

INSTITUTIONALISM AND EDUCATION;
AN INQUIRY INTO THE IMPLICATIONS
OF THE PHILOSOPHY OF THORSTEIN VEBLEN

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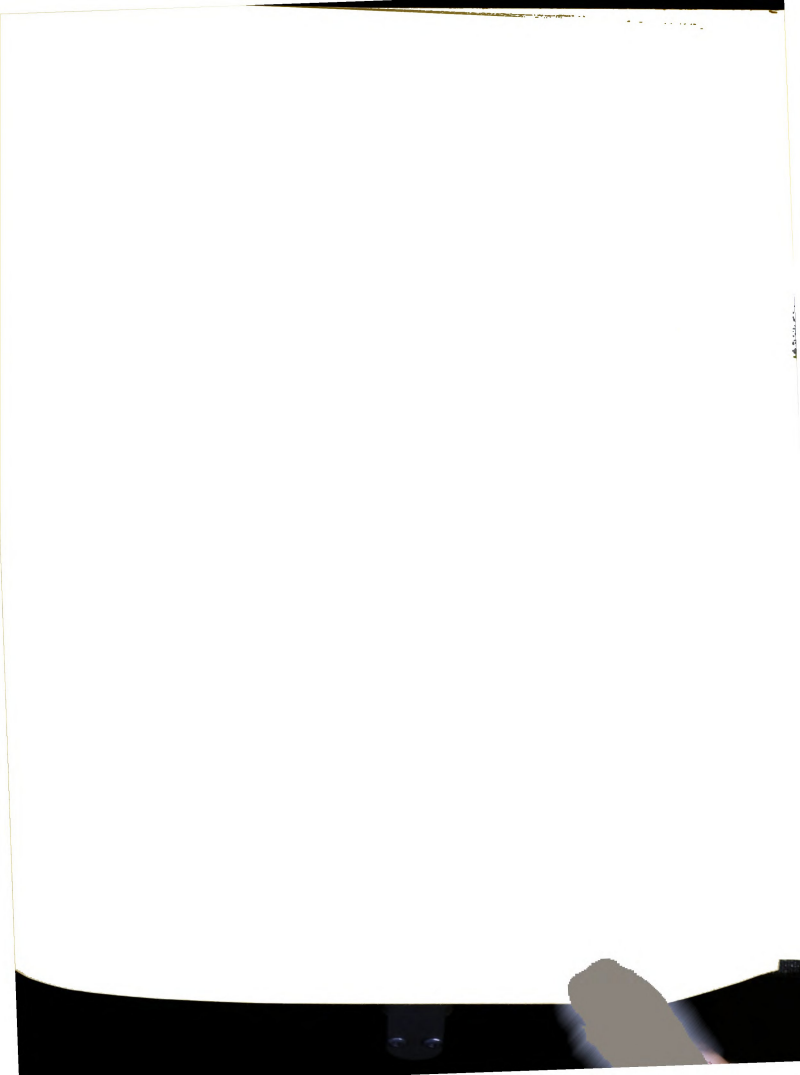
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INSTITUTIONALISM AND EDUCATION: AN INQUIRY INTO THE IMPLICA-
TIONS OF THE PHILOSOPHY OF THORSTEIN VEBLEN

By

CHARLES CLARENCE CHANDLER

AN ABSTRACT

Submitted to the School for Advanced Graduate Studies of
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ABSTRACT

This study is concerned with the educational implications of the philosophy of Thorstein Veblen. Although Veblen was a prominent economist, his philosophy has a significance which transcends this area of knowledge. The power of his thought is recognized by the anthropologist, the psychologist, the historian, the legal theorist, the sociologist, and the philosopher. Even his critics have acclaimed him as one of America's most profound social analysts.

In spite of his pervasive influence Veblen's writings have been largely neglected by the professional educator. Such a neglect cannot be defended since Veblen addresses himself to the very issues with which the professional educator must ultimately be concerned. In the final analysis a theory of education presupposes a social philosophy. An educational philosophy necessarily reflects the aims, values, and ideals of the culture in which it is expressed. The value of Veblen lies precisely in this quarter. He is not merely an economist or a sociologist or an anthropologist. Veblen is first and foremost a social philosopher.

