MORE THAN ACADEMIC
Oligopoly in the Idea Market

THOMAS FERGUSON AND JOEL ROGERS

Ever since the great revolutions of capitalism and the printing press, liberal political thought has insisted on the primacy of two related propositions in the construction of a just political order: writers on public policy should be free to describe the world as they see it, and their free discourse will assure the discovery of truth.

While occasionally defended as an end in itself, such freedom was usually championed as a means to the higher ends of civic enlightenment and democratic process. Through the interplay of argument, members of the commonweal would come to make more informed, more rational and finally better choices about the ordering of their lives and their government. In the American version of the theory, most famously expressed in the early First Amendment dissents of Oliver Wendell Holmes and Louis Brandeis, the structure of debate was likened to a free market. Ideas competed for attention. Those bought by the most people were assumed to be the best.

Only rarely did anyone worry that the market might be rigged. Given half a chance, the truth would out. As John Milton argued in his classic defense of a free press, the Areopagitica: "For who knows not that truth is strong, next to the Almighty? She needs no policies, nor stratagems, nor licensings to make her victorious; those are the shifts and defenses that error uses against her power. Give her but room..."

No matter that this lofty view of free debate and free writing was honored principally in the breech; it retained its hold. Liberal theory clung to the conception, both normatively and empirically, that is, as an account both of the way the political system and political commentary ought to work and the way they did work. Paradoxically, the claim is today made more stridently than ever, even as the foundations of liberalism crumble around us. This paradox is the expression, for writers and readers alike, of the changed character of the liberal state.

The great achievement of classical liberalism was to make plausible, for the first time in human history, a distinction between economic and political power. The state, at least in theory, was defined through a system of universal right that stood indifferent to the accidents of private power. Alongside the state stood the self-regulating market. Because of its foundations in consensual exchange, it too was just. The putative separation of political and economic power permitted the state to be defined as "minimal" but open. In this way, the autonomy of the market furnished the guarantee of political freedom.

But even in theory, the separation of economy and political power no longer exists. Widespread market failure has given rise, in this century, to the interventionist state. Routinely shaping, correcting, supplementing and selective replacing the market mechanism, the interventionist state is explicitly committed to the task of economic decision making. But the expansion of state functions has not been accompanied by a comparably expanded system of popular participation in government. It has had, rather, the opposite effect: political decisions have been displaced to an administrative apparatus that is detached from popular control. This development has decisively affected political writing.

To the extent that important state actions are not determined democratically, their justification requires appeal to extrademocratic norms. Thus the executive-centered state's huge administra
tive apparatus is justified by the rationality of "scientific" policy analysis and the rule of "neutral" expertise. The renunciation of the democratic ideal and the creation of increasingly closed institutions is justified by a theory of "democratic elitism." Writers, policy analysts, social scientists are in heavy demand to generate popular assent to this form of state control. But in the formally democratic state, the increased bypassing of the democratic process gives rise to a corresponding need to conceal the undemocratic mechanisms actually at work.

An interesting situation results. On the one hand, political writing and policy analysis have become crucial to the maintenance of a specific system of power and are tied ever more closely to its defense. On the other hand, the maintenance of that specific system comes to depend on the appearance of independence in that writing.

And so on the eve of a conference called to consider the state of writing in America, we can ask a preliminary question about writings on the state. Why are the tensions between the popular conception of political writing and its newly powerful function so poorly understood? Why have the appearances of the liberal theory of writing as unstructured and unconstrained not given way before the realities of contemporary politics?

There is no lack of evidence, certainly, that the central role of policy analysis is organizing consent, or that prominent analysts have close ties to established sources of power. In recent years, a vast array of think tanks, research institutes, publishing concerns and foundations have sprung up, or reorganized, with the aim of influencing discussion of public policy. Together they subsidize literally thousands of "neutral" academics, journalists and "communications experts" hard at work mustering support for higher defense spending, dreaming up "worst-case" nuclear attack scenarios, "proving" the "inefficiency" of government regulation of business, "planning" for three, four, many possible theater wars. The voices of conservative policy analysts and political writers can be heard throughout the land. Their rich cadences justify the repeal of environmental and health legislation and cutbacks in social welfare expenditures and affirmative action plans while providing any number of arguments for still more
regressive revisions of the tax system and regulatory policy, and the creation of what one leading business organization, the National Association of Manufacturers, delicately refers to as "a union-free environment."

