

ECONOMICS, LABOR & BUSINESS

road leaders formed shifting alliances, sharing tracks to cut costs and match competitors' rate cuts; they even signed "treaties." In every year but one, the big lines managed to end their rate wars in time to transport the Western grain harvest at a profit.

In 1877, at the nadir of a long depression, the presidents of the powerful Eastern railroads formed the Trunk Line Association to moderate competition and arbitrate disputes. "Like leaders of great nation states," observes Ward, they had learned that they "stood to gain little from declaring war on their neighbors." The association marked the beginning of the end of fierce railroad competition in the East. And the colorful "Robber Barons" were soon succeeded by "a less obtrusive set of men more attuned to the paths of compromise and stability."

Pension Power

"Pension Power" by A. H. Raskin, in *The Journal of the Institute for Socioeconomic Studies* (Winter 1981/82), The Institute for Socioeconomic Studies, Airport Road, White Plains, N.Y. 10604.

The "fiercest labor-management battles of the 1980s" probably will be over control of more than \$650 billion in employee pension funds, according to Raskin, a former *New York Times* labor reporter. The reason: U.S. labor leaders accuse management of investing too many pension dollars in nonunion, antilabor, or foreign firms.

A 1979 study of pension funds whose assets totaled \$147 billion indicated heavy investment in nonunion or mostly nonunion companies. More recently, American steelworkers learned that U.S. Steel and Bethlehem Steel retirement funds owned stock worth \$133 million, in 10 banks that made substantial loans to Japanese steelmakers.

Some unions—notably in the fragmented construction and trucking industries—already have a say as to where pension dollars go. California building trades unions, for instance, have an equal voice with management. They have steered funds into low-interest mortgages that boost construction and union jobs. And a little noticed clause in the United Auto Workers' 1979 agreement with Chrysler gave the UAW a limited, advisory role in fund investments. But for 80 percent of the \$450 billion in private pension funds, management calls the investment shots or entrusts large banks with the job.

In some big firms, including U.S. Steel and United Technologies, pension-fund assets now equal or exceed the total value of common stock. "A shift of a single percentage point up or down, in the earnings on retirement kitties of these dimensions," Raskin notes, "can make a significant difference in a giant corporation's net after taxes"—particularly since many corporate pension pools are underfunded.

Pension funds have a notoriously bad earnings record. One study shows an average total return of 230.9 percent over 19 years for retirement funds, versus 318.3 percent for mutual funds. Thus, some labor leaders are wary of adopting union goals, in preference to profitability,

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as an investment guide. The AFL-CIO wants massive pension investments in the ailing steel and auto industries—but wants those investments guaranteed by the federal government.

Some unionists say it is possible to do good and still do well; they point to the Dreyfus Third Century Fund, a money market fund that weighs companies' environmental, consumer protection, and minority-hiring records, in addition to profits. In 1980–81, Dreyfus bettered the average stock-market performance by a wide margin.

SOCIETY

Freudian Slips

"Freud and the Soul" by Bruno Bettelheim, in *The New Yorker* (Mar. 1, 1982), 25 West 43rd St., New York, N.Y. 10036.

"A cure through love": Accustomed to the caricature of the aloof, intellectual "head shrinker," most English speakers would consider this definition of psychoanalysis far removed from Sigmund Freud's theories. Yet the words are Freud's own.

A physician, Freud (1856–1939) originally brought to psychoanalysis a scientific, medical perspective. But he gradually became a confirmed humanist, concerned not with minds so much as with souls. Unfortunately, his English translators (and their readers) never made the leap. So contends Bettelheim, a University of Chicago psychoanalyst.

In his essays, Freud used common German words and, often, metaphors to stir readers' emotions and let them *feel* what he meant as well as understand him intellectually. Indeed, contemporaries recognized him as a great stylist; novelist Herman Hesse praised Freud's "very high literary qualities." Freud could employ vivid, nontechnical prose because, in the Vienna of his day, psychology was viewed not as a natural science but as a branch of philosophy.

However, ambiguities acceptable in German psychological writing seem insubstantial when translated into English, in which "science" means only natural science. So thought Freud's translators. They regularly coined technical words, such as *parapraxis* for "faulty achievement" (describing "Freudian slips") and *cathexis* for "occupation" or "fixation." Instead of instilling a sympathetic understanding of humanity, and a basis for self-examination, says Bettelheim, the English translations encourage only a detached, "scientific" attitude toward others.

Where Freud used the familiar pronouns *es* (it) and *ich* (I) to name the unconscious and conscious aspects of the psyche, translators used cold Latin equivalents, *id* and *ego*. Worst of all, says Bettelheim, the translators substituted *mind* and *mental apparatus* for Freud's many references to *die Seele* (the soul). To Freud, an atheist, the soul was the powerful, intangible seat of both the intellect and the passions—in short, all that made humans human.