Although Veblen wrote specifically on the problems of higher education, he did not develop a general theory of education. A theory of education is implicit, however, in his speculations on philosophy, science, psychology, technology,

and economic theory. The particular conclusions which this thesis reaches are derived through an examination and logical extension of these speculations. The large body of literature dealing with Veblen's thought is utilized extensively in this respect.

Even a cursory examination of Veblen's writings reveals that his social philosophy does not provide an adequate basis for a theory of education. In particular a democratic philosophy of education must reject the totalitarian implications of his social theory. This, however, should not obscure the importance of his analysis. Although Veblen failed as a reformer, he had few equals as a critic of American culture.

Veblen is remembered as the spiritual father of Institutional Economics. He urged social scientists to study institutions in their bearing upon patterns of behavior and cultural evolution. An institution, he believed, should be evaluated in terms of its manifest function. Implicit in Veblen's Institutionalism is a theory of the proper relationship between the individual and the society. Since this issue is of crucial importance for the professional educator, it is examined in this thesis in some detail. Because Veblen denies the sovereignty of the individual, his position is rejected. Nevertheless, Veblen is one of the few social scientists who has recognized the full significance of this issue. He recognized that even a democracy can give

no assurance that the claims of both the individual and the society can be properly fulfilled.

In spite of the inadequacies of Veblen's philosophy he provides the professional educator with brilliant insights concerning a variety of problems and issues. Veblen is remembered not for his particular solutions but for the questions which he raised. He believed that education should stimulate the instinctive curiosity of men. His writings reveal the efficacy of this drive. Few social philosophers have speculated on such a wide range of important issues. Few men have had a more active "idle curiosity" than Thorstein Bunde Veblen.

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CHAPTER I

INTRODUCTION

Lewis Mumford, the distinguished American scholar, writes that the great need today is for the "organic" person. He continues:

The ideal personality for the opening age is a balanced personality: not the specialist but the whole man. Such a personality must be in dynamic interaction with every part of his environment and every part of his heritage. He must be capable of treating economic experiences and esthetic experiences, parental experiences and vocational experiences, as the related parts of a single whole, namely, life itself. His education, his discipline, his daily routine must tend toward this wholeness.¹

Since the Golden Age of Greece, this concept of the "organic" person has remained one of the abiding ideals of Western civilization. There have been many detours and disappointments throughout the centuries, but the ideal has continued to be reasserted by philosophers, social scientists, and educators. Our present democratic society rests its survival upon the faith that this ideal can be attained by the mass of men.

Historically, the majority of mankind has not had the opportunity to achieve the ideal of a "balanced"

¹Lewis Mumford, The Condition of Man (Harcourt, Brace: New York, 1944), p. 419.

personality. The ideal was first generated in societies built upon the foundation of slavery. Aristotle, for example, did not address his humanistic philosophy to the slaves of the Greek society. Even in those societies which abolished slavery the attainment of an integrated view of life was appropriate only for the dominant classes. This condition is reflected in the history of education. Education for the masses was oriented typically to teaching for literacy, whereas a relatively small minority received a liberal education in a separate system of schools.

In the United States there was a distinct tendency to imitate Old World ways in the implementation of mass education. Teaching for literacy was emphasized. It was of course recognized that education was something more than a psychological process, but nevertheless the social function of education was inchoate. Doubtlessly, the individualism of early American life reinforced the reluctance of educators to develop an adequate theory of the relationship of the school to the society. It was believed that the social function of education in a democracy would be fulfilled by other agencies in the community. In any case, it was not the responsibility of the school to elicit from the individual the fully developed capacities of the citizen.

By the second decade of the twentieth century this deficiency of American education was becoming increasingly evident. It was becoming evident that the liberalizing

function of education could no longer be considered a privilege of a dominant class. Democracy, it was seen, assumed that every citizen must be capable of forming independent judgments based upon an understanding of the social, economic, and political forces of the culture. The citizen in a democratic society has both the right and the responsibility to participate in the formulation of the values under which he and his fellow citizens must live. No longer could educators assume that the social function of education was adequately fulfilled by agencies other than the school. No longer could education neglect its societal responsibilities.