Nor is there much subtlety in the demands that powerful business interests make on university scholarship. It would be difficult to be any blunter than William Simon and other business leaders have been when they declare their intention to tighten their control over financially pressed universities. And it would be impossible to be cruder than Pont, whose actions to suppress Gerard Zilg's brilliant book Du Pont: Behind the Nylon Curtain are now the subject of litigation.

Nor can doubts remain that the "intellectuals" themselves have by now come to welcome their association with business power. In contrast to the widespread practice of only a few years ago, academics, at least in their entries, increasingly include their corporate affiliations. And on the campaign trail, scholars increasingly appear together with business leaders. One of Ronald Reagan's major press releases during the postconvention campaign last summer illustrates the point. Along with the prominent business leaders whose support the candidate wished to announce, like Crocker National Bank's Laurence Silberman, Procter & Gamble's Bryce Harlow and Emerson Electric's Edwin Harper, were such influential social scientists as Edward Banfield, Milton Friedman, Herman Kahn, Irving Kristol and George Stigler.

And yet, the liberal idea of politics and writing persists. It is clear that most readers—and indeed most writers—of literature on American public policy continue to approach what they read and write with an almost angelic innocence. They persist in believing, as they ponder articles on policy "options," that all reasonable alternatives are represented, that all parties to the issue have had a meaningful chance to press their cases, that all relevant evidence is being continuously assessed, that most experts are neutral (and that it is therefore surprising when the experts disagree).

Why then, despite all the countervailing evidence, do the liberal claims about the nature of political writing and pluralist reality remain intact? As with most mysteries of the American organization, the solution is as straightforward as it is depressing.

By far the most significant reason—most people cling to the classical liberal conceptions of writing and public opinion is that they are seldom, if ever, offered a coherent contrary view of how policy analysis and political writing are structured. Here the practice of most American history and social science deserves special mention. Almost no major social scientist writes about the political organization of foundations, universities or even the business community itself in other than the most general terms. Students of American power ignore their own political function, and their sources of influence and support. The most prominent foreign policy analysts are silent about the role of the Council on Foreign Relations, to which most of them (at least until recently) belonged. Analysts of the American system do not discuss the broad political initiatives of the major foundations, such as the decades-long campaign for free trade and inter-
nationalism waged by the Ford Foundation, the Carnegie Endowment for International Peace and the Twentieth Century Fund. Nor do they pause to consider the often spectacular interventions foundations have made in select enas of U.S. domestic politics, such as the Ford Foundation's massive backing of the Fund for the Republic in the early 1950s. (The fund led an attack on the right, provoking a counterattack by Sun Oil's J. Howard Pugh and several members of Congress.)

Similarly, political science and history journals are full of articles analyzing roll calls, committee memberships and vote margins of members of Congress, but rarely do the major journals mention the policy-shaping roles of the American Enterprise Institute, the Business Roundtable, the National Association of Manufacturers, the Committee for Economic Development or the Business Council. Focusing as they do on the purely formal apparatuses of state power, they are blind to the extragovernmental sources of authority—especially business authority—within the American system. From this viewpoint, many of the real machinations of state elites are simply unintelligible. For example, the Nixon aides who reportedly considered a plan to firebomb the Brookings Institution, the famous liberal think tank, appear merely insane.

That is not to say that no work has been done in this area. E. Richard Brown's Rockefeller Medicine Men is an important study of the role of large foundations in wrecking the American health-care system. David Noble's America By Design: Science, Technology and the Rise of Corporate Capitalism, Carol Gruber's Mars and Minerva: World War I and the Uses of Higher Learning in America and Mary Furner's Advocacy and Objectivity: A Crisis in the Professionalization of American Social Science, 1865-1905 are all detailed studies of the relations between business leaders, educational administrators and scholars. Laurence Shoup and William Minter's Imperial Brain Trust is an instructive work on the Council on Foreign Relations. And a recent collection edited by Robert Arnove, Philanthropy and Cultural Imperialism: The Foundations at Home and Abroad, contains fine studies by Edward Berman and Russell Marks, among others.

