Chapter Title: Communication: Blind Spot of Western Economics

Book Title: Media, Structures, and Power
Book Subtitle: The Robert E. Babe Collection
Book Author(s): EDWARD A. COMOR
Published by: University of Toronto Press. (2011)
Stable URL: http://www.jstor.org/stable/10.3138/9781442686434.9

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at http://about.jstor.org/terms
2 Communication: Blind Spot of Western Economics

There comes a time … when the blind spots come from the edge of vision into the center.

– Walter Lippmann, Public Opinion (1922)

This chapter compares the disciplines of economics and communication studies. In their mainstream versions, known respectively as neoclassical economics and as administrative communication research, these scholarly areas appear at first glance to be quite similar. The economist’s market, after all, comprising monetary and commodity flows between buyer and seller, has a seemingly close correlate in the communication system, comprising sender, receiver, medium, message, code, and feedback. Certainly it is interesting and important to compare and contrast these conceptual models that condition so much of what their mainstream practitioners have to say. Closer comparisons between these mainstream or dominant modes of analysis, however, reveal deep-rooted antinomies, as noted below.

In both the economics and communication studies disciplines, however, there is a subfield or specialty known as political economy, whose thrust is to analyse the nature, sources, uses, and consequences of power, whether economic, financial, legal, military, political, ideological, religious, customary, scientific, technological, communicatory, or otherwise – power defined as ‘the possibility of imposing one’s will upon the behaviour of other persons.’ It is a principal contention of this chapter that scholarly treatment of the ‘economic’ and of the symbolic (or ‘communicatory’) converge only with political economy, despite surface similarities between mainstream economics and orthodox communication research.
When scholars trained as economists practise political economy, they tend to emphasize the legal system in its apportioning of rights, or they look to the social (class) structure, depending on whether they are respectively institutionalists or Marxists. When communication scholars practise political economy, they tend to concentrate on economic/institutional/legal factors constraining and shaping message production, viewing media products as concoctions fabricated by the established power system to preserve and extend itself. Despite these differences in emphasis, political economy, whether undertaken by those grounded in economics or by those schooled in communication/media studies, melds the material and the symbolic, a most vital enterprise (as I argue in the closing section) in a world beset by injustice and facing environmental decay.

To explore the foregoing themes more completely, the chapter is organized as follows: The next section describes and analyses characteristics of mainstream economics, emphasizing particularly the unduly limited conception of communication countenanced by the orthodox version of the discipline. In the third section the chapter turns to administrative or mainline communication research, in order subsequently (in the fourth and fifth sections) to compare and contrast this field with neoclassical economics, particularly with regard to the treatment of communicatory processes. Neoclassical economics, it is argued, actually proffers a model of radical non-communication! Finally, the chapter finds reconciliation between these two academic ‘solitudes’ in political economy.

Mainstream Economics

Over the two centuries since the publication in 1776 of Adam Smith’s *The Wealth of Nations*, mainstream economics has become theoretically refined, and has become increasingly formalistic, abstract, and mathematical. It has also become predominantly an economics of incremental change, based on the maximization principle (setting dollar costs and revenues equal at the margin). These characteristics help distinguish modern or neoclassical economics from its classical heritage.

In other respects, however, there is a historical continuity or sameness about the discipline. Three qualities in particular that characterized Adam Smith’s formulation, and continue with the contemporary (neoclassical) are: methodological individualism, reification of the market, and the assumption of harmonious interaction. I treat each of these aspects in turn.
Methodological Individualism

For Adam Smith, the wealth of a nation was simply the summation of the wealth of its inhabitants. Whatever effectively promoted individual wealth necessarily promoted also wealth for the community. Smith argued that, since each individual knows best his or her own unique circumstances, national wealth is most effectively pursued by minimizing constraints on individual enterprise.