John Dewey was a pioneer among those reformers who attacked the divorce of the school from the social order. Writing in 1922 Dewey stated in unequivocal terms:

If the average boy and girl could be walled off from all ideas and information about social affairs save those acquired in school, they would enter upon the responsibilities of social membership in complete ignorance that there are any social problems, any political evils, any industrial defects. They would go forth with a supreme confidence that the way lies open to all, and that the sole cause of failure . . . lies in some personal deficiency in character. The school is even more indurated from a frank acknowledgement of social ills than the pulpit--which is saying a good deal. And like the pulpit it compensates for its avoidance of discussion of social difficulties by a sentimental dwelling upon personal vices.²

In spite of Dewey's indictment education has continued

²John Dewey, "Education as Politics," The New Republic, vol. XXXII, No. 409 (October 4, 1922), p. 140.

to be criticized for its failure to develop an adequate social philosophy. Thus, Edwards and Richey write: "The fruits of education in the United States have been largely private and personal rather than public and social. . . . We have had in mind primarily the education of the competent individual rather than the effective citizen."³ We have been too exclusively concerned with individual development, individual differences, and individual experience.

The professional educator in America today is dangerously near being like an astronomer who trains his telescope on a single planet with no great awareness that it is a part of a solar system; he is so preoccupied with the individual learner that he tends to lose sight of the social order of which the learner is an essential part.⁴

If it is granted that there is an element of truth in these assertions, then there follow some definite implications for education. This is especially true in respect to teacher training programs. The extent to which education will develop a more adequate social purpose depends in large part upon the professional training provided for prospective teachers. Social engineering must begin at this level.

We are not unmindful of the progress which has been made since Dewey and others made their indictment. Even a cursory examination of Harold Rugg's The Teacher of Teachers indicates that professional educators are becoming

³Newton Edwards and Herman G. Richey, The School in the American Social Order (Houghton: Boston, 1947), p. 858.

⁴Loc. cit., pp. 859-860.

increasingly concerned with the content and scope of the so-called "foundation" fields in professional training. Progress has been especially rapid since 1920. According to Rugg, there was no course in Social Foundations "worthy of the name" before 1920. The courses in the Philosophical Foundations were encyclopedic while the typical courses in the Historical Foundations were "straight, slow-moving, chronological accounts."⁵

Since the 1920's Foundations of Education programs have mushroomed. The reciprocal relationship of the school and the society has been increasingly emphasized in studies of the philosophical, social, and historical foundations of education. Student teaching programs have similarly stressed the study of the community as an integral part of the training program. Prospective teachers frequently live in off-campus communities during the period of their apprentice teaching where they can more fully appreciate the impact of the school on the community and of the community on the school.

Although the groundwork has been laid, progress continues to be painstakingly slow. We still have not answered Dewey's challenge of 1922. Our teachers are still preoccupied with a school environment consisting of "desks,

⁵Harold Rugg, The Teacher of Teachers (Harper: New York, 1952), p. 52.

blackboards, and a small school yard."⁶ We are still overly concerned with the minutiae and trivia in education. Why haven't we developed a more adequate theory of society and culture? Why can't we get "society into the school and the school into the society?"⁷

The Problem

This study grows out of the preceding discussion. It is assumed in this thesis that the teacher of tomorrow will need to be much more closely acquainted with his culture than his colleague of today. He will need to understand those political, economic, and social forces which are so rapidly transforming our society. The extent to which the teacher of tomorrow gains this competence depends upon the teacher education programs of today.

It is further assumed that the major deficiency in present teacher education programs is the failure to integrate professional training with the knowledge acquired by philosophers, psychologists, and social scientists during the past fifty years. The divorce between professional education and social philosophy is akin to the divorce between the school and the community.

⁶John Dewey, Experience and Education (Macmillan: New York, 1938), p. 36.

⁷Rugg, op. cit., p. 170.

The implication for teacher education is evident. We must reach out into the social sciences and philosophy and gather the many insights which students of these areas have acquired. We are, of course, already familiar with many of these men and their writings. Some however, have been largely neglected. Conspicuous among this latter group is the name of Thorstein Bunde Veblen whose writings are the particular concern of this thesis.

