that is ceremonialized by institutional emulation. This is precisely the meaning of Veblen's term "ceremonial adequacy." At best this institutional process can permit the technological process to extend itself and at its worst it may prevent that extension. Both Ayres and Veblen were saying that the conventional wisdom puts great store on just those activities that at best may be permissive and at worst inhibitory.

III

WHAT AYRES DID that Veblen did not do is to make the analysis explicit. Veblen had a style that obscured to all but the most careful reader what was being said. As a matter of fact, Veblen is accorded a recognition among some individuals who, when reviewing their intellectual position, would be offended by what he had to say. It is obvious that the obscurity had accomplished its purpose only too well.

In a passage in *Toward a Reasonable Society*, Ayres credits Veblen and Dewey for much of his economic thought. He then claims that his own contribution is to clarify for economics the ideas of Veblen, to couple them with the value theory of Dewey, a theory that was implicit in Veblen, but not explicit.⁹ What he claims as his contribution is putting these ideas together in a clarified form and thus contributing to an understanding of the problems of the industrial economy.

None of the institutionalists, including Ayres, have put forth an all-inclusive theory explaining every facet of the ceremonial aspects of our economy as though they were the observable expression of "natural laws." No institutionalist would go to work to reveal to the uninitiated the mysterious forces

working in the background as J. B. Clark went about explaining the "laws" of economic distribution.

It is the purpose of this work to show that the distribution of the income of society is controlled by a natural law, [which] if it worked without friction, would give to every agent of production the amount of wealth which that agent creates.¹⁰

It is the nature of theology to explain all facets of a culture, to give a rational explanation of all of its ceremonial practices. Every conventional practice must be accounted for as a function of rational thought and careful calculation sometime in the past. Incomes are distributed in accordance with laws of productivity that assure that everyone receives in just the amount each has contributed to the final output. Satisfactions are received just commensurate to the price extracted. In a condition of competitive equilibrium the system works to such a fine degree of equity and justice that the satisfactions received are commensurable to the blood sweat and tears that went into the production of the goods and services from which satisfaction is received. And over it all reigns the market to assure that price measures this equity. Satan enters in the form of monopoly and government, both of which can distort the workings of this natural law. And just as in all theology, when things do not work out with the nicety hypothesized in the theory, it is the result of counterforces (magic) in the form of monopoly or government or both, and probably monopoly urged on by government.

Standard theory sets out to show the preconceived orderliness of the market and the justice resulting therefrom. Ayres, and Veblen before him, asked the question, is, in fact, the market system orderly? Neither one took upon himself the task of demonstrating the preconceived divine or natural orderliness of the market. Both would and have argued that standard theory located the preconceived order, which is alleged to exist, in the ceremonial aspects of our economy. That is what *The Theory of Economic Progress* says. That is what the essays in *The Place of Science in Modern Civilization* say. Both books are deceptive to the unwary reader because they are in prose from the reading of which we always take some meaning even when we have not the background to understand. That is one of the disadvantages of prose in contrast to mathematics. And both of these works require very careful reading and some study of the background literature with which both men worked.

IV

HAVING WRITTEN THIS MUCH we may come back to the original question. What is the place of *The Theory of Economic Progress* in today's economics? Put

more broadly, what are the contributions of Clarence Ayres to our contemporary economic thinking? What place has the analysis of our economy in its institutional and technological dimensions in our economic literature?

With no intention to be flippant, it can be said that its place is perhaps just a bit greater than that which Bronislaw Malinowski's interpretation of Trobriand garden magic had in Trobriand lore and conventional wisdom. Ayres's place is essentially the same as that of Veblen; a disturbing voice. It is disturbing for if what Ayres contends is true, then some of our most dearly held ideas and some of our most precious practices are dispensible. The very label ceremonial means dispensible. Ceremonial means that it is not essential despite the great pains some scholars take to indicate that such notions are emotionally necessary because of an emotional need that turns out to have been created by the persistence of the ceremonial itself.

What Ayres was saying is that those activities, entrepreneurial and financial, to which western culture ascribes all its success, are somewhat on the same level of dispensibility as those of the bullroarer in Trobriand boat building. The fact that he is correct is irrelevant to his position in economics. The fact that Giordano Bruno was correct was irrelevant to the matter of the non-acceptance of his ideas. That Ayres was well aware of this fact is clear from the following passage from *Toward a Reasonable Society*.

For there is no doubt about it: man is a creature of contrasts. His achievements speak for themselves. But along with triumphs of skill and knowledge which beggar imagination goes a no less appalling degree and amount of self- and mutual obfuscation and mortification. Indeed so general and pervasive are the manifestations of this aspect of human character that it would be impossible to point to any particular exemplification of it without giving mortal offense to large numbers of people.¹²

As he remarked on numerous occasions, "The life of a heretic is never a bed of roses."

