

# Two Cultures

Probably the most profound platitude one can utter today is that Americans have lost confidence in their institutions. As with many platitudes, this one happens to be true, and I expect there are a lot of reasons for the diminished confidence we hold in our institutions. For one, many of our institutions have fallen into the habit of promising far more than they can deliver, and many people would not want them any other way. For another reason, many institutions are undertaking far too much. Universities that in days of yore only attempted education got into the business of research and thence into all sorts of follies like urban reform, strategy planning, and something they call human development. One might say they moved from folly to folly. And of course we should never forget that many institutions are simply engaged in performing the impossible, and such performances are never apt to inspire much confidence from an audience. Finally, the keepers of many American institutions are making the mistake of defining things as problems which are not problems at all, but rather difficulties or conditions. Nevertheless the grunts and groans of institutions so engaged works hell on some persons' confidences. All of this might sound either exasperatingly academic or faintly sophisticated, so allow me to suggest that the famous crisis in confidence, once patented as the credibility gap, exists only in the peculiar way many such crises exist in America.

That is to say it exists as a crisis in that part of America where talk is fervent and nationally infectious (not to say pathological). It exists in that part of America where crises are spawned. It exists in New York and Cambridge and Washington and all those cosmopolitan redoubts which sprawl across the nation like so many enlightened colonies.

The crisis in confidence certainly does not exist in the great American provinces—the average American never expected much from America's liberal democratic institutions anyway. It certainly does not exist as a crisis in Houston or in Phoenix or even in Chicago, at least not in Mayor Daley's office or in the Aldermanic Chamber, on the North Side or on the South Side. But I suspect that the shivers of a crisis in confidence are being felt through some of the suburbs. The crisis addles every editorial office. And I suspect it brings a scowl to the face of many a university professor at Northwestern and the University of Chicago. In fact it is probably just one of the many things that the average university professor holds in common with every Playboy bunny.

In order to reach those regions where the crisis in confidence or the credibility gap elicits gasps and raises blood pressures, one merely has to go to those hangouts where people earn their livings by flexing their tongues. Wherever talk and ideas abound there you will find the fever of crisis. And that makes the crisis a serious problem (or at least a difficulty) for all of us. Now the causes of this problem or difficulty are

many. There is bureaucracy—which is the mode of the welfare state or the frankenstein of governmental benevolence. There is the syndrome of rising expectations—which is the pathogen of a kind of politicized benevolence. There is technological change or the alleged rate of that change. And there is the decline of religion. All have contributed in their prodigious ways to that sickly feeling we sense today when we muse on the prospects of the Great Republic.

And, I suppose that while I am at it I might as well throw in the larger causes. I do not believe any important thinker has undertaken a sufficiently dispassionate and Olympian analysis of the influence of the Cold War on our singular American institutions. Perhaps this is another way of saying we await our Thucydides. An examination of the more awesome question, to wit, history's melancholy deracination of the American Republic, would also shed light on today's crisis in confidence. But then alas, this might just be another way of saying we await our Gibbon.

All of this is to say that if the crisis of confidence strikes you as insignificant or if you seem vaguely to recognize it as a part of an advertisement for women's lingerie or deodorant, well, you are perfectly justified in your hazy perception. On the other hand, if you feel that something is shaking the foundations, you can choose from a wide variety of causes, all tailored for your particular paranoia.

As for me, I choose to view the matter somewhat differently. To me it is not a crisis in confidence that afflicts us but rather a slow and steady draining of authority from American institutions. The culprits who have pulled the plugs are often called intellectuals.

If there is one elemental nexus stretching from the Attica uprising to the glorious revolution of the campus on to the pother over the Pentagon Papers, the Watergate spectacle, women's liberation, gay liberation, the liberation of marijuana, the prohibition of hexachlorophene and on to the lofty moral high jinks which lends such charm to our Democratic conventions, it is the diminution of institutional or social authority.

This kind of a statement generally sets ritualistic liberals and their chic mutants to fussing and vibrating. They need not direct their heat upon me. I am not opposed to any of the above-listed glories. I have enjoyed the whole gaudy show. These last few years have provided me with joyful employment, and I have been vastly amused by every clubfooted step we have taken towards the New Age. For me it has been a gorgeous feast, though viewed more objectively and less personally, the late sixties and on to the present have been Liberalism's years of embarrassment, or America's years of embarrassment, and no doubt for many good persons they have been years of heartbreak. Well, too bad for them. The country has got to grow, and as the intellectuals have become a growth industry I expect authority will continue to drain or confidence diminish until finally . . . well by that time I shall reside with the angels and so good riddance.