Methodological individualism in neoclassicism’s reformulation of the economics of Adam Smith is apparent in its ‘theory of the firm’ and in its ‘theory of consumer behaviour,’ which, when combined, purport to explain, in the absence of historical context, relative prices and resource allocation. The firm in neoclassical price theory is an abstraction meant to represent any firm at any time and in any place. In the theory, the firm is seen not as a collective or communal undertaking, but rather as an individual enterprise for the sole benefit of the owner. The consumer, too, is an abstraction meant to represent any consumer anywhere at any time. Buyers and sellers come together in markets where there results a circular flow, commodity travelling from seller to buyer and money flowing in the opposite direction. The economy is viewed as the aggregation of all such autonomous transactions.

For neoclassical economists, human relations are, then, commodity exchange relations mediated by commodities and by money. In fact, the focus of attention of mainstream economists is not on human relations at all, but on things (commodities). The central questions are how much of any given commodity will be produced, and what will be its exchange value vis-à-vis other commodities.

In the wake of today’s ecological crises and the manifest heightening of environmental interdependence, methodological individualism (treating autonomous or quasi-autonomous individuals as the units of analysis), must appear quaint, even pernicious. This methodological practice continues, however, as a mainstay of both contemporary mainstream economics and also (as we shall see) administrative communication research.

Reification of the Market

Adam Smith ‘reified’ the market. His ‘obvious and simple system of natural liberty’ was said to arise spontaneously from the innate human ‘propensity to truck, barter and exchange,’ not at all from human
design and the conscious exercise of the human will. Once generated, Smith reckoned, the Market functioned automatically and was all-powerful; indeed, he likened it to an ‘invisible hand,’ channelling economic activity to an end, namely promoting the common weal defined by Smith as the wealth of the nation, ‘which was no part of [the participants’] intention.’

While Smith understood that the Market could easily be subverted through monopoly power, particularly by the state bestowing exclusive privileges on its friends and supporters, modern day neoclassicists tend not to share this comprehension or conviction. According to George Stigler, for example, ‘It is virtually impossible to eliminate competition from economic life. If a firm buys up all of its rivals, new rivals will appear. If a firm secures a lucrative patent on some desired good, large investments will be made by rivals to find alternative products or processes to share the profits of the firm.’

While neoclassicists, deeming themselves to be neopositivists, substitute the model of pure competition for Adam Smith’s ‘invisible hand,’ the change is superficial at best, and certainly no less idealist than the predecessor. Given consumer preferences, given the state of the industrial arts (technology), and given the initial distribution of wealth (endowments), all production and prices for neoclassicists are determined automatically by the Market and can be deduced logically by the principle of maximization. Provided that nothing ‘interferes’ with the free flow of inputs, output and hence welfare will be maximized automatically, given the (Pareto) criterion that no one can be made better off without someone else becoming worse off.

For this chapter, the ‘givenness’ in neoclassical theory of tastes and preferences is particularly important. ‘For the vast array of problems,’ neoclassicist George Stigler wrote, ‘including most of those we shall encounter, it is customary to treat tastes as fixed.’ On those relatively rare occasions when tastes and preferences are presumed by neoclassical economists to vary, they are permitted to change only as a result of variations in ‘exogenous variables,’ that is, changes in factors residing outside the particular market being studied. Thus, for example, according to Stigler, ‘in a study of the long-term demand for housing, one naturally investigates changes in family size [while] in a study of the trend in employment in the medical professions one considers the age and sex structure of the population and its organization.’ Seldom in the neoclassicists’ world is it the case that promotional efforts of the producer (i.e., persuasion, propaganda) or past consumption of the
commodity (i.e., habituation or addiction) affect consumers’ tastes and preferences. As we shall see shortly, this practice of excluding shifts in tastes and preferences that could be attributed to the working of the market itself, radically distinguishes mainstream economics not only from heterodox economics, but from mainstream communication studies, too.

**Harmony**

Adam Smith hypothesized ‘an obvious and simple system of natural liberty’ premised on individual greed and the division of labour that he alleged promotes harmony among participants: ‘It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner,’ admonished Smith, but rather from their ‘self-love.’ He continued, ‘[We] never talk to them of our own necessities but of their advantages … and show them that it is for their advantage to do for [us] what [we] require of them.’