The question remains, however, was he correct? and was Veblen correct? Of course. The evidence is all around us. Some of the most prodigious feats of modern technology have been accomplished sans corporate ceremonialization. We need but mention atomic energy, space flight and satellites, the TVA, to make the point. One could almost argue that a condition of success in such enterprises is the absence of the fetters of 'free enterprise.' Although it was not their immediate intent, Eli Ginzberg, Dale L. Hiestand, and Beatrice Reubens in *The Pluralistic Economy* clearly indicated that somewhere

in the neighborhood of 30 percent of our economic activity in 1963 proceeded without corporate ceremonialization and quite successfully.¹³ Included in this activity are all of the overlooked government activities, of the type of those mentioned above, but also such overlooked non-governmental ones as Harvard University and Massachusetts General Hospital. In addition they indicated that in some areas of activity such as aero-space, the intertwining of profit and non-profit sectors is so intricate as to defy most efforts to disentangle. As a matter of fact that which comes bearing proper ceremonial adequacy seems to benefit from that which comes without and with no discernible contamination of the former. We need but refer to the highways on which both the automobile and petroleum industries have ridden to the greater profit of both.

But it is dangerous to point this out. For this is not the conventional manner in which the economy is perceived. As Ginsberg, Hiestand, and Reubens noted,

. . . the accepted model of the American economy has long been one of a system of private enterprise. The prevailing doctrine has held that economic development results from private enterprise competing in free markets for the consumer's dollars. The successful make high profits; the unsuccessful go bankrupt. This simple model has been refined to make allowance for the fact that many concerns operate under conditions of imperfect competition. . . . But this is a refinement of the competitive model, not a major extension or revision of it.¹⁴

v

THIS SINGLE-MINDED VIEW of the economy has had consequences on our perception of reality. As the Ginsberg team noted,

One consequence of the long-time concern of economists and businessmen with the central role of private profit-seeking enterprises in the operation of the American economy has been that the specialists in national income accounting have devoted inadequate attention to the economic contribution of the government and nonprofit sectors, which together comprise the not-for-profit sector. Comprehensive data for this not-for-profit sector is therefore not available, and we are handicapped in an attempt to assess the scale and significance of the output contributed by government and non-profit institutions to the national income. But sufficient information is available to permit us to venture a first approximation.¹⁵

Many observers have commented on the theological character of our belief in the virtues of 'free enterprise.' But nothing could demonstrate greater theological faith than the statement of Joseph Schumpeter that,

Not only the modern mechanical plant and the volume of the output that pours forth from it, not only the modern technology and economic organization, but all the features and achievements of modern capitalism are, directly or indirectly, the products of the capitalist process. . . . There is the growth of rational science and the long list of its applications. Airplanes, refrigerators, television, and that sort of thing are immediately recognizable as results of the profit economy. But although the modern hospital is not as a rule operated for profit, it is nonetheless the product of capitalism not only, to repeat, because the capitalist process supplies the means and the will, but much more fundamentally because capitalist rationality supplied the habits of mind that evolved the methods used in these hospitals. And the victories, not yet completely won but in the offing, over cancer, syphilis, and tuberculosis will be as much capitalist achievements as motorcars or pipe lines or Bessemer steel have been.¹⁶

No Trobriand wiseman could have done better in a panegyric for the Trobriand way of life. As Emile Durkheim demonstrated over half a century ago, what we worship in religion is society itself.¹⁷ And in a society which perceives itself as organized as 'free enterprise capitalism,' it is that very free-enterprise, transcendentalized, which is the object of veneration. That part of economic theory which purports to explain the economic system as one of divine grace is theology. Ayres, and Veblen before him, had the temerity to point this out. The reaction of the faithful could have been expected.

There were those who viewed it as a great scene, a heroic act of apostasy, but, of course, quite wrong headed. There were those who were offended at this act of sacrilege. And there were those who were amused at what they thought to be great satire. With Veblen and his obscurity and irony those who made a case for satire were on some solid ground. But in the case of Ayres, the clarity made the statement unmistakable. Both our most esoteric and precious economic theory as well as our most tightly held folk wisdom attributed our economic successes to magic. Or rather, Ayres was indicating that we attributed our economic wellbeing to our most precious mystic practices and beliefs while we took for granted that matter-of-fact practice and knowledge by virtue of which we did secure economic wellbeing. It was as though someone told very clearly to the Trobrianders that the bull-roaring was all superfluous to the adzing which was the real stuff of which ships were

made; that the garden ritual before the kumkola was non-essential to the grubbing and digging of women planting taros.

Whether what Veblen and Ayres were saying is understandable to people fully acculturated to the nuances of meanings in our culture and whether they can appreciate and distinguish the institutional and technological dimensions is questionable. It is doubtful that the Trobrianders would be able to appreciate the non-essentiality of bull-roaring and of garden magic. There is no reason to assume that native economists steeped in the significance of the market and other natives steeped in the virtues of 'free enterprise' would be able to make the distinction. But if the tribe ever catches on, and it just might, then *The Theory of Economic Progress* and *The Place of Science in Modern Civilization* will no longer be viewed as arcane pieces of economic literature to which graduate students are infrequently referred.

Notes

1. Clarence E. Ayres, *The Theory of Economic Progress*, with Ayres postscript and addendum and a foreword by Louis Junker (Kalamazoo, Mich. 49008: New Issues Press of the Western Michigan Univ. Press, 1978, reprinted 1980, pp. 363, \$6.95).

