

**FORSAKING THE MARKET: PRICE CONTROLS AND IDEOLOGICAL
CHANGE IN THE UNITED STATES**

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A central component of the American political ethos has been that there ought to be a complementary relationship between the liberal polity and free-market capitalism. When such a relationship exists the distinction between the two spheres is presumably dissolved by the liberty guaranteed by each to the other. This paper consists of an analysis of editorials and columns in the American prestige press on the question of the desirability of price and wage control during the 1940s and 1970s and assumes that such an issue highlights the relationship of politics and economics. The analysis reveals that the editorial position of the New York Times had changed from reluctant to strong support for controls based on a perceived crisis of fairness in the American political economy during the early 1970s. The concern with fairness during the 1970s was mirrored in reverse in Wall Street Journal editorials and columns opposing controls and suggests that a scramble for economic shares had taken precedence over the more traditional concern to preserve political and economic liberty.

Introduction

It is widely argued that liberal democracy and market capitalism are vitally related to one another in a complementary way (Friedman, 1962; Hayek, 1944; Lindblom, 1977). According to this argument, economic and political liberty are regarded as so essential to one another that the distinction between them becomes meaningless. As long as this relationship persists, the technical dynamics of the market can be relied upon to adjust periodic fluctuations in its economic performance. In the political sphere, policy making and conflict resolution are to occur through processes

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characterized by equality, liberty, and fairness. Liberty in the one is a precondition of liberty in the other.

In liberal democracies, then, policy and institutional measures which appear to substitute for or disrupt this complementary relationship of polity and economy are regarded with suspicion. Economic planning is anathema to such societies, in part because it would disturb this relationship of economic and political freedom. Of the world's current liberal democracies, none is perhaps more fervently committed to this point of view than the United States (Hartz, 1955; McCloskey and Zaller, 1984). Yet in the years following the tumultuous 1960s, Americans began to question the ability of the market to perform its economic and/or political functions. Explanations of this perceived failure have included excessive government intervention and regulation (Higgs, 1987; Kristol, 1980; Olson, 1982); the increasing concentration of private wealth and power (Galbraith, 1967, 1973; McConnell, 1966); and the increasingly interdependent yet highly competitive global economy (Bluestone and Harrison, 1982; Etzioni, 1980; Reich, 1983; Rohatyn, 1983). Finally, some scholars have expressed dissatisfaction with free market economics as an analog for decision-making in a democratic polity. Lowi (1969), for instance, questions the ability of the market-oriented style of conflict resolution in pluralist polities to produce rational and just policies in a complex post-industrial world. Others have argued that a vastly unequal distribution of wealth has come increasingly to characterize market societies and has begun to undermine the most basic of democratic processes (Dahl, 1982, p. 170; Lindblom, 1977, pp. 222-233; Okun, 1975, p. 1; Thurow, 1980).

Such criticism strikes at the foundations of established orthodoxy. Increasing challenges to market capitalism led in the late 1960's to a perceptual breakdown among elite opinion-leaders of the once symbiotic relationship between economics and politics (Gouldner, 1979, pp. 57ff). Among the evidence that this breakdown became a part of mainstream elite opinion are the debates in the American prestige press (Pool, 1970, p. 17) over wage and price controls which took place immediately following World War Two and again during the Nixon Administration.¹ For purposes of this study, documentation is based on analysis of the ideologically symbolic content of 447 editorials and columns which appeared in the *New York Times* (NYT) and the *Wall Street Journal* (WSJ)² during those two periods. Table 1 categorizes these 447 editorial page discussions of wage and price controls.

Note that the editorial content of the earlier period greatly exceeds the later period. One reason for this is a change in the formats of these two

newspapers; another is simply that the issue received far less editorial attention during the Nixon era. The format change has to do with a reduction in actual space devoted to editorials and, as Table 1 also indicates, an increase in the number of columns written by regular and guest columnists.