In the light of the foregoing discussion the writings of Thorstein Veblen seem especially appropriate as the subject of our inquiry. Here is a man who has had a tremendous impact not only in his own field of economics but in nearly all of the fields of the social sciences as well. Veblen, who has been called the "last man who knew everything," is the father of Institutional Economics and a pioneer in the development of social psychology. He even took time to write a highly controversial book on education entitled The Higher Learning in America, although this work is almost unknown among professional educators. Here perhaps is a man who can contribute insights and understandings in the development of a more satisfactory teacher education program.

But there are other important reasons for selecting the writings of Thorstein Veblen. In the first place, his writings have a timeless quality about them. His attack on orthodox economics and his penetrating analysis of the cultural incidence of economic forces are lasting contributions.

As Eric Roll has stated:

To-day the power of his thought is widely admitted, and his influence is sometimes acknowledged in the most unexpected quarters. Indeed, what most forcibly strikes anyone approaching the study of Veblen is the virtually unanimous chorus of admiration which his work now evokes, and the surprisingly large measure of approval which is joined to it.⁸

The contributions which Veblen can make to professional education are not restricted by the particular period in which he wrote. Veblen, more than most men, was able to transcend the cultural milieu of his own time.

Secondly, Veblen is among those rare individuals who refused to be blinded by the preconceptions of his own field. When he had a problem under investigation, he roamed far and wide in the sacred provinces of knowledge looking for relevant material and refusing to respect those partitions of knowledge which were established and sanctified by intellectual chauvinism and a decadent tradition. He was chastised and punished for this impudent conduct, but he appears to have remained unperturbed even when his colleagues suggested that he was really not an economist at all. Veblen was one of the initiators in the movement toward the unification of the social sciences. This is one of the features of his social philosophy which makes his writings especially significant for the student of education, for Veblen's

⁸Eric Roll, A History of Economic Thought, rev. ed., (Prentice-Hall: New York, 1942), p. 439.



problem is our problem. Education is inescapably integrative in its function. As Lewis S. Feuer has recently written: "A philosophy of education is an applied social philosophy. . . ."⁹ As an applied social philosophy, education must be concerned with the integration of the various areas of knowledge.

Finally, one of the most distinguished American educators, Harold Rugg, has acknowledged his indebtedness to Veblen and has written at length on certain features of his work. He has acclaimed Veblen as one of the four great "seminal minds that stated the American philosophy and psychology of experience."¹⁰ For a man whose works are not well known among professional educators, this is giving Veblen unusual prominence. Unfortunately, Professor Rugg does not give us the kind of documentation which would substantiate his high regard for Veblen's contributions. He makes no detailed analysis of either Veblen's philosophy or social psychology. It is anomalous that no educator to our knowledge has followed Rugg's lead. No one has developed the implications for education of Veblen's philosophy through a detailed study of his writings. That such a study is needed seems evident.

⁹Lewis S. Feuer, "The Aims of a Philosophy of Education," Harvard Educational Review, vol. XXVI, No. 2 (Spring, 1956), p. 112.

¹⁰Harold O. Rugg, Foundations for American Education (World Book: Yonkers, 1947), p. 264.

These then are the reasons for selecting the writings of Thorstein Veblen as the subject matter of this thesis. It is hoped that an analysis of his social philosophy will contribute to a more insightful understanding of the culture with which the school is organically related. It is hoped that this study will assist in some small way to relate education more effectively to the social sciences, thereby furnishing the professional educator with whatever insights his colleagues in the various disciplines may have to offer. Ultimately, of course, it is hoped that this kind of study will lead to the preparation of teachers who are students of the culture. Let it not be said of the teacher of tomorrow that he has "too much psychology, and not enough anthropology, or history, or sociology in his educational doctrine."¹¹

Content and Method of the Study

"If Veblen is better understood as a person, his point of view becomes clearer and the theories that stem from it are rendered more intelligible."¹² Since the cultural environment is often an important determinant in the intellectual development of a scholar, we are necessarily

¹¹Joseph K. Hart, Education in the Humane Community (Harper: New York, 1951), p. 55.

¹²Bernard Rosenberg, The Values of Veblen (Public Affairs: Washington D.C., 1956), p. 1.

concerned with the life of Thorstein Veblen. We are fortunate in this respect to have the definitive biographical work of Professor Dorfman, Thorstein Veblen and His America.¹³ Veblen, who seldom referred to himself in either his writings or his conversation, has in addition given us insight into his characteristic animus in one of his brief essays.

