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Business Power, Today and Tomorrow

I

MANY AMERICANS use the term "business power" pejoratively, implying a usurpation of the rights and liberties of individual citizens and an exercise of authority for selfish pecuniary ends. At the same time, there is widespread recognition that corporate power has had much to do with the economic growth, high living standards, and international strength of the United States. The basic question at issue is how the nation can preserve what is necessary and desirable of business power, but prevent its abuse.

Clearly, no one power element can control the nation on the full range of issues confronting it. The society is held together by a system of rights and duties—or, in Walter Lippmann's words, "a slightly antiquated formulation of the balance of power among the active interests in the community."¹ Within that somewhat precarious social order, particular interests ordinarily affect only those matters of specific concern to them. When people or groups cannot work out an adjustment of their dispute, public officials may intervene; if the officials fail, public opinion is brought to bear on the issue. Business executives are highly sensitive to the pressures of these other groups, particularly the government, and feel excessively controlled by governmental and public pressure.

Big business actually has less power today than it had in the 1890's and the 1900's, and big labor has more; but neither "dominates" the society. The New Deal years marked a decisive curbing of the power of business, and the post-World War II period witnessed a check on the power of labor. Similarly, we have seen a swelling of the power of the executive branch of the federal government, but there have been unmistakable signs recently that Congress is again asserting its power effectively.

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How much power does American business, operating within this system of checks and balances, actually wield? The customary answer to this question usually offers a statistical table showing what proportions of Gross National Product, or of manufacturing, or of certain selected industries are owned by the largest American corporations. Comparisons are made between the size of American Telephone & Telegraph or General Motors and that of selected foreign countries or American states. These statistical measures are so familiar that they have lost their power to astonish and alarm. Robert Heilbroner, however, presents a fresh and awesome perspective by asking what would happen if the one hundred and fifty largest companies disappeared, by some selective catastrophe:

To begin with the nation would come to a standstill. Not only would the Union and the Southern Pacific, the Pennsylvania, the New York Central [the latter two have now merged], and a half dozen of the other main railroads of the nation vanish, leaving the cities to starve, but the possibilities of supplying the urban population by truck would also disappear as the main gasoline companies and the tire companies—not to mention the makers of cars and trucks—would also cease to exist. Meanwhile, within the nine largest concentrations of urban population, all activity would have stopped with the termination of light and power, as the utilities in these areas vanished. In addition, communication in all these areas would break down with the disappearance of the telephone company.²

But that would be only the beginning. Virtually all steel production would stop, as would the production of the bulk of chemicals, electrical machinery, cars, trucks, tractors, and other farm implements. The food processors would be gone, together with the cans into which they put the food. Distribution patterns would collapse, and a national credit debacle would ensue. The insurance companies would vanish with \$500 million in life insurance, effectively bankrupting a majority of American families.

But to state the matter in this way reveals the true limitations upon the power of these enormous enterprises. None of these companies is seen to have the right to starve the cities, bankrupt the country, or prevent an individual from getting or using a telephone. As the late Arnold Rose pointed out, power in the United States is diffused among government agencies, trade unions, farm blocs, civil rights groups, and individual citizens—all aware of their right to oppose and constrain the powers of great corporations.³ There is more than symbolic significance in the

spectacle of a crusading Ralph Nader bringing to heel the General Motors Corporation, the Ford Motor Company, and the Chrysler Motor Corporation, forcing them to recall hundreds of thousands of cars and spend millions of dollars. It should also be noted that Mr. Nader assailed the automotive giants with the help of a book-publishing corporation, the mass media supported by advertisers, the Congress, and the American legal system, which protected him from attempts of certain officials of the world's largest industrial corporation to harass him and invade his privacy in efforts to discredit him.

Nevertheless, it cannot be denied that large corporations do exercise considerable power over individual employees, suppliers, and customers, as A. A. Berle has recently observed.⁴ But Berle contends that "these fascinating, frightening, and fantastic institutions will be strengthened rather than weakened by the application of constitutional limitations—and requirements of action—to them."⁵ He predicts that a body of rules and doctrines will emerge to prevent or correct abuses of corporate power, such as discriminatory extension of consumer credit, the coercive effect of pension trust agreements, and the invasion of privacy arising from business "data banks."