Method

To reinterpret and somewhat invert a methodological suggestion offered by Karl Mannheim, the editorial page discussion of public policy issues is a particularly sensitive index of ideological change (Mannheim, 1936, p. 83) because in addition to the fact that it is watched by the attentive public (Key, 1961, pp. 189-192) as well as by key decision makers, it constitutes a forum where the "prevailing ideology" (Pool, 1970, p. 17) is applied to the salient issues of the day. Thus, this study focuses on the ideological dimensions of a concrete public policy debate through the analysis of a medium which has the likelihood of influencing the most significant portions of American society.

The analysis of the data for this paper is not, strictly speaking, a content analysis as traditionally understood, for instance, by Berelson (1954, p. 489) because a quantitative account of the arguments in this policy debate is neither the exclusive nor the most central mode of analysis. Rather, *ideologically relevant arguments of differing frequencies are accorded relatively equal status because each is a part of the debate.* When juxtaposed on one another, certain of these arguments assume special importance regardless of their frequency, either because they appear to be central to a particular cluster of arguments or because they make greater sense of others (Macpherson, 1962, pp. 4-8). As one might expect, however, the linchpin arguments tend also to be the most numerous.

The manner by which the data are analyzed and reported also differs from a traditional content analysis in that the editorials and columns are, so to speak, permitted to speak for themselves. First, the editorials and columns from both periods were screened to determine whether they individually favored or opposed controls. Then, based on principal disputes which usually arise in debates over economic planning, a set of three issues was devised to identify the arguments used to defend these positions. In a sense, this method of analysis permits the investigator to "interview" the data (Krippendorff, 1980, pp. 79-80).

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The first of these, the "Normative Issue," addresses the suitability of controls and planning for the central features of the American political ethos. It asks: To what extent and in what ways are the components and functions of wage and price controls consistent or inconsistent with traditional features of the American political ethos? The second, the "Knowledge Issue," addresses the empirical question of whether, technically, economic planning is possible, and asks: To what extent do the administrative and informational capacities of government justify the substitution of its own judgment for that of the market and/or any other relevant economic decision makers? The third, the "Public Issue," addresses the political question of whether individuals and groups, as economic actors, can be expected to fit their behavior to government's economic judgment. This question asks: To what extent does the behavior of groups and individuals as politico-economic actors facilitate, obstruct, or require the imposition of a controls apparatus? The editorial page responses to these three questions are reported in summary fashion for each time period, respectively, in Tables 2 and 3.³

Analysis of the Editorial Page Perspective: 1945-46

During the 1940s, both the NYT and the WSJ favored a return to the market, agreeing that controls should not become a permanent fixture of the American political economy. At the heart of this position was the belief that to institutionalize wage and price controls would severely corrupt what was believed to be the proper relationship between economy and polity.

The question was one of how quickly controls should be abolished. Until November 1946, when it finally called for an end to all controls, editorials in the *New York Times* reluctantly favored limited controls on the most inflationary items. These would gradually diminish as the inflationary pressures the war emergency generated subsided.

The *Wall Street Journal* did not support the *Times'* more gradual timetable, preferring, instead, an immediate end to all wartime controls. The following discussion of the arguments marshalled in behalf of these positions is based on editorials in each newspaper and/or the columnists it published, as summarized in Table 2.

The Normative Issue

Each newspaper argued that the OPA might easily become a runaway agency whose thirst for power threatened the foundations of limited

government in the United States. The nucleus of these concerns consisted of a set of arguments about the appropriate extent of the discretionary authority to be granted OPA, if re-authorized. As indicated above, the NYT and columns advocating re-authorization insisted that OPA authority be geared toward decontrol, while the WSJ almost uniformly advocated the immediate termination of OPA authority. These positions, especially in the WSJ, were based on a genuine fear that OPA, no matter how noble the intentions of its administrators, would seek to extend its authority in the direction of a permanently planned economy.⁴ To the WSJ, controls were inherently inconsistent with the limiting conditions of "parliamentary government" (WSJ, 4/8/46, p. 6). Both newspapers argued that because OPA would become an attractive tool for manipulation by politicians, temporary extension of its authority in peacetime would lead to its permanent institutionalization. In light of these concerns, the WSJ claimed that "the way to stop price control is to stop" (WSJ, 3/14/46, p. 6).