But while they are often excellent, these works have not received the publicity accorded more conventional scholarship. A populace that seldom hears of important foundations or their role in shaping public opinion cannot be expected to understand their contemporary importance in structuring the "unrestricted" flow of policy debate.

Closely related to the silence of most scholars on the role of foundations and business in shaping public policy and opinion are the reportorial practices of the mass media. These contribute to public misinformation simply by not reporting the context in which the formation and justification of American policy takes place. The Council on Foreign Relations, for example, brings many journalists and scholars together with leading representatives of business. At its meetings, a reporter can easily acquire a feel for what parts of the American business community support what policy initiatives—but the ground rules for attendance specify that nothing of what is said can be printed.

Of a different order of magnitude

---

Are you now or have you ever been...

**Hollywood Red**

The Autobiography of Lester Cole

Do you remember the dark days of the House Un-American Activities Committee? From 1938 to 1975 it traveled like a carnival throughout the country, breaking up families, turning friends into enemies, destroying reputations and lives.

The "Hollywood Ten" were screen writers and directors who were jailed for defying theHUAC witch-hunt. Here is the intimate, inside story of Lester Cole, the last of the Ten who over the years has remained steadfast in his beliefs. A founder of the Screen Writers' Guild, he is the only one still blacklisted to this day by the film industry.

"...the best "inside" book to date about Hollywood underHUAC. A book that brings the whole period and what came before and after, into frightening clarity, but also a book that is moving, exciting, funny and blessed with humanity."

—Carl Foreman

448 pp., photos, index

You can be among the first to get this exciting book. Mail the coupon now—your copy of **Hollywood Red** will be sent out with the advanced review copies.

---

Ramparts Press

Box 50128, Palo Alto, California 94303

---

To. Ramparts Press, Box 50128, Palo Alto, California 94303.

Dear Ramparts: Enclosed is my check for $12.95 (you pay tax and postage). Rush my advance copy of Hollywood Red by bookpost as soon as it is off the press.

Name ____________________________________________

Address __________________________________________

City ___________________________________________ State _______ Zip _______
altogether is the common media practice of not including crucial business affiliations in the identifications of leading commentators on politics and policy. An interesting example was a recent column by Paul MacAvoy that appeared in *The New York Times*. A frequent contributor to the op-ed page and the Sunday *Business and Finance* section of the paper, MacAvoy is customarily identified by *The Times* as Frederick William Beinecke Professor of Economics at Yale and a former member of President Gerald Ford's Council of Economic Advisers. A few weeks ago, one of MacAvoy's articles took the form of a mock memorandum to Vice President George Bush, whom MacAvoy (as *The Times* also noted) had advised during last year's Presidential campaign and who has, of course, been appointed the Administration's man in charge of dismantling much government regulation of business. The column suggested a number of wholly unsurprising initiatives to follow-up President Ronald Reagan's smashing budget victories. Included were suggestions to "dismantle" the Environmental Protection Agency, "reform" the Food and Drug Administration's licensing procedures to facilitate the quick marketing of new drugs, deregulate natural gas prices (making the sky or, more probably, a cartel-determined world price, their limit) and reduce sharply government supervision and regulation of financial markets. MacAvoy specifically urged the dismantling or severe modification of the Securities and Exchange Commission, calling it "the worst of the burden-creating agencies," and decrying as the "worst of its regulations" the S.E.C. rules on corporate disclosure of business activities and new stock issuance.