The laws and procedures of a democratic society (particularly the "equal protection of the laws" guarantee of the Fourteenth Amendment) have already been brought to bear on what had hitherto been the private province of individual businesses with respect to the rights of Negroes and members of other minority groups. Although we are clearly moving in the direction of greater safeguards against the misuse of corporate powers, we still have a long way to go before we can be sure that businesses cannot curb the rights of individuals or punish them in ways that lie beyond the protection of the Constitution.

II

Large business corporations exercise great influence in American society most clearly in the form of market power—some degree of control over the prices they charge, the wage rates they pay, and the profits they earn. But this market power, though real, is limited by the checks provided by labor, farm groups, and other power blocs in the American system; by the Antitrust Division, the Federal Trade Commission, and other governmental

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regulatory agencies; and by traditional pressures of competition, foreign as well as domestic, inter-industry as well as intra-industry. Those powerful corporations (such as the big steel companies) that underrate foreign and inter-industry competitive pressures can still be badly hurt in the market place.⁶

Given modern technology and the economies of scale, however, some degree of corporate immunity from the pressures of competition is by no means an unmixed evil from the standpoint of the society as a whole. Monopoly power does seem to have its social uses. Fritz Machlup, an ardent champion of free markets and vigorous competition, concludes that large corporations, not subject to heavy competitive pressures and enjoying increased affluence and liquidity, are likely to increase their expenditures on investment in new plant development and new equipment, outlays for research and development, or support for pure science and higher education.⁷ Moreover, it is the strong and profitable, not the weak and marginal, companies that can create jobs for unqualified Negroes, train them, and find ways to hold them to the labor force. How effective business can be in dealing with large social problems remains to be seen. There is, for example, good reason to worry that the so-called business power structure will prove to have insufficient control over the directly involved forces of urban America to deal successfully with the urban problem.

American business is rapidly coming to understand that cooperation among business, government, and nonprofit organizations is necessary if genuine solutions to complex social problems are to be reached. The old business ideology is fading, as more and more corporations recognize that "free enterprise" is not an adequate answer to all national problems. Many companies are, in fact, eager to work with government and community groups in the welfare and educational fields. Some observers cynically conclude that the heavy degree of corporate involvement in the work of government and society is only a kind of corporate fascism. Michael Harrington, for example, sees a "social-industrial complex" taking its place beside the "military-industrial complex."⁸

There can be no doubt that the alliance between large corporations and government may create problems of monopoly and privilege. In speaking of the emergence of the "military-industrial" complex, President Eisenhower cautioned:

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence—

economic, political, even spiritual—is felt in every city, every state-house, every office of the federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources, and livelihood are all involved; so is the very structure of our society.

In the councils of government we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. . . .

It is the task of statesmanship to mold, to balance, and to integrate these and other forces, new and old, within the principles of our democratic system—ever-aiming toward the supreme goals of our free society.⁹

Adam Yarmolinsky contends that the “military-industrial complex” is not a conspiracy, but that “there are coincidences of interest among the military project officer who is looking for a star, the civilian who sees an opening for a new branch chief, the defense contractor who is running out of work, the union business agents who can see layoffs coming, and the congressman who is concerned about campaign contributions from business and labor as well as about the prosperity of his district.”¹⁰

Eisenhower was, of course, voicing a conservative view not at all unwelcome to a sizable majority of American businessmen. Although some businesses benefit greatly from increasing military expenditures, many more regret that they are burdened with heavy taxes to pay for them. Most American businesses, including the largest, do not like the uncertainties, high taxes, government controls, and physical dangers that go with war; they do not want a permanent garrison-state economy. Their preference may be partly ideological, but it has also become profit-oriented, contrary to the traditional Marxist assertion that businessmen favor war as a guarantor of high profits. Whatever the past truth of this assertion may have been, both U.S. industry and Wall Street have clearly come to prefer peace to war, especially since the emergence of modern fiscal and monetary policies that have made it possible to keep the national economy at a high level of activity without the impetus of war.¹¹

