

Is the Function of Mainstream Economics to Avoid the Analysis of Business as War?

Take the following:

1. all wars are trade wars¹
2. the business of war is business
3. the war of business is business
4. business is war and the war is never over²

5. On the origins of predatory laissez-faire commerce McLuhan is enlightening: "Let me tell you that religion is not a nice comfortable thing that can be scouted by cultivated lecturers. It is veritably something which, if it could be presented in an image, would make your hair stand on end. Hence the fate of those poor uneducated undisciplined devils who stumble upon some of its "horrors" while remaining inaccessible to its resources. Such was Bunyon and countless others. It is no wonder that men unable thus to see God and to live, quickly rationalize their beliefs as has happened in all the older Protestant sects. Men must be at ease in Zion if they are to pay more than a flying visit. The 17th cent. Protestants abandoned the world and the flesh to the Devil and packed up for Zion. They found the climate their [sic] impossible and returned to earth only to discover that the devil had been making hay. That is the origin of predatory laissez-faire commerce: [and quoting Burdett] "Industrialism [capitalism] establishes a state of slavery more corrupting than any previously known in the world because the master is not a man but a system, and the whip an invisible machine. With this it is impossible to enter into any but inhuman relations, and in such an inversion of humanity all the instincts become perverted at their source. Osbert Burdett, *The Beardsley Period: An Essay in Perspective*, (1925), 268). See: M. Molinaro, Corinne McLuhan and William Toye. Eds. *Letters of Marshall McLuhan*, (Oxford: Oxford University Press, 1987), 75.

6. The term *global village* has been popularized as has *global pillage*. The terms have become part of the rhetoric associated with control by capitalist corporate enterprise. The terms *global pillage* and *global factory* emphasize the exploitation of people that is involved at all levels. The term *global village* seems to have been coined by Marshall McLuhan but note his stress. The subplot [of *War and Peace in the Global Village*] is the effect of the computer, The main plot is that every new technology creates a new environment that alters the perceptual life of the entire population. Since violence is the inevitable means of quest for identity when the old image, private or corporate, is smudged by the new technology, war is automatic as a means of recovering identity. [M. Molinaro, Corinne McLuhan and William Toye. eds., *Letters of Marshall McLuhan*, (Oxford: Oxford University Press, 1987), 348. Emphasis added.] In appended footnote #2 (page 348), the editors suggest that peace in the global village will come about through this adjustment, adjustment to pain caused by new media and new technologies and the pain inflicted by illuminating them, which is also implicit in the action of technology. In writing to Hubert Humphrey, (dated 6/12/68) McLuhan remarked: Today in our global village, created by instant communications, all backward countries are threats to all developed countries. Like the Negro and the teen-ager in our own country,

1. From Smith, J.W. *Economic Democracy: The Political Struggle of the Twenty-first Century*, (Armonk, New York: M.E. Sharpe, 2000).

² I think this can be found in *Rising Sun*.

they get turned on by the new electric age. They never had an industrial age or a 19th century. They start with the latest, electric information. The electric environment is totally involving. It is not an environment of consumers. That is why World War III is also a depression, whereas World War II had been a struggle to get out of a depression. All backward countries are "communist." They have never known social or political individualism. The Orient is entirely tribal and family oriented. Russian communism was similarly oriented for the benefit of a tribal people. They are still tribal. To regard the global encirclement of the USA by backward communities presenting a communist threat to the USA is a very confusing affair. It represents a state of mind at least as confused as the Kaiser in 1914. It also ignores the fact that electric technology is totally tribalizing the USA. (*Letters of Marshall McLuhan*, 349-350).

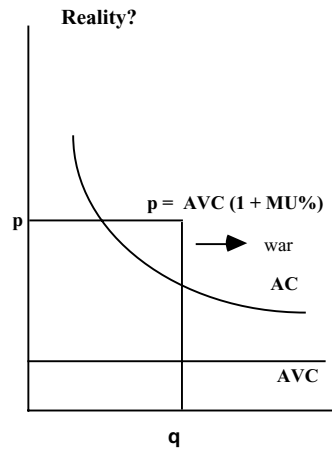
7. The United States seems to have for long been intent on world domination. This, of course, makes the US the biggest problem other countries have to face. The war in Iraq in 2003 is just one incident of many. See: Michael Hudson, *Super Imperialism: The Economics Strategy of The American Empire*. (New York: Holt Rinehart and Winston, 1972; and the revised edition: Hudson, Michael. *Super Imperialism: The Origin and Fundamentals of U.S. World Dominance*, (London: Pluto Press, 2003). Taken with McLuhan's use of the term, WWII, the super imperialism of US domination seems to be a *shoot-first-ask-questions-later-war* by the US against at least some of the rest of us. Are the rest of us *sycophants*? And *thus this business is war and the war is never over*.
8. demand determines supply and supply costs determine prices according to markup formulas. This truth seems independent of market structure, whether competitive, oligopolistic, or monopolistic. In support:

markup and normal cost pricing procedures have been used since the time of Adam Smith the historical prevalence of these pricing procedures undermines the need to provide an analytical basis and an ahistorical (theoretical) justification for them the empirical evidence does not suggest that their usage is a function of the degree of market competition an idealized competitive market is a piece of theoretical fiction which post-Keynesians can do without.³

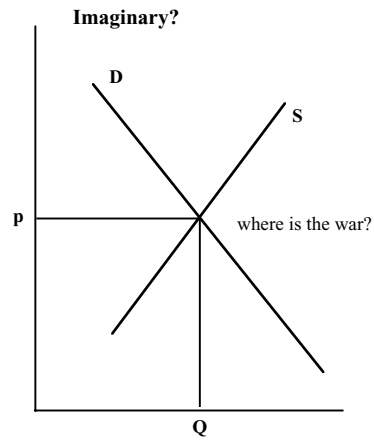
The major point is what we all know and experience in our daily lives -- that real world prices are administered to the market and as such those prices are not market clearing prices of neo-classical price theory.

³ F.S. Lee, From Post-Keynesian to Historical Price Theory, *Review of Political Economy*, VI:3(1994), 311.

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The life of business is war and war leads to death of some businesses; in death they are in equilibrium. War is for the bottom line profit for those that survive.



Mainstream equilibrium of conventional demand and supply conditions with excess profit eliminated. But the only reality is that equilibrium is death.