Between 1884 and 1927 Thorstein Veblen contributed more than one-hundred and thirty articles to journals. Over forty of these were in the nature of reviews while the remainder included a range of topics from "The Mutation Theory and the Blond Race" to the "Price of Wheat Since 1867." During this same period he wrote nine books, completed two English translations of important German studies, and translated and published an Icelandic saga.¹⁴ Except for some of his reviews, we have read, scanned, or are otherwise familiar with all of Veblen's writings. Many of his contributions to journals appear later in his books in only slightly altered form. Most of his other important articles have been made readily available in works edited by his disciples.

¹³ Joseph Dorfman, Thorstein Veblen and His America (Viking: New York, 1934).

¹⁴ A comprehensive bibliography of Veblen's writings is included in Thorstein Veblen: A Critical Reappraisal, ed. Douglas F. Dowd (Cornell University: Ithaca, 1958), pp. 319-326.

In presenting a brief synopsis of Veblen's major writings we have three objectives in mind. In the first place, it will give the reader an appreciation of the intellectual growth and development of Veblen as this is evidenced in his writings. For this reason these writings are discussed in more or less chronological order.

Secondly, a synopsis of Veblen's writings will provide an overall view of the Veblenian outlook. It will be seen that Veblen belongs to that movement in social sciences which Professor Morton White has called "cultural organicism," "the attempt to find explanations and relevant material in social sciences other than the one which is primarily under investigation."¹⁵ The synopsis of Veblen's writings will not attempt to present the mature Veblenian philosophy. Instead, the objective will be to indicate as directly as possible the major themes in his writings. Such a presentation seems especially advisable in the case of Veblen. It was his technique to expound a basic theme and then to obscure its simplicity with almost endless ramifications, repetitions, and speculative excursions into the esoteric provinces of knowledge. It is not unusual to find that his basic ideas are best expressed in footnotes and afterthoughts.

A final purpose of a synopsis of Veblen's writings

¹⁵Morton White, Social Thought in America: The Revolt Against Formalism (Beacon: Boston, 1957), p. 12.

is to indicate the nature and content of his most important and best known works. In particular, we shall give specific consideration to his most popular work, The Theory of the Leisure Class, if only to give the reader an appreciation of Veblen's unusual style and vocabulary.

Since education is a form of applied philosophy, we are concerned with the Veblenian outlook as an integrated and comprehensive system of social theory. Specifically, we need to look closely at the philosophical assumptions upon which his social theory apparently rests. We shall, in addition, attempt to piece together the logic by which Veblen arrives at his conclusions. We shall also be interested in the empirical evidence with which these conclusions are verified. Finally, we shall examine the conclusions themselves in respect to their cultural bearing.

In developing his social philosophy we shall rely extensively on Veblen's many critics and interpreters. Unfortunately, many of these interpretations reach almost diametrically opposed conclusions. One student, for example, writes that "when his system is considered as a whole, and its implications weighed, it is evident that, probably more than any other prominent modern, Veblen has fallen into a labyrinth of fundamental errors and muddled confusion."¹⁶

¹⁶Arthur Kent Davis, Thorstein Veblen's Social Theory, pp. 448-449. Unpublished doctor's dissertation, Harvard University, 1941.

Max Lerner, on the other hand, states that the years since Veblen's death have "strengthened the conviction that Veblen is the most creative mind American social thought has produced."¹⁷ Later in the same essay Lerner continues: "Veblen's system of thought is far-reaching in its scope, deep in its probings, powerful in the degree to which its parts interlock and its ends meet."¹⁸

In light of these contradictory interpretations some independent judgment must be exercised in pulling together and evaluating the component parts of Veblen's philosophy. Those elements of his social thought which seem to have particular significance for the educator will be emphasized. This of course is the ultimate concern of our study. This does not mean, however, that all other elements of Veblen's philosophy will be excluded. We intend to present an analysis complete enough to allow the reader to draw his own implications for education.