A significant number of business firms, heavily involved in defense production, continue to promote higher government expenditures in the areas in which they are operating, but such firms can be rather clearly separated from most American busi-

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nesses, which prefer to operate in the private sector. Again the reason is primarily financial, rather than ideological. A statistical study of defense and nondefense-oriented corporations by Murray Weidenbaum finds that the stock market evaluates government-oriented corporations less favorably than market-oriented firms.¹²

This results, at least in part, from the inherent instability of the government market and the historical volatility of the fortunes of individual contractors. The relatively low payout ratio (the proportion of net income which is disbursed to stockholders in the form of cash dividends) may also have an adverse effect. Reflecting these factors, earnings of defense companies tend to be more fully discounted, as shown by lower price-earnings multiples—10.9 versus 20.6 for the period 1962-65. The results for 1952-55 were not substantially different. Similar investor reluctance toward government-oriented corporations is evident in the bond market. . . .¹³

With reference to the possibility of the disappearance of that line between the mature corporation and the state, the market at least seems to distinguish increasingly clearly between government-oriented and market-oriented corporations.¹⁴

Nevertheless, one can safely expect that many American industries—not only those in the defense or space fields, but also those in transportation, oil, steel, chemicals, communications, shipbuilding—will continue to seek privileges, subsidies, tariffs, and market protections of many kinds from government. Thus, it is always necessary to safeguard the interests of the whole society against the bids for special favors of individual companies or industries.¹⁵

III

Despite continuing pressures for monopoly, with or without the help or collusion of government, the possibility for a basically liberal and competitive economic system to survive has been greatly enhanced by the advances in economic theory and policy in recent years. The major weakness of the capitalist system has been its tendency to undergo wide swings from boom to bust. But the progress in economics since the Depression makes one fairly confident that a similar national and international catastrophe can now be avoided by monetary and fiscal policies. A serious question remains, however, as to whether we will use intelligently what economic knowledge we have. There is still considerable economic illiteracy among businessmen, politicians, and the gen-

eral public. Political opportunism and narrow self-interest may frustrate the sensible use of economic policy for preserving an environment of full employment, so necessary to maintain an essentially free market economy.

Overwhelmingly, American business shrinks from government-sponsored central planning and coordination. Events since 1962, when interest in the French indicative planning was at its height in this country, have borne out Edward S. Mason's prediction that such planning would be rejected here chiefly because of the attitudes of Americans generally and of American business in particular.¹⁶ Work on input-output models, in which a number of American companies are now participating, illustrates how little central government or business control there is over the entire process of allocation of resources and distribution of income. Even the attempt at getting some orderly over-all projecting and planning of federal expenditures done publicly has encountered strong resistance from the Johnson Administration. The recommendations of the President's Commission on Budget Concepts for detailed, long-range projections of federal outlays were tempered seemingly because of the Administration's hesitancy to commit itself to long-range plans.

Although there have been some important business converts to Keynesian economic policies ("the New Economics"), most businessmen, especially men with small businesses, have been confused and wavering in their support of flexible national policies to ensure economic stability. In their daily activity, the majority of American companies still seek to control the environment in which they operate not by an alliance with government, but by marketing efforts. Nevertheless, business support for compensatory policies does seem to be increasing, albeit slowly, as the successful outcome of the long struggles for the tax cut of 1964 and the tax increase of 1968 would indicate.

Risk and uncertainty remain the dominant characteristics of the business environment. American businessmen still worry continuously (if not quite so fearfully as in the pre-Employment Act of 1946 period) about the business cycle and its impact upon the sale of their particular products. The company economist's fundamental job is to predict (imperfectly) events over which his employer exercises little, if any, control.