Likewise, today’s neoclassicists emphasize the harmonious nature of economic interactions – if and when mediated by unregulated, impersonal markets. In the model of pure competition upon which so much of neoclassical perception is based, no seller is large enough to control price; in fact each seller is so small that he or she can sell everything produced at the established market price, eliminating all possibility of cut-throat competition. Nor do buyers or sellers possess coercive power over one another. When incipient conflict is considered, as when production inflicts damage on third parties (‘externalities’), the ingenuity and brilliance of neoclassicists has shown that under certain improbable conditions (namely, perfect competition, perfect knowledge, zero transactions costs), the Market will internalize the externality and resolve the conflict automatically, regardless of where legal liability resides.

The more closely one adheres to the neoclassical model of pure competition and the neoclassical mode of marginal analysis, however, the further removed one becomes from the everyday world of power plays, inequities, and injustices. It is to these latter dimensions of economic and communicatory life that political economy is addressed.

**Mainstream (Administrative) Communication Research**

Several scholars, for example Daniel Czitrom and James Carey, have claimed that the modern era of media/communication research was
inaugurated at the turn of the twentieth century in the writings of John Dewey and associates. Others, such as Wilbur Schramm and Everett Rogers, have argued that communication is a behavioural science, not part of the humanities, and hence did not really begin to take shape until the 1920s or 1930s. Be this as it may, there has long been a consensus that 1948 was an important year for communication research, for even today it is still often purported that in that year Harold Lasswell formulated five questions as constituting the subject matter of the nascent discipline, thereby serving to ‘structure the thinking of a whole generation of communication scholars and students.’ The questions attributed to Lasswell were: ‘Who, says what, in which channel, to whom, with what effect?’ Critics have noted that a sixth question – for them the most important – was omitted, namely, ‘Why?’ They also consider that too little attention is afforded the context within which the communication takes place.

In any event, Lasswell (or rather, the consensus he represented) was highly influential, and in 1949 Claude Shannon and Warren Weaver synthesized and formalized his five questions by proposing a communication system wherein encoded messages travel a unidirectional path from source (or sender) to transmitter (encoder), via a carrier or medium to decoder and thence to ultimate destination. The model illustrated what, for Shannon and Weaver, was the quintessential communication problem: namely, reproducing at the destination a message from the source indicating a selection from an array of known possibilities. Communication, for them, was successful if ‘the meaning conveyed to the receiver leads to the desired conduct on his part.’ By merely incorporating feedback, or response from receiver to sender, Norbert Wiener, Ludwig von Bertalanffy, Kenneth Boulding, and others transformed Shannon and Weaver’s linear model into a cybernetic system of mutual interdependence and mutual determinations.

While it is safe to say that pioneering communication researchers seldom considered complete communicating systems in their studies, nonetheless attention was afforded selective interpenetrations, even in the early years. As noted by Daniel Czitrom, during the 1940s and 1950s luminaries such as Frank Stanton (of CBS), Elmo Roper, George Gallop, Carl Hovland (working for the U.S. Army on the ‘laws of persuasion’), Harold Lasswell, and Paul Felix Lazarsfeld set boundaries for the emerging field by concentrating on five closely related lines of research, namely propaganda studies, public opinion surveys and methods, market research, effects research, and interpersonal communication research.
The research of this foundational period was positivist and empirical. Reality was conceived by researchers as being objectively given, with events being 'hard' and discrete; even psychic states, it was contended, could be detected, quantified, and aggregated through questionnaires, and norms thereby established.

Moreover, like neoclassical economics, this research was methodologically individualist. That is, researchers did not investigate how classes, groups, or institutions were formed, clashed, or interacted; at most they were concerned with how individuals functioned within groups or institutions, and how leadership could be exercised. Polls and surveys, principal methodologies of administrative research, also were (and are) methodologically individualist in the sense that individual respondents represent thousands or millions of autonomous others; society is deemed to comprise merely the summation of the individuals composing it: unions, coalitions, communities, and advocacy groups tended to be disregarded. Laboratory experiments too, another principal research method of administrative communication research, were and remain methodologically individualist, as it is the individual, not the class, group, or organization, that is the unit of analysis; the group, in other words, is represented by a small sample of autonomous individuals selected from the group.