Now it is always difficult to define a noun that has only recently evolved from an adjectival state. Certainly very few people

call themselves intellectuals, at least not on resumé's or in biographical sketches, and the term has often been used as an epithet of disparagement.

Robert Nisbet claims never to have heard the word "intellectual" used as a noun before the late forties, and in the thirties the word "writer" served the august purposes for which intellectual is now used. But make no mistake about it, today intellectual is a discreetly sought-after epithet, and this has been increasingly true probably since the 1962 publication of Richard Hofstadter's rather confusing denunciation of anti-intellectuals. At any rate it has been notoriously difficult to frame a definition of intellectual. The term has often loosely been applied to writers, artists, humanists, scholars, and scientists. And today I have no doubt that congeries of newspaper reporters, columnists, TV anchormen, librarians, computer jockeys, university administrators, medical technicians, typesetters, and insurance salesmen all secretly suspect that they too are intellectuals. After all, some very advanced ideas have personally influenced their lives in a very special way, known only to them, their select circle of like-minded friends, and the long-suffering bartender to whom they first unveil their clever or profound thoughts. In a way they all have a point. Ideas are increasingly the tools with which we work in a post-industrial world. But I think we can be somewhat more precise in limning the characteristics of intellectuals. For our purposes I have selected from the pages of *Commentary* Nathan Glazer's working definition: "Intellectuals are people who make a living from ideas, and are in varying degrees directly influenced by ideas. Thus they live off ideas and they live for ideas." Politically, intellectuals have in general been critical of established institutions and values, sometimes from the Right, more often from the Left.

Intellectuals are as much an interest group as pig farmers. They hold common attitudes and beliefs and most earn their livings from a limited number of occupations that are all very closely related. Up until the postwar period intellectuals inhabited a very limited turf. Their population was small, and their influence much different than it is today. Before discussing their current condition, let me proceed a little further in this exercise in the taxidermy of the intellectual.

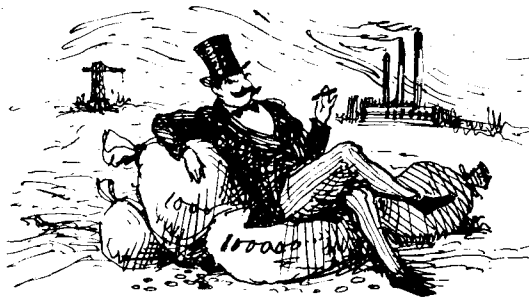
One of their identifying qualities is a commitment to ideas as such. As Lewis Coser has written, intellectuals are "gatekeepers of ideas and fountainheads of ideologies." As Coser emphasized intellectuals transform conflicts of interests into conflicts of values and ideas. Thus they "increase a society's self-knowledge by making manifest its latent sources of discomfort and discontent."

Second is the quality of moral commitment. Unlike the scholar or the scientist, the intellectual is a committed judge of his times. Now this is also the pastime of the clergy, and if we are to distinguish the two we should add a third quality.

This Coser refers to as the quality of "play." "While earnest practitioners tend to focus on the tasks at hand, the intellectual delights in the play of the mind and re-

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The  
Business  
of America  
★



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by  
Lindley  
H. Clark Jr.  
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## Lessons in Free Enterprise (II)

*What follows is the second of four columns by the economic news editor of the Wall Street Journal on the practice of business in America.*

In recent years "the social responsibility of business" has been a major cause urged by intellectuals and accepted, with charming naiveté, by hundreds of businessmen who ought to know better. Business exists not solely to make a profit, intone many corporate presidents, but to serve the public good.

There are limits to this business willingness to cast aside crass commercialism, however. In the inflation of the late 1960s and early 1970s, no businessman we've noticed has come forth to forswear forever all price increases, despite the fact that the public good surely would be served by stable prices.

In the first place, most intelligent businessmen know they are not to blame for inflation. If they possess monopoly power, government is to blame for inadequate enforcement of the antitrust laws. If they possess no such power, competition will roll back any over-large price increases—unless the government is floating the whole economy upward by printing too much money.

Not so incidentally, labor unions are subject to the same restraint. If they push through excessive wage increases, they will only price some of their members out of the labor market—unless government validates the increases by inflating the economy.

More broadly, many businessmen presumably recognize that swearing off price increases serves neither the interest of their enterprise nor the true public good. If a commodity is in short supply, a price increase encourages more production, both by present producers and often by new ones. As supply rises, price will tend to fall.