Clearly, neither the federal government nor the business power structure is going to establish central planning, open or secret,

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for the American economy in the near future. Indeed, the trend in the industrialized world among economists and government officials alike appears to be toward a greater appreciation of the role of markets in the effective allocation of resources.¹⁷ In order to achieve greater efficiency and greater sensitivity to consumer demands, even the advanced Communist countries are struggling toward a reconstitution of markets and toward greater decentralization and autonomy in decision-making for producing units. Abram Bergson finds wide agreement today that “the proverbial claims of socialists regarding the economic superiority of their system over capitalism have not been vindicated.”¹⁸ In the future, he suggests, it will become even harder for the socialist economies to catch up because the capitalist countries will continue to improve the performance of their economic systems “through the further development of macro-economic forecasting procedures; the continued improvement in information available to businessmen on the state of the market and in their techniques of interpreting this information; and the further extension and improvement of accounting and other internal controls, with or without the use of computers.”

IV

The market economy, as it has evolved in this century, evidently does not lend itself to the emergence of industrial dictators. It is now three quarters of a century since Henry Demarest Lloyd warned that “this era is but a passing phase” in the evolution of “corporate Caesars.”¹⁹ Robert Heilbroner argues that, instead of corporate Caesars, “we are left with a largely faceless group known as ‘management,’ whose names the public neither knows nor cares about.”²⁰ J. Kenneth Galbraith agrees and suggests that corporate power has passed to a bureaucracy of technicians, “the technostructure.”²¹ The prediction of a technocratic takeover was first made, of course, by Veblen in 1919; he asserted that the “technologists” were discovering that together they constitute “the indispensable General Staff of the Industrial System” and could, “in a few weeks, incapacitate the country’s productive industry.”²²

Heilbroner and Galbraith have, I think, somewhat overstated the case. Many board chairmen and presidents are far from powerless either outside or within their own organizations, and “the technostructure” does not make the most important business

decisions or provide its own leadership in corporations. As I observe corporate behavior, organizational achievements or failures are more related to the performance of top management than to the technostructure.

American technologists are as far away today as they were fifty years ago from taking control of the American economic system or the corporations in which they are employed. Scientists or engineers customarily strive to achieve power within the business world by making themselves into *businessmen*, rather than by remaining technicians. One route that leads in the direction of genuine corporate power is through graduate work in business or executive training courses paid for by their employers, and schools of business administration endow their graduates not with the values of a new technological elite, but with the attitudes of the existing profit-oriented business management. Business management does not *fear* the technologists; it needs all sorts of specialists to solve problems not only of production, but of marketing, finance, and accounting and to cope with the corporation's labor, community, and government relations. Top management is pleased when a specialist shows that he is qualified for general managerial responsibility and has a highly developed sense of the importance of making money.

Business is, at the same time, certainly becoming more demanding intellectually, one reason for business's great concern about the state of American education. Nevertheless, as much as business today needs educated brains, it retains a certain wariness of "intellectuals," if one defines the intellectual (rather than the technician) as J. P. Nettl does:

There are three main components to the definition of an intellectual. In the first place, his concerns tend to be universal. He is not a specialist, but one for whom any specialist activity always relates to a whole. He thus necessarily trades in generalizations—at least his views and statements are always intended to be capable of generalization. Here the idea of the intellectual as the conscience of society becomes relevant. . . . Second, his concern, and therefore the validation of his activities in the eyes of others, is cultural. He is concerned with the *quality* of life. . . . Finally, an intellectual is always strongly concerned with social and political matters; better, his is a socio-political role.²³

Intellectuals have often shown a flair for political power, but rarely an ability or a willingness to operate complex organizations, whether governmental, business, or labor. On the whole,

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business has done a better job than organized labor in attracting and retaining intellectuals as well as technicians. It has done this in part by rewarding them well and in part by granting them a relatively greater degree of freedom than do labor unions. As academic pay and perquisites have risen, however, it has become more difficult than it once was for business to attract intellectuals.