A third characteristic of this research was its focus on behavioural or attitudinal change, a stance consistent with Shannon and Weaver’s emphasis on how senders can influence receivers. Communication was presumed to result in overt effects that could be both measured and replicated. Sponsors of the research, intent on influencing more strongly the attitudes and behaviour of message recipients, were desirous to uncover ‘the magic keys’ of persuasion.

Similarities of the Orthodoxies

One feature common to neoclassical economics and mainstream communication studies, then, is the existence at the very heart of both disciplines of circular flows upon which much else is constructed. Indeed, on the surface, the models seem almost identical. Both lend themselves readily to a methodologically individualist paradigm of single seller and single buyer, or sender and receiver, interacting – obscuring the importance of groups, coalitions, and other power concentrations, as well as the various contexts within which the interactions take place. Significantly, both models also abstract from asymmetries in power between seller and buyer or between sender and receiver.
Components of the two models bear striking surface similarities as well: the seller in the ‘market’ seemingly corresponds to the message source or sender; the buyer and the message recipient appear analogous; the commodity flowing from buyer to seller appears to link the parties in a manner not unlike the way in which messages or information link sender and receiver. On this basis one might well ask whether communication studies is not then ‘really’ but a special instance of the economist’s market, or conversely whether the economics model depicts but a special instance of an information flow, in which case commodities and money could more generally be viewed as messages or as information. (See chapter 1.)

Orthodoxies Contrasted: Blind Spots Edge into Vision

The primordial model of a communication system suggests, at least implicitly, a number of profound questions concerning, for example: relationships between sender and message, between sender and medium, between codes and various other elements of the system, between medium and message, between medium and receiver, between message and receiver, between sender and receiver, and of course concerning how all these components interact in ongoing interdependence and mutual transformation. Mainstream communication researchers tend not to address all these questions at once, of course, but most at least recognize that an act of communication entails at least an attempt to exert influence, if not indeed control, by a sender over a recipient.24

But here we arrive at one of the great ironies and contradictions of mainline American media research. While much time, money, and energy have been devoted to discovering the ‘laws of persuasion,’ the sole media ‘law’ emerging from mainline researchers has been the law of minimal media effects, ‘discovered’ by Paul Felix Lazarsfeld in the early 1940s and elaborated by many others over subsequent decades.25 According to Chaffee and Hochheimer, ‘For four decades “limited effects” was a major defense of owners of new media technologies, including television, from government regulation in the United States.’26 Significantly, the law of minimal effects is quite consistent with the Stigler/Becker postulate that consumers (here, message recipients) are ‘sovereign’ and unaffected by market transactions.27

Were economists to apply the questions media researchers routinely ask regarding the workings of the communication system to the circular flow of the market, that is, were economists to treat the market mod-
el as a communication system, they would undoubtedly become aware of issues heretofore neglected. They would come to see the market as being rife with influence or control. Prices, of course, embody information to which buyers and sellers respond (and neoclassical economists would give their assent to this). But, moreover, consumer goods may be viewed as messages. Apparel, for instance, has been analysed by media scholars as a language, with both ‘vocabulary’ and ‘grammar.’ Vocabulary includes hairstyles, accessories, jewellery, make-up, body decoration, and items of clothing. Like human speech, apparel actually comes in many languages, where ‘dialects’ and ‘accents’ coexist.28

More generally, consumer goods of all types ‘carry and communicate meanings.’29 Often commodities are purchased for the express purpose of communicating cultural meanings to third parties. In our economy, sellers through advertising frequently attempt to attach meanings onto products as a ploy to stimulate sales, and it is often precisely these meanings that consumers hope will be transmitted to third parties in their ‘conspicuous consumption.’ Not infrequently commodities are symbolically endowed by their manufacturers with ‘magical’ properties that will (it is implied but seldom stated directly) alleviate or resolve the most perplexing existential needs of users; through commercial imagery and incantations, manufacturers and advertisers communicate ‘healing’ to buyers, dispensing brand-name soaps, soft drinks, and automobiles as potions or placebos.30

Conceivably, economists could pose other questions, too, concerning, for instance, the two-way interactions of seller and commodity and of seller and buyer; the ramifications for workers of being treated as mere commodity; indeed the consequences of mediating so many human interactions by money; the change in meaning for commodities through their valuation in money terms; the range of impacts of different commodities on buyers, and so forth. While questions such as these are not avoided by political economists, neoclassicists either give perfunctory answers (‘the value of a commodity is its money price’; ‘the commodification of labour leads to efficiency in the flow of labour inputs’) or avoid such questions altogether.