Veblen's system of thought "has as much interest for the educator as for the economist, for the artist as for the revolutionist, for the legal theorist as for the political, for the psychologist and anthropologist as for the historian of ideas."¹⁹ In this quotation we are especially interested

¹⁷Max Lerner, ed., The Portable Veblen (Viking: New York, 1948), p. 2.

¹⁸Loc. cit., p. 29.

¹⁹Ibid.

in the inclusion of the educator. But Lerner's statement is something to be demonstrated rather than asserted. This "interest for the educator" is the ultimate concern of this study. Veblen's writings on education are largely limited to a chapter in The Theory of the Leisure Class and a study entitled The Higher Learning in America.²⁰ In both of these instances his primary concern is with college and university education, although some of this material is highly relevant to the general question of education. In addition to Veblen's direct references to education, Dorfman's biography is helpful in that it sheds light on Veblen as a pedagogue. Most of our conclusions, however, must be reached by way of implication. Through logical extension we shall attempt to show the relevance of his social philosophy to an understanding of the educative process. This is a procedure fraught with peril. It is a technique of which Veblen, with his deep-seated antipathy toward deductive logic, would perhaps not approve.

It is not the purpose of this study to determine what Veblen would have said in fact about education. This we can never know, and, while interesting, it is largely an academic question. We are concerned with what he ought to have said by way of implication. But even in this respect

²⁰ Some important material is also found in The Theory of Business Enterprise, Chapter X.

there is a caution to be observed. The determination of what he ought to have said can also become an academic question. We are concerned with this question only in so far as it helps us gain a better appreciation of Veblen's significance for education. It is entirely possible that what Veblen ought to have said is sheer foolishness. This would not imply, however, that his value to the educator is nil.

What significance, if any, do the writings of Thorstein Veblen have for the professional educator? Should the prospective teacher be acquainted with the Veblenian or institutional approach to social and educational problems? Is The Higher Learning in America a significant contribution to educational literature? Can an adequate educational theory be developed from Veblen's social philosophy? These are among the questions which will occupy us in this study.

CHAPTER II

THORSTEIN BUNDE VEBLEN: THE MAN NOBODY KNEW

And, unpleasant as it may be to admit it, it is at last becoming evident that the enormous increase in productive power which has marked the present century . . . has no tendency to extirpate poverty or to lighten the burdens of those compelled to toil. It simply widens the gulf between Dives and Lazarus, and makes the struggle for existence more intense. The march of invention has clothed mankind with powers of which a century ago the boldest imagination could not have dreamed. But in factories where labor-saving machinery has reached its most wonderful development, little children are at work. . . ; amid the greatest accumulations of wealth, men die of starvation. . . . The promised land flies before us like the mirage.¹

Henry George penned these lines in 1879, six years after the financial failure of Jay Cooke and Company. The panic of 1873 not only ushered in a serious economic depression but ended an unparalleled period of optimism.

In the years after the Civil War a wave of frenzied economic activity swept the nation. Surely, men said, the "promised land" must be drawing near. "Americans had always believed their country the land of opportunity; the people of the North had never been surer, never raised their sights

¹Henry George, Progress and Poverty (Modern Library: New York, n.d.), p. 8.

higher, than in the whirligig years of the late Sixties."² The boom was fed by fabulous resources, men with faith in the future, and by a rapidly expanding market.

Whereas the completion of the first intercontinental railroad in 1869 was the symbol of the post-war economic progress, George's Progress and Poverty became the symbol of the unrest and discontent of the middle and late Seventies. The nation had experienced economic hardship before. Industrial stagnation, unemployment, and financial crises were commonplace in the country's economic history. However, always before the nation had been primarily agricultural. The depression of the Seventies was the first which the new industrialism had experienced. It was difficult, indeed impossible, for the hundreds of thousands of people living in the slums of the great Eastern cities to move West. The frontier seemed remote to these suffering masses.

The West, moreover, was having its own problems. The Civil War, technological progress, and new land had stimulated agricultural production. Following the Panic of 1873 this increased production resulted in an oversupply on the market. Agricultural prices fell precipitously. Unrest and discontent became widespread as the depression continued into the Eighties.

²Eric Goldman, Rendezvous with Destiny: A History of Modern American Reform, rev. ed., (Vintage: New York, 1956), p. 4.