OPA was subjected in both newspapers, especially in the more strident WSJ, not only to these hypothetical criticisms of OPA extension but also to concrete charges that the agency and its supporters had indeed embarked upon the achievement of a hidden agenda. The WSJ, and to a lesser but still significant extent the NYT, both believed this agenda was to perpetuate and extend the agency's authority.⁵ The WSJ cited such evidence as that the agency had continually denied that certain commodities, such as oil and cigarettes, had reached non-inflationary supply levels (WSJ, 4/3/46, p. 6). In arguments which also found their way onto the NYT editorial page, the WSJ accused the agency of employing propaganda about economic conditions and the correctness of its policies.⁶

Consistent with its characterization of OPA as totalitarian⁷, the WSJ also found the agency's enforcement tactics to be excessive and accused the agency of intimidating its critics through public abuse, blackmail, and suppression on 19 occasions, primarily in 1946. On one occasion in 1945, it likened the agency to the Nazi Gestapo by citing such enforcement tactics as the New York City program in which school children were to compare the prices paid by their mothers with the legal price ceilings (WSJ, 1/26/45, p. 4). On 11 occasions, the WSJ accused the agency of attempting to sabotage capitalism by undermining the politico-economic freedom intrinsic to it in the name of a faith in national economic planning (WSJ, 10/19/45, p. 8).

From the normative perspective, then, OPA received far more criticism than praise. Both supporters of limited extension and outright opponents regarded controls as a serious threat to the American political

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economy precisely because it was not considered possible to separate political and economic power. As the nation was just ending a war with regimes whose physical, political, and economic domination of their respective societies were almost indistinguishable, this should not be surprising.

The Knowledge Issue

That the discussants in the debate during the 1940s believed the market still to be adequate to its responsibility as guarantor of free and stable political and economic institutions is also evident from their arguments in response to the knowledge issue. The WSJ's principal response to the question raised by the knowledge issue was that the economy was far too complex and the information resources available to OPA far too limited to assure successful implementation of controls.⁸ One of its editorials expressed this lack of confidence with the comment that "no flat, uniform price can be made to fit the necessities of an infinite variety of big and little producers operating under widely different conditions throughout the country" (WSJ, 2/5/46, p. 6). Thus, while it often attributed evidence of OPA's failures to administrative and personnel factors, such as in the comment that many OPA staff members "are merely immature and inexperienced," (WSJ, 10/19/45, p. 8) its principal position was that the application of limited knowledge to a highly complex economy could only lead to chaos.⁹

Fully 67 WSJ editorials made the argument, for instance, that OPA policies severely restrained production and, in consequence, increased shortages and black markets. On 20 occasions, the WSJ deduced that only comprehensive control could manage such complexity, while it implicitly denied that such comprehensive control was possible. Thus, the WSJ had no use for controls, constructing an argument that OPA would only create economic chaos and perpetuate its own existence until it seized control of the entire economy, and eliminated the market system and with it the liberal polity.

The NYT seems to have agreed, but with far less stridency and on far fewer occasions.¹⁰ Although it endorsed extension, it employed arguments under the knowledge issue which were similar to those of the WSJ in their skepticism about a successful long-term program of controls. Its reluctant advocacy of a limited, diminishing program of selective controls was meant to meet only what it believed were the lingering trappings of a war-generated economic emergency which might only be exacerbated by an

immediate return to market forces. Controls, however, dealt only with the symptoms, and not the true causes, of inflation. Specifically, the NYT argued on 48 occasions that loose fiscal and monetary policies, though essential to the war effort, had distorted the market and made controls necessary. Once such policies were brought into line, however, the market would re-emerge as the best and most desirable economic regulator.

Under the knowledge issue, then, each newspaper brought to bear arguments which supported and in some cases mirrored those that had been made in response to the normative issue. A continued faith in the wisdom of the marketplace coupled with a strong sense of its vulnerability in the immediate post-war period were drawn together by a thoroughgoing skepticism about OPA's ability to substitute for the market.