If, to take just two examples, either the producer of the commodity or the commodity itself were deemed to affect tastes and preferences of buyers, then the harmonious and ‘simple system of natural liberty’ proffered by Adam Smith would fall into disarray, and in its place would arise models comprising influence, power plays, and disharmony. Two renegade economists who have asserted that producers and/or
commodities indeed affect consumer tastes are John Kenneth Galbraith and Tibor Scitovsky. Galbraith’s emphasis was on the manipulation by producers through advertising of consumers’ tastes and preferences, contending caustically that the free market ‘protects not the individual’s right to buy [but] the seller’s right to manage the individual.’\textsuperscript{31} Scitovsky, on the other hand, noted that the use of products tends to habituate users, meaning that increased consumption will not necessarily increase welfare, but simply appease temporarily the pangs of addiction.\textsuperscript{32} Both possibilities pose formidable challenges to neoclassicism, decomposing its ‘psychic balm.’\textsuperscript{33}

While at first glance, then, similarities would seem to abound between the two models – namely, market and communication system – closer inspection reveals that they are interpreted much differently. Economists do not research ‘communication’ at all, or hardly at all. While prices are certainly regarded as indicators and signals to which buyers and sellers respond, the mainstream theory does not propose that buyers and sellers influence one another. Nor do commodities or money have impact upon the understandings, wants, needs, or psychic states of buyers and sellers. In important respects, then, the economist’s ideal is one of perfect non-communication! Communication means influence; communication requires that someone or something affect someone else or many others. These requirements are precisely what neoclassical economists decry as ‘imperfections’ in the market – as instances of market power, and hence of ‘market failure.’ In perfect competition (the ideal against which the economic ‘real world’ is measured or interpreted), no seller exerts any influence on any buyer or other seller. Rather, each is pushed and pulled by the ‘impersonal’ forces that derive from aggregated, infinitesimally small influences of each participant. Likewise, products simply satisfy wants, certainly not influence or shape them.

It is not merely consumer products in general that are, for neoclassicists, devoid of message-carrying properties. So too (implicitly) are books, films, TV and radio programs, news stories, and so forth. Treating these cultural artefacts as commodities means precisely that buyers are understood as selecting messages in accordance with pre-existing tastes and preferences (subject to budgetary constraints and relative prices), and that buyers’ tastes and preferences remain uninfluenced by ‘consuming’ the information. If these assumptions of minimal influence and control are not maintained, Smith’s ‘simple system of natural liberty’ gives way to influence, power, and control – in brief, to critical political economy.
It is to be concluded that it indeed makes a difference whether one is an economist or a communication scholar, even in the mainstream. The former hypothesizes an impersonal, mechanistic world of individual autonomy and natural harmony; the latter envisages interdependence, influence, and control, even while providing analysis that furthers the capacity of those in power to maintain and extend the same. Many communication scholars (apart from poststructuralists and active audience theorists) would argue also that senders (sellers) necessarily alter psychic states of receivers inasmuch as messages are absorbed on account of novelty – otherwise no information has been imparted.

Political Economy

However, not all economists are neoclassicists. Critical political economists, unlike their neoclassical siblings, place the question of power front and centre. For them, as Frank Knight has written, ‘the central issue of economic policy is the distribution of power.’34 Or, in the words of Galbraith, ‘Economics divorced from consideration of the exercise of power is without meaning and certainly without relevance.’35 Rather than reify markets, political economists look to a host of factors, particularly law and social relations, to explain market outcomes. The market for them is an artefact, a human institution. Like other institutions, it too can be modified to achieve different results. There is no spontaneity or automatism to the market, and to think that there is is to be blinded to the underlying framework of power, including the legal system, which conditions market forces.36