These depression years were especially severe for the Scandanavian farmers of Minnesota and Wisconsin. Knowing little English and heavily in debt for their recently acquired land, they were frequently exploited by the commercial interests of the surrounding towns. It seemed to these Norsemen that the real causes of their economic hardship were the excessive charges made by banks, railroads, and millers. They paid high prices for goods produced in industries protected by high tariffs and received low prices for their farm produce. The Scandanavian farmers had little choice but to accept the rates dictated by the railroads and millers.

Thorstein Veblen was born in 1857 on the Wisconsin frontier. His family were Norwegian immigrants who belonged to one of the many culturally isolated communities of the region. When Thorstein was still a lad, the family moved to a similar frontier settlement in Minnesota. These Norwegian farmers were unusually self-sufficient. Their contacts with the outside world were limited, especially their contacts with the "Yankees" of the surrounding villages. The New Englanders, who controlled these towns, considered their immigrant neighbors as inferior to themselves. They called the Norsemen "Scandahoofians" or "Norwegian Indians." "In consequence the cultural isolation of the Norwegians was intensified to an extent never surpassed in any large

immigrant group in this country."³

The Veblens were among the most proficient farmers of the settlement. Intellectually active, they made numerous innovations on their two hundred and ninety acre farm. They were always prompt in utilizing the latest farm machinery. Although they employed a tutor to instruct their twelve children in Norwegian grammar and literature, the family was not inclined to involve itself in the Norwegian chauvinism of the region. The parochial school movement did not enlist their enthusiastic support. Actually, the public schools were often parochial in their educational policies. It was not unusual to find Norwegian spoken in the classroom. This is explained in part by the fact that children (including the Veblen children) knew little if any English when they enrolled in the district school.

Thorstein, who had five older brothers and sisters, appears to have been his mother's favorite. She was "warmly and electrically religious" and was a leader among the women of the community. Thorstein regarded his father as cold and distant, although he had a high regard for his father's intellectual acuity. In later years he remarked that he had never met his father's intellectual equal. Veblen, it would seem, was never able to synthesize these two divergent temperaments in the development of his own personality.

³Dorfman, op. cit., p. 7.

Thorstein Veblen was not a popular young man. He was regarded as odd and somewhat indolent. He did not always respect the elders of the settlement and made the most of his wit and sarcasm when ridiculing them. He was generally regarded as brilliant but conceited. His natural aloofness did not allow him to make friends easily, although he seems throughout his life to have desired social intercourse. He spent much of his time reading and enjoyed debating religious questions with his father and other members of the community. The evidence indicates that Veblen had a basic contrariness in his personality makeup.

"The father's deepest ambition was to give the children an education instead of exploiting them as was the customary practice in all pioneering settlements."⁴ In 1874 the seventeen year old Thorstein was enrolled in the academy attached to Carleton College. The elder Veblen was criticized for sending Thorstein and the other children to an "American" school. The Veblens, however, disliked the intense religious bias of such "Norwegian" schools as St. Olaf and Luther College. Although the Veblen's were relatively prosperous, sending the children to college was a

⁴Loc. cit., p. 13. The elder Veblen was eminently successful in realizing this ambition. All of the twelve children received education at the secondary and college levels. Andrew Veblen became a successful university professor, and his son, Oswald, is one of the nation's most brilliant mathematicians. Lev E. Dobriansky, Veblenism, A New Critique (Public Affairs: Washington D.C., 1957), p. 6.

serious economic burden during the depression years of the Seventies. To lessen the expense, living quarters were built near the campus by Thorstein's father who was a master carpenter. Food was shipped from the farm to Carleton, and the boys were permitted few luxuries.

Carleton College was "thoroughly Christian, and distinctly and earnestly evangelical."⁵ It was a typical Congregational school of the New England type. Student life was closely regulated, church attendance being one of the strict requirements. The faculty was dominated by Congregationalists; the curriculum emphasized religion, moral philosophy, and the classics. Although many regarded Thorstein as a brilliant student, he remained the iconoclast. Some regarded him as an agnostic, others a complete cynic.

