



QUARTERLY



JOURNAL OF



IDEOLOGY

A Critique of Conventional Wisdom

Volume 10

Number 2

1986

ISSN: 0738-9752

11347

of much of Glass's writing, the reader is provoked and stimulated to rethink the nature of delusions and psychosis.

The Power Structure of American Business, by Beth Mintz and Michael Schwartz. Chicago: University of Chicago Press, 1985. Pp. 327 + xix. \$27.50 (cloth)
Reviewed by: Norman A. Dolch
Louisiana State University Medical School
In Shreveport

This is an exciting book in many ways. The writing of the book began in 1969 as the result of personal experience on a picket line and it conveys a sense of enthusiastic inquiry. Obviously, a book begun over 15 years ago conveys commitment, but this book also conveys great scholarly depth by reviewing various theoretical approaches to analyzing the business power structure, including management control theory, mutual deterrence and class cohesion theory, and resource dependency theory. In their analysis, Montz and Schwartz use both qualitative and quantitative data. The quantitative analyses are informative and use the latest statistical techniques, but the qualitative analyses of corporate relationships are fascinating, and the authors are to be commended for their careful gleaning of sources such as *Business Week*, *Fortune*, and the *New York Times*.

Mintz and Schwartz explicitly make their work sociological when they say:

[Influence] has little to do with an individual's ordering another individual or organization to do something . . .

Instead, decisions and activities of one set of institutions created and transformed the environment in which another set of institutions operated (9).

This is the theme of the book. The theory which it substantiates is that of financial hegemony, which says that although asymmetrical interdependence sometimes produces intervention, it most frequently creates hegemonic structural ties between financial and nonfinancial firms.

Several conclusions are reached: (1)

bank hegemony is limited to bold strokes, such as forcing stock prices down and thus limiting corporate options, rather than becoming involved in the day-to-day operation of firms; (2) bank hegemony is primarily a result of controlling the flow of cash to certain companies and types of industries; (3) the unity among financial institutions, such as regional and national banks are insurance companies, and commercial banks is fragile; (4) interlocking directorates are not sources of hegemony, but a method for managing discretion; and (5) capital is important to even the largest and most powerful nonfinancial firms. These conclusions differ from some previous theories about business culture in American society.

As Mintz and Schwartz point out, their analysis introduces a very new and different logic into the process of social policy formation:

The theory of financial frequency implies that major decision making takes place in the board rooms of financial institutions and that this decision making reverberates throughout the entire society, creating de facto policy without the mediation of public institutions (250).

A memorable example in the book was a decision in the last decade by leading American banks to make available a huge pool of capital in order to expand the international tanker fleet. This drastically altered the constraints on ship building and led to an enormous boom in construction and in the capacity to move goods such as oil.

Women's Liberation and the Dialectics of Revolution: Reaching for the Future, By Raya Dunayevskaya. Atlantic Highlands, N.J.; Humanities Press International, 1985. Pp. 294 + viii. \$15.95 (paper).

Reviewed by: John F. Welsh
Pittsburg State University, Kansas

This is the fourth book by Raya Dunayevskaya elaborating a theoretical and political position she founded and calls "Marxist - Humanism." Although she has received much deserved acclaim for her

11348