Moreover, political economists writing in or from an economics tradition acknowledge the importance to economic affairs of the symbolic. Belief, knowledge, myth, ‘common sense,’ ideology – all contribute to the political economy framework within which goods are exchanged. Indeed, the very discipline of neoclassical economics can be interpreted and analysed as a symbolic or rhetorical system, serving to condition the economic system that it purports to describe.37 Institutional economist Clarence Ayres went even further when he advised that ‘all property rights derive from the culture which defines and honors them,’ making the task of the economist, in his view, one of comprehending ‘something of the nature and functioning of the ideology of our own society.’38

If not all economists are neoclassicists, neither are all communication scholars administrative researchers. Communication scholars with a political economy bent investigate the ‘context’ of cultural produc-
tion – how the production of culture takes place; how it is organized, politically, economically, and institutionally; who produces it and why. These scholars routinely question the justice of the current distribution of communicatory power and analyse the consequences, broadly framed, of the deployment of the same.

It is with political economy, then, as stemming from both the economics and communication studies traditions, that the material and the symbolic, the economy and the culture, are conjoined. Political economy unites the economics and communications disciplines, which are misleadingly similar only in their mainstream forms.

In considering the origins of political economy as unifier of economics and communication studies, it is instructive to turn to the early institutionalists, and in particular to Thorstein Veblen (1857–1925), an acknowledged founder of institutional and evolutionary economics who pioneered the integration, or perhaps more properly reintegration, of the symbolic and the material. Veblen’s contributions to communication studies, however, while certainly more profound and extensive than those of John Dewey, for example, have been scarcely acknowledged. In summary, it may be noted that Veblen placed institutions at the very centre of his analysis, eschewing the methodological individualism of his economist colleagues. He defined institutions as ‘widespread social habits’ or as ‘habits of thought.’ For him ‘the gradual accumulation of small changes in man’s habits of thought are responsible for all achievements of the race.’ It is important to study institutions, Veblen contended, because they alone explain societal change or evolution. Whereas generations of individuals differ little in terms of intellectual capacities or in instinctive propensities, institutions (ways of seeing or ‘habits of thought’) undergo cumulative change, transforming culture, society, and economy.

Through his definition of institution, then, Veblen emphasized the importance of the symbolic and the communicatory for the study of economic affairs. Furthermore, in *The Theory of the Leisure Class*, Veblen pioneered an embryonic analysis of the symbolic or informational properties of consumer goods. He declared that commodities are demanded not merely for their use value, but also, and often primarily, for their capacity to signal wealth and attract prestige. He argued, ‘In order to gain and hold the esteem of men it is not sufficient merely to possess wealth and power. The wealth or power must be put in evidence, for esteem is awarded only on evidence ... Conspicuous consumption of valuable goods is a means of reputability to the gentlemen of leisure.'
Furthermore, Veblen contravened the neoclassicists’ contention regarding the neutrality of money. Prices, for Veblen, are messages that affect (not merely reflect) the value placed on goods: ‘Precious stones … are more esteemed than they would be if they were more plentiful and cheaper. A wealthy person meets with more consideration and enjoys a larger measure of good repute than would fall to the share of the same person with the same record of good and evil deeds if he were poorer.’

Like Chicago school contemporaries – John Dewey, Robert Park, Charles Cooley – but unlike modern-day administrative communication researchers, Veblen conceived communication as being more than the mere imparting of information or the exertion of influence on receivers. Information for Veblen, as for Dewey, was ‘the constitutive force in society’; communication was ‘the entire process whereby a culture is brought into existence, maintained in time and sedimented into institutions.’

NOTES

1 The term administrative research was coined in 1941 by a leading (administrative) communication scholar of the day, Paul Felix Lazarsfeld, to denote research ‘carried through in the service of some kind of administrative agency of public or private character.’ He added that such research usually is intended to ‘solve little problems generally of a business character.’ See Paul F. Lazarsfeld, ‘Administrative and Critical Research’ (1941); repr. in Lazarsfeld, Qualitative Analysis: Historical and Critical Essays (Boston: Allyn and Bacon, 1972), 158–60.