The Public Issue

The key to the ideological perspective of these two newspapers during the 1940s is found in their response to the question raised under the public issue. Their arguments here demonstrate that both agreed, despite their disagreement regarding OPA extension, that the market economy in the United States was both a normative and an empirical reality. This position emerged in two basic types of responses to the public issue.

The first of these was that economic actors would choose how or whether to respond to government actions on the basis of their own self-interest and competitive instincts as though they were signals generated in the open market.¹¹ The WSJ, for instance, argued 26 times in defense of its complete opposition to controls that, as during Prohibition, people would second-guess government orders, even if it meant violating the law (see, for example, WSJ, 7/1/46, p. 4). On 16 occasions the WSJ deduced from this historical analogy that substantial evasion of OPA policies demonstrated the lack of economy-wide support for controls while on another 17 occasions it attributed statements and actions supportive of OPA to those for whom, in the absence of a war emergency, controls offered at least a temporary competitive advantage. Clearly, the WSJ was satisfied that New Deal and wartime economic controls had not stifled the American competitive spirit.

For its part, the NYT was also aware of the degree of evasion, but given its position in support of limited controls it regarded evasion and self interest as an inevitable, albeit regrettable, consequence. While the NYT acknowledged that temporary controls would become more difficult to administer as the psychological trappings of the war emergency diminished, it

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nevertheless regarded them as essential to the restoration of the market. The inevitable evasion and self-interest, it concluded, were no reason to reject controls and risk further economic damage.

The NYT bolstered its position by referring to a second type of response to the public issue, shared by the WSJ, which held that in the absence of the war emergency and the patriotic cooperation generated by it, agencies such as OPA would have to convince the public of the fairness of its policies to all sectors of the economy. Both newspapers were very concerned that in the absence of a public perception of OPA fairness, economic actors would have an even greater incentive to evade and/or ignore OPA decisions.¹²

Given these emphases on the inherently market-oriented behavior of economic actors, we can relate the response to the public issue to responses to the normative and knowledge issues. In particular, the responses in both newspapers to all three issues hinge on the concern that OPA would seek comprehensive control over the economy. The WSJ regarded this as an OPA goal which could not be realized in practice. It supported its position by referring not only to the intractable complexity of the economy under the knowledge issue but also, under the public issue, to the equally intractable competitive spirit of the American public. As for the inherently competitive American spirit, WSJ references to the gestapo, propaganda, and an anti-American agenda seemed to anticipate a nightmare of political, economic, and physical control were OPA to be extended.

While for the NYT short-term controls were preferable to immediate termination, its position was also market-oriented. Like the WSJ, it also feared for the future of the polity under continued OPA authority. It shared with the WSJ a skepticism about the effectiveness of controls, especially in peacetime, but seems to have advocated their limited extension so as to prevent an even greater post-war economic chaos which would inevitably be met, however wrong-headedly, with even stricter, and hence more threatening, controls.

Analysis of the Editorial Page Perspective: 1969-74

In spite of the Vietnam conflict, the debate over wage and price control during the 1970s was essentially over the imposition of peacetime controls. While this is similar to the debate over post-war controls in the 1940s, it differs in that controls advocates could not, and did not, point to Vietnam as a justification for their position. Rather, both advocates and

opponents focused on the question of whether there was a peacetime economic crisis and, however that question were resolved, whether government intervention or free enterprise would be best able to correct it.

The NYT uniformly endorsed wage and price controls in all 20 of its editorials on the subject. Its endorsement of peacetime controls is strikingly different from the position it had held during the 1940s and was based on the belief that the stagflation of the period was symptomatic of an economic crisis requiring drastic policy action.¹³ As the analysis will show, the central component of the perceived crisis was that the market economy was neither as fair nor efficient as it had been and that this required extraordinary peacetime government intervention.

The basic position of the WSJ opposing controls had changed little from the 1940s. All 37 of its editorials on the subject took this position.¹⁴ The analysis will show that arguments against controls which expressed concern about their normative implications for the American polity were overshadowed by an evaluation of their potential for unfairness to specific political and economic groups. The total frequencies of the arguments are summarized in Table 3.