2. William Breit and William Patton Culbertson, Jr., eds., *Science and Ceremony: The Institutional Economics of C. E. Ayres*, (Austin: Univ. of Texas Press, 1976).

3. Donald A. Walker, "The Economic Policy Proposals of Clarence Ayres," *Southern Economic Journal*, 44 (January, 1978, pp. 616–28); *ibid.*, "The Institutional Economic Theories of Clarence Ayres," *Economic Inquiry*, 17 (October, 1979).

4. That this statement not be judged too harsh, I must submit two quotations: The article opens with: "Twenty-seven years ago I entered the University of Texas as a graduate student in economics, and studied under Clarence Ayres, eventually becoming his assistant. . . . I listened to him in and out of class with deep interest. He had actually met Veblen, shaken his hand, conversed with him, and for this and for other reasons was in an incontestable position of moral authority to be the one who should hand forward the torch of Veblenian lore. The true doctrine of institutionalism was expounded by Ayres in a sort of evangelical camp-meeting atmosphere, replete with Veblen and Dewey as angels, and price theorists as devils. Generating such an atmosphere was something that Ayres could do really well. He was a superb teacher in the sense of a person who could change the entire world outlook of his students, and exercise an enduring influence upon them. . ." (Walker, 1979, p. 519). The article closes with the suggestion that this camp-meeting atmosphere is indeed a lasting one: "Many fundamental criticisms of Ayres's work can be made, but it should be observed that all such criticisms are as handfuls of dust to the segment of the intellectual world which has an emotional affinity with Ayres's outlook and personality. Just as Veblen and Marx will always have their loyal followers, so also will Ayres, to a lesser extent, always have a devoted group of admirers. With such charismatic heterodox thinkers there is some elemental spark of empathy that, like a religious bond, attracts people of a certain psychological and attitudinal persuasion to their cause." (*Ibid.*, p. 536.) Both the book and the articles are mindful of the famous review of Alvin Hansen's *Fiscal Policy and Business Cycles* by Henry Simons of the University of Chicago. After modest praise of Hansen, Simons

wrote, "But I come to bury Hansen—albeit respectfully and despairingly. Praise he will receive elsewhere, for learning and assiduous inquiry which merits all praise and because he accepts and applauds the powerful political trends of the day." ("Hansen on Fiscal Policy," *Journal of Political Economy*, Vol. 50, No. 2 April, 1942.) Henry Simons was saying, in effect, that the ideas of Alvin Hansen were politically popular and the inference was quite clear that they could not possibly be accepted because they made economic sense. But Simons went on to belabor and refute, in his view, those ideas in an article that took some twenty pages—twenty pages to refute ideas which had nothing going for them other than political popularity!

5. For starters an inquiring reader could do no better than Walter Goldschmidt's *Man's Way* (New York: Holt, Rinehart and Winston, 1959). But for those who need a basic education the following would be helpful: Emile Durkheim, *The Elementary Forms of the Religious Life* (New York: The Free Press, 1965); Bronislaw Malinowski, *Magic, Science and Religion and Other Essays* (Boston: Beacon Press, 1948); Adolf E. Jensen, *Myth and Cult Among Primitive Peoples* (Chicago: Univ. of Chicago Press, 1973); Arnold Van Gennep, *The Rites of Passage* (Chicago: Univ. of Chicago Press, 1960); A. M. Hocart, *The Life-Giving Myth* (New York: Grove Press, n.d.); Lord Raglan, *The Hero: A Study in Tradition, Myth, and Drama* (New York: Vintage Books, 1956); A. R. Radcliffe-Brown, *The Andaman Islanders* (Glencoe: Free Press, 1948); James Mooney, *The Ghost-Dance Religion* (Chicago: Univ. of Chicago Press, 1965); Marvin Harris, *The Rise of Anthropological Theory* (New York: Thomas Y. Crowell, 1968).

6. David Hamilton, "The Ceremonial Aspect of Corporate Organization," *American Journal of Economics and Sociology*, Vol. 16, No. 1 (October, 1956).

7. David Hamilton, "The Entrepreneur as Cultural Hero," *Southwestern Social Science Quarterly*, Vol. 38, No. 3 (December, 1957).

8. C. E. Ayres, *Toward a Reasonable Society* (Austin: Univ. of Texas Press, 1961), p. 34.

9. *Ibid.*, pp. 27ff.

10. Quoted from J. B. Clark, "The Distribution of Wealth," in E. Ray Canterbury, *The Making of Economics* (Belmont: Wadsworth Publishing, 1976), p. 109.

11. Malinowski, *op. cit.*, pp. 1–18.

12. Ayres, *op. cit.*, p. 88.

13. Eli Ginsberg, Dale L. Hiestand, and Beatrice Reubens, *The Pluralistic Economy* (New York: McGraw-Hill, 1965), p. 86.

14. *Ibid.*, p. 17.

15. *Ibid.*, p. 83.

16. Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper, 1947), pp. 125–26.

17. Durkheim, *op. cit.*

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