4 Herman E. Daly and John Cobb, For the Common Good: Redirecting the Economy toward Community, the Environment and a Sustainable Future (Boston: Beacon, 1989), 85–96, 159–75.


6 Ibid., 13.
7 Ibid., 423.
8 Ibid.
11 Ibid.
16 Although Lasswell has routinely been credited with posing these questions, they were actually formulated jointly by several eminent media researchers (meeting in secret prior to the Second World War) who were intent to devise psychological warfare strategies for the US government. Since the questions needed a public author and the ‘Communication Seminar’ was secret, Lasswell was anointed. See Jefferson Pooley, ‘The New History of Mass Communication Research,’ in *The History of Media and Communication Research: Contested Memories*, ed. David W. Park and Jefferson Pooley (New York: Lang, 2008), 51–3.

21 Ibid., 5.


24 Shannon and Weaver, for example, defined *communication* as ‘all of the procedures by which one mind can affect another.’ Carl Hovland likewise stated that communication is ‘the process by which an individual (the communicator) transmits stimuli (usually verbal) to modify the behavior of other individuals (the audience).’ See L. Forsdale, *Perspectives on Communications* (Reading, MA: Addison Wesley, 1981), 9–11; also Schramm and Roberts, *Process and Effects*, 1–53.

25 ‘Limited media effects’ was ‘discovered’ shortly after the rise of Hitler, who employed loudspeaker and radio to mesmerize Germany, and the radio broadcast of *War of the Worlds* (Halloween 1938), which sent millions into a panic. The limited effects model also deflected pressure from Hollywood and broadcasters by contending that media content is unimportant.


27 In chapter 16 of this volume, the author suggests a resolution to the paradox of researchers on the one hand insisting that media have minimal effects, while on the other devoting much activity to strengthening the means of influencing audiences.


33 Warren J. Samuels, introduction to *The Place of Science in Modern Civilization* by Thorstein Veblen (New Brunswick, NJ: Transaction, 1990), xxvi. Note, in this regard, Stigler and Becker’s seemingly desperate ‘reformulation’ of the theory of consumer demand. The two Nobel laureates proposed that
what consumers really demand are not ‘products’ but ‘commodities.’ They defined commodities as want-satisfying outputs produced by the consumer, using as inputs not only products purchased in the market, but also the consumer’s time, skill, training, other human capital, and other inputs. By thus reconstructing the theory of consumer demand, the authors contended they had bypassed the dual problems of advertiser manipulation and product addiction. Changes in demand for products for Stigler and Becker are but a surface phenomenon, since underlying tastes and preferences (they hypothesized) are unchanging and everlasting: ‘One does not argue over tastes for the same reason that one does not argue over the Rocky Mountains – both are there, will be there next year, too, and are the same to all men.’

That Stigler and Becker fail even on their own terms, can be seen by juxtaposing two sentences from contiguous paragraphs at the article’s conclusion: ‘We claim, however, that no significant behavior has been illuminated by assumptions of differences in tastes … Needless to say, we would welcome explanations of why some people become addicted to alcohol and others to Mozart.’ In the Stigler/Becker world, ‘addiction’ to Mozart vs. addiction to alcohol is of no ‘significant’ difference; nor are the foregoing addictions ‘significantly different’ from non-addiction. See George J. Stigler and Gary Becker, ‘De Gustibus Non est Disputandum,’ American Economic Review 67, no. 2 (1977): 75–90.

34 Frank Knight, Risk, Uncertainty and Profit (1921; Boston: Houghton Mifflin Company, 1957), 282.
39 In American intellectual circles, Veblen was for years considered a bête noire, a ‘mad prophet.’ As noted by Horace Gray, ‘reactionary capitalistic interests, to protect their economic power, launched a vicious propaganda attack against Veblen; they elevated him to the godhead of all devils … Veblen was a wild man, a primitive, uncivilized creature, a libertine, an
anarchist, a communist, a revolutionary conspirator … Some faculty men lost their posts for suspected Veblenism, others were denied appointments and promotions.’ See Gray, ‘Reflections on Innis,’ 104–7.