The Normative Issue

If in the 1940s the central normative issue was the extent of discretionary authority which should be granted to OPA, the central issue in the 1970s was by whom and how a similar kind of authority would be exercised. While much of the discussion in the 1970s did focus on the idea that controls would result in the centralization of authority, it is a different concern from the earlier period in that the arguments focus not so much on the potentially totalitarian character of such authority but rather on the consequences controls might have for specific groups and individuals.

Those normative arguments opposing controls in the 1970s, appearing mainly in the WSJ, emphasized threats to liberty, democracy, and fairness in a way reminiscent of the 1940s.¹⁵ For example, economist Alan Greenspan (1973) wrote that whereas "controls cannot supersede the laws of supply and demand," in a free society, "justice cannot prevail," in any society in which they can. There was significant concern that those principally responsible for making policy decisions under controls would give little consideration to what might be correct or just. Rather, there seems to have been an assumption that if, as the WSJ (7/6/71, p. 14) put it, "government functionaries try to manage markets determining just what is 'fair' for all of

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us" the political distribution of power at a given moment would shape the distribution of economic power.¹⁶ While the principles of liberty and democracy figured prominently in normative arguments opposing controls, they were overshadowed by concern about the fairness of specific outcomes.

This fairness-based perspective on the normative issue was mirrored by arguments marshalled in defense of a controls program by the NYT and columns in both newspapers. Advocates believed that the need for controls had grown out of the unfair economic advantage possessed by certain economic groups over others. Eight NYT editorials and 12 of the columns it published argued that compulsory economic cooperation was essential to protect weaker economic actors from stronger. NYT columnist Leonard Silk (1971), supporting the 1971 freeze on the ground that ours was "no longer a Smithian economy," contended that powerful groups, when they "cannot work out an adjustment of their conflicts without hurting the rest of the community," must be subjected to public authority to "effect a better balance of community interests".

In addition to advocating controls in order to achieve such a balance, however, advocates were also concerned that controls not be subject to political abuse by the concentrated economic powers which had made them necessary. Thus, they often criticized the Nixon Administration for various forms of favoritism¹⁷ and were generally critical of government officials for lacking the political will to act because of strong counter-pressures from concentrated economic powers. It is not surprising, then, that advocates very often expressed concern that any controls program, while necessary, nevertheless be subject to both democratic checks and traditional market restraints so as to avert economic harm to disadvantaged groups which they believed could result from too tight and unsupervised a relationship between politics and economics.

The normative perspective on controls during the 1970s, then, while often rhetorically consistent with that of the 1940s, differed in the sense that its focus was on the consequences for certain groups; opponents feared that the responsibility for sorting economic interests would be taken from the market while advocates emphasized their doubts about the market's ability to do so fairly. Especially significant is the change in the NYT's editorial position in that while it remained a reluctant advocate, the reluctance it shared with like-minded columnists in both newspapers was based less on a concern about the threat of controls to the liberal polity than on the possibility that the economic groups whose power controls were meant to restrain might succeed in using controls to perpetuate and strengthen it.

The Knowledge Issue

On the knowledge issue, opponents held to the position, consistent with that of their counterparts in the 1940s, that government's ability to successfully implement a program of controls was limited by its access to information and the sheer complexity of the economy.¹⁸ In March of 1971, for instance, the WSJ counseled against the development of a program of controls with the comment that "[a]s long as the instruments of economic policy are imperfectly understood, the policy-makers had better handle them cautiously," (WSJ, 3/18/71, p. 18). Indeed, opponents of controls were confident that the true source of the nation's economic problems was the result of government's "distorting" influence over the market.¹⁹

The widespread conviction among advocates of control that the economy had reached a state of crisis led them to support drastic policy measures, partly with the confidence that what they viewed as the principal cause of the crisis, the concentration of business and organized labor, would also facilitate controls since they were so easily identifiable.²⁰ Thus, in March 1971 the NYT urged the president to replace the policy of gradualism with direct controls on the construction industry so that it would become "vastly easier to take the additional steps needed for a genuine national incomes policy to halt the shrinkage of the dollar" (NYT, 3/28/71, p. iv: 14).