A number of thoughtful observers of the American scene have concluded that the era when creativity and innovation were centered in the world of business is now passing, and that the locus of power is shifting from the business world to other sectors of the society, especially to the universities and research centers. Daniel Bell, for example, writes:

Perhaps it is not too much to say that if the business firm was the key institution of the past hundred years, because of its role in organizing production for the mass creation of products, the university will become the central institution of the next hundred years because of its role as the new source of innovation and knowledge.

To say that the primary institutions of the new age will be intellectual is not to say that the majority of persons will be scientists, engineers, technicians, or intellectuals. The majority of individuals in contemporary society are not businessmen, yet one can say that this has been a "business civilization." The basic values of society have been focussed on business institutions, the largest rewards have been found in business, and the strongest power has been held by the business community, although today that power is to some extent shared within the factory by the trade union, and regulated within the society by the political order. In the most general ways, however, the major decisions affecting the day-to-day life of the citizen—the kinds of work available, the location of plants, investment decisions on new products, the distribution of tax burdens, occupational mobility—have been made by business, and latterly by government, which gives major priority to the welfare of business.

To say that the major institutions of the new society will be intellectual is to say that production and business decisions will be subordinated to, or will derive from, other forces in society; that the crucial decisions regarding the growth of the economy and its balance will come from government, but they will be based on the government's sponsorship of research and development, of cost-effectiveness and cost-benefit analysis; that the making of decisions, because of the intricately linked nature of their consequences, will have an increasingly technical character. The husbanding of talent and the spread of educational and intellectual institutions will become a prime concern for the society; not only the best talents, but eventually the entire complex of social prestige and social status will be rooted in the intellectual and scientific communities.²⁴

Robert Heilbroner worries that the shift of power to the intellectuals and technicians may assume a nasty, authoritarian character before it eventually grows gentler and more humane. He fears that we may first experience a dictatorship of the intelligentsia and technicians: "There lurks a dangerous collectivist tinge in the prospect of controls designed for the enlargement of man but inherently capable of his confinement as well." Nevertheless, he believes that all advanced industrial states—the U.S.S.R. as well as the U.S.—must make way for "the scientific cadres, the social scientists, the skilled administrators, and the trained brains." Admittedly, says Heilbroner, the intellectuals and technicians have not yet "divorced their social goals from those of the society to which they are still glad to pay allegiance, and no more than the thirteenth-century merchants huddled under the walls of a castle do they see themselves as the potential architects and lords of a society built around their own functions. But, as with the merchants, we can expect that such notions will in time emerge and assert their primacy over the aims of the existing order."²⁵

Herman Kahn and Anthony Wiener also anticipate a "shift from private business enterprise as the major source of innovation, attention, and prominence in society," as the work of society becomes increasingly concentrated in the government, the professions, the nonprofit private groups, and the like.²⁶ Zbigniew Brzezinski observes that "in the post-industrial technetronic society plutocratic pre-eminence comes under a sustained challenge from the political leadership which itself is increasingly permeated by individuals possessing special skills and intellectual talents. Knowledge becomes a tool of power, and the effective mobilization of talent an important way for acquiring power."²⁷ Brzezinski thinks that, unlike the revolutions of the past, the developing scientific-intellectual metamorphosis of society "will have no charismatic leaders with strident doctrines, but its impact will be far more profound."²⁸

J. Kenneth Galbraith ends his *New Industrial State* with this manifesto: "We have seen wherein the chance for salvation lies. The industrial system, in contrast with its economic antecedents, is intellectually demanding. It brings into existence, to service its intellectual and scientific needs, the community that, hopefully, will reject its monopoly of social purpose." That new community—the "educational and scientific estate"—will wax in power, Galbraith contends, as the financial community wanes and

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“the trade unions retreat, more or less permanently, into the shadows.”²⁹ Although some writers, such as Brzezinski, seem to think that the metamorphosis of society will be gradual and gentle and may not involve an actual push for political power by the scientists and intellectuals, Galbraith implies that they will have to mold themselves into a conscious, new political force:

The educational and scientific estate is not inhibited politically by the ties of organization. It is also growing rapidly in numbers. It still lacks a sense of its own identity. It has also sat for many years under the shadow of entrepreneurial power. A seemingly respectable measure of cynicism as well as a residual Marxism join in deprecating any political power not founded firmly on the possession of money. Yet it is possible that the educational and scientific estate requires only a strongly creative political hand to become a decisive instrument of political power.³⁰

I do not feel that a realistic model of the structure of the society and the economy emerges from the speculations of scholars who prophesy the decline of American business as a central institution. Their prognostications greatly underestimate the flexibility and adaptability of American business. Their culture-heroes are anti-bourgeois, but there are paradoxes in the situation they describe. Business has great power today, but only as one important element in a pluralistic society. It is less dominant than either Marxist ideology or Post-Industrial Society reasoning would imply. The sustaining source of business power has been its ability to innovate and to keep developing.

It is incontrovertible that there are many intellectuals and specialists who are hostile to business. Others—in great number—work for business corporations and even invest in business enterprises. Stock ownership, for example, has risen enormously in America, even on university campuses and in research centers. As A. A. Berle notes:

Directly, there may be 23 million owners of stock in the United States. Indirectly, through pension and similar funds, some 30 or 40 million more Americans have a beneficial interest in the market value assigned by share quotations to the accumulated corporate assets—and a still more direct interest in the income generated and partly distributed by them.³¹

The capitalist system, as Father Harbrecht has said, “seems well on the way to digesting itself.”³² Already vast and rapidly growing sums of money are flowing into financial institutions out of the weekly and monthly pay packets of individuals and then

moving into the market to buy up ownership of American industry. In 1955, all these financial institutions—such as pension funds, state and local retirement funds, life insurance companies—increased by \$1.5 billion their purchases of common stocks of corporations; in 1967, these institutional purchases increased by \$7.4 billion. In the year 1973, according to estimates of Scudder, Stevens, and Clark, an investment counseling firm, the new institutional demand for equities will climb by \$13 billion. In addition, of course, as Americans' incomes rise, individuals will be buying more and more stock directly and through mutual funds. A huge bidding up of equity values over time appears in prospect. This growing involvement of Americans in the ownership of stock, directly or indirectly, is likely to have subtle but profound effects in strengthening the foundations of American capitalism. It will provide a kind of political barrier to moves by government that could seriously undermine business profits or growth. Will masses of affluent Americans be responsive to some future call that they unite to change the system radically, since they have nothing to lose but their stocks, mutual funds, and pension rights? It seems unlikely.

Moreover, one of the most striking trends of our time has been the extremely effective performance of American corporations as they have moved into international markets. The huge sale of Jean-Jacques Servan-Schreiber's *Le défi américain* is one indication of Europe's recognition of and concern over the remarkable drive of American business management. The Europeans do not lack scientific and technological prowess; on the contrary, as they themselves like to point out, Europeans did most of the basic work in such major fields as nuclear energy, antibiotics, jet propulsion, radar. The American business advantage comes from the application of significant ideas and discoveries; it has to do fundamentally with the capabilities of industrial management, engineering, finance, marketing—the willingness to take risks and the willingness (indeed the zeal) to change.

This is not a new phenomenon in America. The prophetic de Tocqueville wrote in 1835:

I accost an American sailor and inquire why the ships of his country are built so as to last for only a short time; he answers without hesitation that the art of navigation is every day making such rapid progress that the finest vessel would become almost useless if it lasted beyond a few years. In these words, which fell accidentally, and on a particular

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subject, from an uninstructed man, I recognize the general and systematic idea upon which a great people direct all their concerns.

This general and systematic idea gave rise to other characteristically American institutions: mass public education and a labor force that (though far from ideal, especially in old crafts) largely recognizes its own stake in technological progress. American business corporations have shown in recent years that they have not lost their creativity and adaptability, but increased them by their liaison with the learned world. The new intelligentsia is helping to change the style and mood of our society, but it is not producing a radical change in the structure of the society or the economy. Business will, I think, prove to be flexible enough to adapt to these shifts in style and mood. Indeed, American businesses have shown a remarkable ability to ride the trends of the times—to produce the instruments and tools of learning, loafing, calculation, reasoning, fighting, extending life and curbing fertility, traveling through space (inner and outer), or whatever it is the human race wants to do. Thus, it seems to me, the “research revolution” has increased rather than reduced the capability of American corporations to survive and grow.

