

Evans: Corporations overwhelm free enterprise

By Skip Volkman

America no longer has a free enterprise system, according to Bert Evans, professor of economics at UNL. Evans said Friday that the free enterprise system created by 19th century industrialists was replaced after World War II by a corporate system in which there is little competition.

Speaking in the Glass Onion's Chautauqua, which is billed as "an old-time series of popular talks intended to edify and entertain," Evans said American business "has gone from people who know how to make things to people who know how to make money."

"The corporate system now controls everything. It may sound a little far-fetched, but corporation power to coerce (to control people's buying habits and lifestyles) is more than people suspect. We don't notice it because we're living well even with inflation."

Evans said his economic views aren't common, especially in Washington, D.C., but he thinks a knowledge of the effects of the corporate system is necessary to control inflation.

Little understanding

He said none of the presidential candidates understands the corporate economic system well enough.

Evans said he favors federal price controls for energy, steel, transportation, chemical industry, and other areas that have a major influence on inflation, he said.

To support his views, Evans recounted the rise of the corporate system in America since WWII. His brand of economic theory, called institutionalism, looks at the economy as an evolving social process, and it identifies World War II as the driving force that stimulated corporate evolution.

"Before World War II we (the public)

figured we couldn't have good roads and schools because the high priests of industry didn't want us to have them," he said. "The institutional framework of the time held back technological advancement," in order to make more money.

"It was World War II that pressed the whole of American society to change the rules of the game," he said. To meet the demands of the war, America was forced to change its political and economic framework. That institutional framework could no longer hold back technological advancement.

Economic boom

The resulting boom in the economy spawned the highly productive corporate system, and government controls at the end of the war allowed corporations to eliminate small competitors, he said. This resulted in the modern oligopolies, which Evans calls "shared monopolies."

"But the shared monopolies realized

they couldn't use all their productive ability because if they produced a good product that would last, they would be out of business. What resulted was planned obsolescence, our throw-away society and environmental degradation. The automobile is a good example," he said.

But the corporate system realized planned obsolescence wasn't enough, Evans said. The goal of the industrial system for the last 200 years has been to grow every year and that wouldn't happen if industry was just replacing obsolete products. So the corporate system began looking for ways to raise prices without increasing sales.

Making excuses

"If you can't sell more, you make excuses to make it more expensive. In the 60s, the auto industry used Ralph Nader, pollution control devices and new models as excuses to raise prices.

"It's not that the people running the corporations are bad people. This is just a normal business procedure. In the business college, we teach how to make up excuses. We call it marketing," he said.

"But I argue that in the '70s price raising started between the corporations, each corporation increasing its prices to match the others' increase so no one would be left out. This is the main cause of inflation. We can't change inflation until we understand this and have government (price) controls," he said.

When asked what is to be done, he answered that people must be educated about the economy.

"Any damn fool can see" economics no longer applies to the American economy, he said.

Paraphrasing economist Arthur Koestler, Evans said, "When the masses fall behind in their ability to understand the process of the economy, the community and people fall behind in their ability to control their own destiny."

Academic institutions should be teaching students about the current economy, he said, but the changes are happening so fast that the academic institutions have fallen far behind in their teaching.

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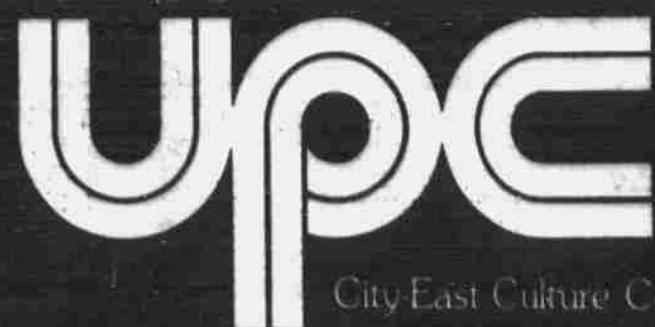
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