Control advocates were careful to argue that any incomes policy must nevertheless rely on market forces, partly as a response to their critics but also as a check against their normative fear, noted earlier, that the authority for controls might be seized by the very forces which had necessitated them.²¹ Rather than dismiss the market altogether, advocates looked to government with the confidence that, if managed properly, controls could rectify the economic outcomes they found so distressing without forsaking the market altogether.

The debate on the knowledge issue during the 1970s, then, illustrates sharper disagreement on the informational and administrative questions it raises than in the 1940s. In the first place, the two sides disagreed about whether there was indeed an economic crisis requiring economic controls. Opponents of controls were as confident of their conclusion that there was no such crisis as advocates were confident of its urgency. Secondly, while the WSJ and columnists opposing controls were convinced, as in the 1940s, that the economy was too complex for economic control, advocates of controls believed the economic concentration which had caused the crisis they defined

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would also make controls that much more effective. Rather than lacking confidence in controls from the perspective of the knowledge issue, then, advocates lacked confidence in the political institutions which would administer them.

The Public Issue

As was the case in the 1940s debate, the response of advocates and opponents of controls to the questions raised by the public issue serve to tie together their responses to the other two issues. The response to the public issue reveals that the discussants held two different perspectives on the political and social climates within which controls would be imposed and as a result they disagreed on their necessity and workability.

Opponents of controls did not share the belief of advocates that the market had been distorted to a point which required drastic and direct government intervention. Rather, they regarded controls as a threat to an otherwise stable political economy.²² For instance, conservative economist Milton Friedman (1971) argued in a scathing column in the NYT that Nixon's new freeze would encourage political appointees to exercise "arbitrary judgment," and that these decisions would be based on "political power" and "visibility". This being the case, controls would likely result in greater conflict among economic groups, thereby exacerbating the already divisive political issues of the day.

Furthermore, opponents believed that controls and their implementation would quickly become a political issue that would misdirect the competitive activities of economic actors toward seeking political influence with the controls authority. Consistent with this, the WSJ argued in 1973 that those in the business community who had supported controls "as a pleasant way of avoiding nasty labor confrontations, must now ponder the profit implications of a one-sided freeze" on prices and not wages (WSJ, 6/15/73, p. 12). Such government-inspired calculations could only lead to further economic chaos and conflict which would then be resolved in the political arena.²³ Furthermore, opponents believed that controls would cause important economic actors to lose confidence in the economy and to adjust their activities accordingly with potentially disastrous economic results.

To advocates of controls, the market economy no longer served political or economic freedom. Rather, since the Smithian conception of a competitive political economy had been supplanted by the unfair domination of powerful economic groups, government had the right and responsibility to

intervene and compel cooperation. Thus, in endorsing Nixon's 1971 freeze, the NYT wrote that it would be "a test of the ability of this democratic nation to develop workable curbs on the abuse of private power without a total suspension of voluntary decision-making," and that "government has an inescapable obligation to protect the total community against excesses by big business or big unions where they exercise monopoly control over vital services" (NYT, 8/30/71, p. 28). In other words, since advocates saw the market system itself causing the need for controls, they saw no reason to protect it from direct government intervention.²⁴

In the 1970s, then, opponents argued that economic actors would interpret controls as an invitation to seek economic gain through political, rather than market, means, thereby corrupting both arenas. They viewed this politicization of the distribution of economic power as potentially threatening to the status of the large corporate and financial interests whose health and independence they regarded as crucial to a strong economy.

Advocates, on the other hand, supported government neutralization of concentrated power. They were fearful that the Nixon Administration's implicit ties to concentrated corporate and union power would lead it to use its economic authority to enhance, rather than to restrict, that power. Since, from their perspective, the market system had become a threat to political liberty and fairness rather than a guarantor, they regarded direct intervention as essential.

Conclusion

The foregoing analysis of the debates over wage and price controls during the 1940s and the early 1970s has shown that there were significant changes in the intensity and justification of positions for or against controls. Most notably, a shift to editorial support for controls by the NYT from the earlier to the later period may be contrasted with the consistent opposition to controls found in the WSJ during both periods. Further, in the 1970s all sides employed as justifications of their respective positions a more particularistic concern with fairness rather than the more general concern of the earlier period to preserve liberty.