A new element is becoming apparent in the growth process . . . one that is destined to have a powerful impact on the pace of economic growth in the future and, even more than that, on the structure of our society and the nature of our civilization.

That element, largely a postwar phenomenon but with roots that go back to the first industrial revolution, is industry’s new understanding of the importance of regular, systematic investment in scientific research and development.

The principle and practice of making regular provision for the discovery and development of many new ideas, new things, is taking increasing hold in American business, though its use still varies widely from industry to industry. It is already an important factor; and in the future it is likely to provide the spur to growth that came in earlier periods from particular developments such as steam power, railroads, electricity, automobiles. In reality, this discovery of the process of discovery represents a new revolution, a deep-going extension of capitalism’s growth process.³³

The performance of American industry in the past decade would seem to justify such optimistic words.

At the same time, however, economic growth and technological progress also produce social stresses and strains that may in

the short run appear to outweigh the beneficial effects of industrial advance. American business must prove that it can be just as adaptable and imaginative socially and politically as it has been industrially if it is to avoid having more serious curbs imposed upon its freedom of operation. A failure of business to help solve the outstanding social issues of our time would, indeed, bring about the demise of business power. As Berle puts it, "power will invariably enter and organize any situation threatening chaos or disorder."⁸⁴ There have been moments in the recent past when the United States has ceased to be a workable society. The breakdown of the society expressed most tangibly in riots, crime, and urban decay has, in fact, called forth the serious efforts of businessmen, whose deepest faith is that things must work, or, if they do not, that they must be fixed.

To do the job that needs to be done, business must, however, achieve a new conception of its role in the society. In the past the essence of American business power has been ideological—that is, it has provided the value conceptions and set the limits upon what the nation is doing or trying to do. Those conceptions must now be made more humane and sensitive to the needs and aspirations of all people, but especially to those at the bottom of society. The ideological limits that have prevented us from using our matchless resources of energy and imagination for improving the quality of American life need to be widened. If business plays its full role in this effort, it will help the society to avoid chaos and stagnation, on the one side, and an excessive concentration of power in the hands of government, on the other.

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24. Daniel Bell, "Notes on the Post-Industrial Society," *The Public Interest*, No. 6 (Winter, 1967), p. 30.
25. Heilbroner, *The Limits of American Capitalism*, pp. 128-29.
26. Herman Kahn and Anthony Wiener, "A Framework for Speculation," *Dædalus*, Vol. 96, No. 3 (Summer, 1967), p. 720.

27. Zbigniew Brzezinski, "America in the Technetronic Age," *Encounter*, Vol. 30, No. 1 (January, 1968), p. 18.
28. *Ibid.*, p. 16.
29. Galbraith, *The New Industrial State*, p. 399.
30. *Ibid.*, pp. 294-95. Galbraith notes the difficulty of finding the right term to describe the large group associated with education and scientific research apart from that undertaken by the "technostructure"—that is the technicians and managers tied to business and industrial organizations. "In political discourse," says Galbraith, "they are grouped with writers and poets and referred to either as intellectuals or eggheads. The first term is too restrictive in its connotation and if not too restrictive, too pretentious. The second is insufficiently solemn. One should coin a new term only as a last resort; we have a great many words already and new ones always afflict the ears. Accordingly, I have appropriated and somewhat altered the usage of my friend Professor Don K. Price." *Ibid.*, pp. 282-83.
31. Berle, *The Three Faces of Power*, p. 31.
32. Paul P. Harbrecht, S. J., "The Modern Corporation Revisited," *Columbia Law Review*, Vol. 64 (December, 1964), pp. 1410-26.
33. Leonard S. Silk, *The Research Revolution* (New York, 1960), pp. 14-15.
34. Berle, *The Three Faces of Power*, p. 4.