As usual, this advice came dressed in coolly neutral academic robes. From his Beinecke chair, MacAvoy appeared to readers as a concerned, but clearly independent, economist of impressive professional credentials. Unmentioned in the article or his identification was an important fact that might have affected the reader's evaluation of his suggestions, namely that MacAvoy serves on the board of at least one corporation with an obvious interest in several of his proposals—Amax, the mammoth raw materials producer—and only last year left the board of American Cyanamid, a major chemical concern.
This was not an isolated case; the practice of omitting the business affiliations of an important writer is routine, and contributes significantly to public confusion. Consider, for example, Irving Kristol's writings on human-rights violations in Latin America, and his much publicized attack on Jacobo Timerman, the Argentine publisher whose revelations about his arrest and torture by government authorities raised grave questions about the wisdom of the Reagan Administration's policy toward "friendly" dictatorships around the world. Would readers have the orders from booksellers that the reviewer worked as a vice president of several large firms, including at least one, Warner-Lambert, which, according to Moody's Industrial Manual, a standard industry source, operates more than two dozen "significant" subsidiaries in Latin America, including at least three in Argentina itself? Or after Peter McClelland and Alan Magdoff's highly critical study of Nelson Rockefeller (in their Crisis in the Making: The Political Economy of New York State Since 1945) had been savaged in The New York Times by a reviewer identified only as the author of a book on New York City finances, would the orders from booksellers have been higher if they had known that the reviewer worked as a vice president at Chase, the Rockefeller family bank?

These questions cannot be answered here. They serve merely to highlight some of the difficulties the nonspecialist reader might encounter in making his way through the reams of "independent" commentary that flood the marketplace of ideas. But it is worth noting that these are not the most egregious of the distortions or concealments of the close connections between important business interests and the main currents of political commentary. Nor do they begin to trace all the paths between prominent "neutral" actors in the public sphere and the hidden centers of private power.

Consider Harvard professor Martin Feldstein, who has perhaps done the most important work among established academics in shoring up whatever legitimacy the Reagan economic programs now claim. Incarnating the modern confluence of private power, institutionalized policy analysis, academic legitimacy and easy access to important journals of opinion, Feldstein is president of the National Bureau of Economic Research, that Acropolis of value-free social science, a director of the Hartford-based Phoenix Mutual Life Insurance Company and a member of the editorial board of the neoconservative Public Interest. Or Father Theodore Hesburgh, the enlightened churchman, who provides added twists in the golden thread connecting foundations, major universities and specific initiatives in public policy. Hesburgh, the president of Notre Dame, serves as well as a director of the Chase Manhattan Bank and a trustee of the Rockefeller Foundation. A member of countless "independent" study commissions on U.S. domestic politics, Hesburgh has recently drawn sharp criticism from Third World leaders for the role he played as chairman of the American delegation at U.N. meetings on technology transfer to the developing nations. Most readers of Feldstein's economic recommendations or Hesburgh's sermons on unequal development are surely unaware of their close ties to specific business interests. The list could go on and on.

But while widespread public ignorance of the affiliations of leading policy commentators may explain some of the resilience of the old notions about the nature of political writing, they surely do not explain it all. An important additional factor is the carefully nurtured fantasy most people have of the academy itself.

In part, this is a consequence of the defects in American historiography alluded to earlier. The same historians who rarely mention foundations rarely mention universities. As a consequence, the significant political roles played by such leading early educational administrators as Harvard presidents A. Lawrence Lowell (who campaigned ardently for the League of Nations, to the undisguised pleasure of his most affluent trustees) and Charles Eliot (who promoted "employee representation" schemes as a stop-gap measure to halt the spread of trade unions), or Stanford president Ray Lyman Wilbur (who served as Secretary of the Interior under his most famous alumnus, Herbert Hoover) are virtually unknown. As are the activities of their latter-day counterparts, or the historical stages of business-university interactions charted in the writings of David Noble, Carol Gruber and others. But more than history is lost. Since the overwhelming majority of writers on public policy and the state are currently housed in universities, misconceptions about the internal structure of university life and scholarship contribute to a misunderstanding of the production of political writing in general. And, since few nonacademics appreciate how stratified the contemporary system of university education is, they cannot evaluate the common claim, often amplified by business leaders like Simon, that the colleges are full of radical critics of capitalism. Misunderstood and misrepresented in all this is the degree to which money, media attention and access to the most prestigious journals are rigorously controlled. Though the picture varies somewhat by field—history and sociology, for example, are less rigidly hierarchical and professionally disciplined than either political science or economics—leading journals in the humanities and social sciences contain very few articles critical, even by implication, of business.