If, on the other hand, the price is held down, the result is to discourage production. If the product is something the public wants or needs, it soon finds it cannot buy as many as it needs or wants. Soon a paternalistic government is likely to step in and ration out the available supply.

What many businessmen, as well as many members of the general public, seem not to recognize is that by embracing social responsibility in general they also are not serving the interests of a free society. They are in fact adopting a peculiar form of socialism.

Let us say, for instance, that a "socially responsible" businessman elects to hire only members of a minority group, whether they are qualified or not, instead of hiring

qualified workers, regardless of race, creed, or color. No one questions that the minority in the past has been subject to serious discrimination, so how can anyone object to the businessman doing his part to right past wrongs?

Well, the owners of the business may object. The do-good project is likely to cut sharply into company earnings and dividends. And customers may object, since an inferior work force is likely to produce inferior products and service. Both owners and customers are in effect being taxed by the businessman, who has actually elected himself as a sort of government official, to finance and administer his self-designed project to improve the public welfare.

More than that: The project is likely to waste resources of capital, machinery, and management. Yet there will be no democratic pressures to dissuade the businessman from his unwitting venture into socialism.

No one is saying that the minority group should not be helped. But in a free society the aid should stem from a conscious decision of the body politic, not from the random whims of businessmen. The public's elected representatives have the power to devise programs and to levy taxes to finance them. If the public does not like the programs or the taxes, it can throw out the representatives and get new ones.

In recent years many corporations have been subject to strong pressure from the public or from minority stockholders to support numerous public causes. When corporations cave in under such pressure, they once again are levying a tax on their stockholders for a purpose that the stockholders, or at least the bulk of them, have not approved. The corporations once again are weakening their chances to survive and to continue to render efficient service to the public.

There are of course many legitimate reasons for corporations to do what superficially may appear to be only "good deeds." A few carefully selected gifts to charity may improve a corporation's image and win it friends among potential customers and stockholders. Hiring handicapped workers often can be very good business, since such workers frequently are not only highly qualified but highly motivated to make good on a job—and keep it.

Many corporations will encourage their executives and employees to take part in social-interest projects in the communities where the companies operate. They may even give the employees time off for such projects. If the company is honest about it—and many firms are not—it will admit that the overriding aim is to enhance the

position of the corporation in the community where it operates.

In these times when corporations generally have been having their troubles with their public image, a certain amount of this sort of advertising can be justified on a purely profit-seeking basis. Unfortunately, it is all too easy for a company to slip over the line that divides profit-seeking from halo-seeking. The cases of corporate directors using the stockholders' money to support their favorite charities are far from rare.

The primary responsibility of business still has to be business. If a businessman produces the best products he can and provides the best possible service, he will serve his interests, the interests of the owners of the business, and the interests of the general public.

It's partly a matter of competence. No matter how well-intentioned the businessman may be, he's likely to be much more adept at running an assembly line than he is at planning and administering a social program. If he doubts that, he should examine the performance record of the trained professionals who have devised and operated the multiplicity of social programs set up by federal and state governments in recent years. The record has been sorry enough; does he think that he, an amateur, can do better?

It's surely worth mentioning that an efficient, profit-seeking business establishment is the chief source of the tax revenues that support public social programs, good and bad. It either pays the taxes itself or its employees pay them on the incomes that the businesses generate.

None of this should be read as an argument that business, if it concentrates on profits, will automatically serve the public interest to perfection. There must be rules. The best known of these are probably the antitrust laws. Imperfect in design and execution, these laws need to be improved. But government can and must see to it that businessmen don't combine among themselves against the public.

If the public's representatives decide that pollution of the air and water must be combatted, they can and do pass laws that force businessmen to join in the fight. The fact that these laws do not always result from a careful weighing of costs and benefits is surely no argument that businessmen should willy-nilly take on the fight themselves. Pollution regulations are a tax imposed on business and, through higher prices, the general public. Even if all business would adopt adequate regulation, it still would mean that private bodies were imposing public taxes.

Government can help to make business more responsible by making it more competitive. Restrictions on imports surely work against competition and against the public interest. Fair-trade laws, now thankfully on the decline, work in the same direction.

Adam Smith, that early advocate of free enterprise, recognized the need for rules. He also saw the foolishness of the "social responsibility of business." In *The Wealth of Nations* he wrote: "I have never known much good done by those who affected to trade for the public good. It is an affectation." □