This development hinges upon a change in the conceptual relationship between polity and economy. In the 1940s, the discussion of controls was founded upon a firm ideological belief that economic planning was unsuited to an American political ethos which acknowledged no distinction between economic and political liberty. In the 1970s, the

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economic consequences of controls were considered independently of their consequences for the polity, although they were obviously understood by both sides to have important political consequences as well. Considering the economy as an independent object, then, the advocates of controls had only slight difficulty endorsing direct political control and the limitation of economic freedom---their difficulty being uncertainty about the fairness of the political authority implementing it. Opponents were content to argue for complete depoliticization so as to preserve the market's economic outcomes. In each case, the fairness of specific economic outcomes was measured in isolation from their effect on the general distribution of economic and political liberty.

This might be explained by noting that in the later period the debate was conducted on less ideological grounds. Since these debates took place in a nation where a deeply-rooted liberal ideology (Devine, 1972; Hartz, 1959) would be expected to play a major role on such a question, the apparent lack of intense ideological concern in a debate over planning is significant. Given the emphasis on fairness for particular groups, this change might be attributable to an effort to calculate the utility of such policy proposals based on the expected outcomes for specific "distributional coalitions" (Olson, 1982) at a given moment in political time as part of a broader strategy for controlling the extension of the "scope of conflict" (Schattschneider, 1960).

Thus, while it would be a misrepresentation to claim that the editorials and columns analyzed here were devoid in the 1970s of rhetoric regarding the importance of a free economy to a free polity, it was clearly concern over a possible scramble for economic shares which determined a position for or against controls. As the conception of political economy became increasingly technical, ideological concern for the effects of economic policies on the integrity of the polity was displaced. The earlier complementary relationship between polity and economy had been supplanted in the 1970s by the myth of their objective separation. This finding is consistent with the view that a polity whose fairness was based on republican virtue had been supplanted by an "interest-group liberalism" (Lowi, 1969) which placed a premium on the attainment of "justice as fairness" (Rawls, 1971; see also Nozick, 1974).

NOTES

1. It may be useful here to briefly outline the historical context of the two debates, based on the account found in Rockoff (1984). By January

1945 the Roosevelt Administration and most of the rest of the nation were preparing for "reconversion" to a peacetime economy. One of the most controversial issues was the fate of the vast wage, price, rent and rationing controls administered by the Office of Price Administration (OPA) which was formally abolished in November 1946. During the Nixon Administration, unusually high inflation combined with rising unemployment created a phenomenon dubbed stagflation which, whatever its cause, was highly unpopular. In August 1970, Congress passed the Economic Stabilization Act authorizing the President to impose wage, price, and rent controls as he saw fit to fight inflation. Few observers thought he would invoke those unsolicited powers, but he did on August 15, 1971, imposing, among other measures, a freeze on wages, prices, rents, and salaries. Nixon's surprising turnabout lasted through four "phases" until its expiration in April 1974. Throughout the four phases, wage labor bore the brunt of restraint while business and financial interests enjoyed greater independence and the inflation rate continued to climb.

2. Except for the *Wall Street Journal* during the immediate post-war period, all material was gathered by way of the indexes published by those two newspapers. All editorials and columns having to do with wage and price controls were identified using the widest number of subheadings possible and spot checks were employed to compensate for inaccuracies and idiosyncrasies attributable to indexing. Due to the lack of readily available indexes for the post-war *Wall Street Journal*, each editorial page for the entire two-year period was screened for relevant editorials and columns which were then catalogued and coded. (See Hobbie 1977, pp. 35-51; Krippendorf, 1980; and Holsti, 1969). Hereafter, the *Wall Street Journal* will be abbreviated as WSJ and the *New York Times* as NYT.
3. Contact the author for a detailed breakdown of some 73 specific positions found in the editorials and columns, with specific frequencies for each position.
4. This position appeared in 62 editorials and one column in the WSJ and 17 editorials and two columns in the NYT.
5. Fifty-seven WSJ editorials expressed this concern as did 21 editorials and 5 columns in the NYT.
6. WSJ editorials made this accusation on 30 occasions as did ten editorials and four columns in the NYT.