Contributing to the mystery are special problems of interpretation posed by the most important direct links between the academy and business—sponsored research by foundations and outside think tanks. Almost no one, for example, analyzes the way foundation programs are actually put together or achieve their results. A particular isolated piece of research is less important than a foundation's overall program. Most discussions of the subject consist almost wholly of foundation spokesmen congratulating themselves on the pluralism evident in their funding of an occasional liberal or, more rarely, "radical" researcher (often for quite intelligible reasons of their own), and thereby avoiding public scrutiny of the overwhelmingly stifling purposes to which their money is applied.

Outside the academic and foundation world, the commercially based "free market" of ideas is increasingly oligopolistic. There is a probusiness consensus that is ratified by the handful of important journals of national opinion. Operating within a fairly well-defined set of expectations of governments and private power, these effectively succeed in drawing tight limits to the field of acceptable commentary. For all intents and purposes, the United States has no opposition press—no major organ of national opinion that calls for a radical transformation of the status quo. Instead, as in any oligopolis-
tic structure, the competition of ideas and commentary is limited to the marginal differentiation of near-identical products.

A final condition obscuring the business-writing nexus is the smoke-screen of false issues, which serves to prevent any truly critical grasp of the subject. Many commentators, for example, focus on the motives of individual writers and their patrons. While sometimes interesting, such inquiries direct attention away from the politically more important questions of how the policy-analysis community as a whole figures in the implementation of one or another political initiative, and why the position of groups within that community changes over time. Put otherwise, why do we hear from so many albeit sincere people arguing from one particular side of a policy issue at any given time? What is the context of their message?

Equally irrelevant is the frequent claim that tracing the business sponsors of a particular policy program amounts to practicing guilt by association or McCarthyite witch-hunting. Presenting evidence that particular programs serve the interests of the business community (or any other group) and are being sponsored or subsidized is not an accusation of treason or fellow-traveling with the Red—or any other—Menace. Nor is “guilt” being inferred from “association.” As with individual motives, the task of the analysis is to specify a structure of strategic interdependence between political actors, not to pass judgment on their moral character.

Last but not least, many researchers who have explored the links between corporate America and research and writing have employed a crude “spider web” theory of control between actors. They trace A’s link to B, and B’s to C, and so on down the line through D, E, F and the rest. Then they stop, drawing the sweeping conclusion that all these people automatically are in basic agreement—that they constitute one powerful network of actors that operates with unified strategy and force. There are situations where such proceedings are appropriate. More often, however, the network analysis is done largely without reference to the institutions and processes that make up the political economy of the actors under scrutiny. Abstracted in this manner, such discussions quickly lose track of their object. The network itself becomes the explanation for strategically coordinated action, rather than a guide to an explanation. The results lend themselves to caricature, especially when they are treated statically.

Whatever the defects of revisionist interpretation, however, it has the singular merit of seeing, as many do not, how radically different the present situation is from Milton’s time. As we move from the foundation of our heritage to the Heritage Foundation, from the ideal of writing in the open society to the highly structured reality of a new form of political power, this elemental point bears exploration. The functions of the writer on public policy in America are limited, as are those of any actor, by the constraints that bind the political system through which he moves. But for far too long, the political writer has carried the additional burden of an illusion of independence from that system. Like the system itself, he (or, more rarely, she) has remained prototypically liberal in self-conception, but illiberal in practice, fully dominated by private interests at the moment he announces his independence. Abandoning the illusion of independence is now as necessary as it will be painful, but paradise is finally, irrevocably, lost, and is not about to be regained. The writer can either learn a new role in a radically restructured political realm or remain in an imaginary world. The first course holds out the prospect that forceful political commentary may once again appear on the American scene.

But it is the second course that has been more widely chosen. Here the liberal ideal of autonomy is preserved, but drained of content. The writer goes through the motions of his trade, but does not achieve its truthful object. Like the literary critic described by Balzac in A Harlot High and Low, he continues, but with dissipated purpose. He “has read too many books, forgotten so many, is so accustomed to write pages, has watched so many plots unfold, witnessed so many dramatic climaxes, he has produced so many articles without saying what he really thought, so often betraying art to serve his friendships and his enmities, that in the end he views everything with distaste and continues nevertheless to judge.”