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7. The WSJ characterized OPA as total-itarian on 25 occasions as did five NYT editorials.
8. Sixty-nine editorials and two columns in the WSJ expressed this position.
9. On 93 occasions the WSJ editorialized in part that OPA would further aggravate economic instability.
10. Twenty-four NYT editorials expressed doubt about OPA's economic knowledge while 30 of its editorials suggested the possibility of economic chaos stemming from OPA policies.
11. Sixty-one editorials and one column in the WSJ made this prediction as did 25 editorials and five columns in the NYT.
12. Seventy-three editorials and two columns in the WSJ expressed this concern about the perceived fairness of OPA policies as did 57 editorials and five columns in the NYT. Thirty-five editorials in each newspaper, for instance, were critical of the Truman Administration's reluctance to control wages along with prices. Sixteen NYT editors argued that such a policy imbalance placed an unfair burden on business in the form of de facto profits control.
13. A position in support of controls was also taken by 18 columns in the NYT and three such pieces in the WSJ.
14. Twenty-four columns in the WSJ and 14 such pieces in the NYT opposed controls.
15. Thirteen editorials and ten columns in the WSJ raised these traditional normative concerns as did nine columns in the NYT.
16. Thirteen editorials and 12 columns in the WSJ raised this specific concern as did 12 columns in the NYT.
17. Sixteen editorials and six columns in the NYT specifically charged that the Nixon Administration was manipulating controls for ideological and political gain as did two columns in the WSJ.
18. Twenty editorials and 12 columns in the WSJ raised this doubt as did five columns in the NYT.
19. Ten editorials and seven columns in the WSJ and three columns in the NYT assailed government in this way.
20. Sixteen editorials and 16 columns in the NYT as well as four columns in the WSJ made this claim.
21. Five editorials and three columns in the NYT and two columns in the WSJ expressed this caution.
22. The general argument that controls would distort the behavior of economic actors and thus the economy itself appeared in 22

editorials and 18 columns in the WSJ as well as in seven columns in the NYT.

23. Ten editorials and nine columns in the WSJ as well as 7 columns in the NYT made the argument that controls would compel economic actors to seek political influence for economic gain. In addition, six editorials and eight columns in the WSJ along with three columns in the NYT made the argument that such politicization of economic activity would heighten distrust and conflict between individuals, groups and sectors of the economy.
24. The notion that controls could redirect economic behavior toward the public good was expressed in 15 editorials and 12 columns in the NYT and three columns in the WSJ.

TABLE 1

Frequency of Editorial Page Discussion of Wage
and Price Controls, by Source and Type,
During Two-Key Periods.

	(1945-1946)		(1969-1974)	
	Type: Editorial	Column	Editorial	Column
Source:				
New York Times	138	13	20	32
Wall Street Journal	174	6	37	27
Total	312	19	57	59

TABLE 2

Number of Unfavorable Positions
on Price and Wage Control by Issue,
Newspaper, and Source
1945-1946.*

	New York Times		Wall Street Journal	
	Editorials	Columns	Editorials	Columns
<u>Normative Issue</u>	53	7	144	1
<u>Knowledge Issue</u>	54	6	162	3
<u>Public Issue</u>	82	10	134	3
<u>Total</u>	189	23	440	7

*Note: The number of favorable positions during this period, all found in the NYT, was insignificant: 19 editorials and 0 columns.

TABLE 3

Number of Favorable and Unfavorable Positions
on Price and Wage Control by Issue,
Newspaper, and Source
1969-1974.

	New York Times		Wall Street Journal	
	Editorials	Columns	Editorials	Columns
<u>Normative Issue</u>				
Favorable	25	26	0	5
Unfavorable	0	21	26	22
<u>Knowledge Issue</u>				
Favorable	21	19	0	6
Unfavorable	0	12	36	24
<u>Public Issue</u>				
Favorable	15	12	0	3
Unfavorable	0	20	42	37
<u>Total</u>				
Favorable	61	57	0	14
Unfavorable	0	53	104	83

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