"He liked to corner some very religious student and harangue him, sometimes for hours, on such questions as the advisability of a club for the promotion of suicide."⁶ Thorstein gratified his sardonic sense of humor by nicknaming his fellow students as well as members of the college staff. These nicknames usually remained with the individuals for years. Thus the strict dean of women became known as "Mater Dolorosa." Such conduct did not endear him to the faculty! One member of the staff did recognize and cultivate the

⁵Dorfman, op. cit., p. 17.

⁶Loc. cit., p. 30.

intellectual potential of the young Veblen. He was John Bates Clark who was to become a prominent economic theorist. He was the first of a number of "traditional" economists who were to influence Veblen's intellectual development. The feeling of respect seems to have been mutual.

Although Veblen was not a sociable individual, he was well-known through his public orations and term papers. They were apparently prepared with full knowledge of the reactions which they would induce among students and faculty. Even their titles reflect a most unusual personality. During his stay at Carleton he wrote or delivered orations on "A Plea for Cannibalism," "An Apology for a Toper," "The Science of Laughter," "The Face of a Worn-out Politician," "Noses," and "Mills Examination of Hamilton's Philosophy of the Conditioned."⁷

The Graduate Student

After teaching mathematics for one year at Monona Academy in Wisconsin, Thorstein Veblen and his brother,

⁷Loc. cit., pp. 31-32, 35. The paper on Mill was apparently motivated by the criticisms which his earlier papers and orations had received. It was being said that Veblen was clever but lacking in profundity. This oration seems to have quieted the opposition. It was an unnecessarily long and erudite paper delivered in a low, monotone voice. The audience was stunned and completely bored at the end of the performance. Although few understood what he had said, all agreed that it was a "profound" paper.

Andrew, enrolled in the recently established graduate school, Johns Hopkins. During his stay of less than one year he studied philosophy under George S. Morris, the well-known idealist. He attended lectures by Charles S. Peirce and enrolled in an economics course conducted by Richard T. Ely. Although he found the course in economics unsatisfactory, he seems to have been influenced by both Peirce and Morris. But Veblen was unhappy at Johns Hopkins. He felt that the circulars advertising the school had been misleading, and he failed to obtain much needed financial assistance from the University. Without completing the year Veblen transferred to Yale. At least he was now free from the supervision of his older brother, Andrew, who was studying mathematics at Johns Hopkins.

After two and one-half years of graduate study at Yale, Veblen completed a doctorate degree in philosophy. He was fortunate in having two outstanding teachers during this period. He studied philosophy under the Common-sense Realist, President Noah Porter. His work in economics was directed by the Spencerian, William Graham Sumner. Although these two men were basically defenders of the status quo in their social theories, a great controversy raged between them concerning evolution. Porter attacked Sumner for teaching the evolutionary theories of Herbert Spencer which seemed to undermine certain religious doctrines held by the religious realists.

William Graham Sumner was perhaps the leading spokesman for Social Darwinism in the United States. What do social classes owe to each other? Nothing, replied Sumner. Society owes no one a living; charity corrupts and prevents the survival of the fittest. Sumner continues:

Now, we can never annihilate a penalty. We can only divert it from the head of the man who has incurred it to the heads of other who have not incurred it. A vast amount of "social reform" consists in just this operation. The consequence is that those who have gone astray, being relieved from Nature's fierce discipline, go on to worse, and that there is a constantly heavier burden for the others to bear.⁸

The "forgotten men" of our civilization are not the poor but rather the wealthy. In the hands of Sumner, Social Darwinism became an apology for the existing economic order. "To some of them the Darwinian struggle for existence seemed to provide a new sanction for economic competition, and the survival of the fittest a new argument in opposition to state aid for the weak."⁹ Although the doctrine of evolution became a cornerstone in Veblen's social philosophy, he used it to support an entirely opposite point of view. In spite of this fundamental difference in point of view, there is much in Veblen's philosophy which suggests the influence of

⁸William Graham Sumner, What Social Classes Owe to Each Other (Harper: New York, 1883), p. 131.

⁹Richard Hofstadter, Social Darwinism in American Thought, quoted in Alfred Kazin, On Native Grounds (Doubleday: Garden City, 1956), p. 100.

Sumner. In his Folkways, Sumner emphasizes the directive force of the customs of the society. "It results that all the life of human beings, in all ages and stages of culture, is primarily controlled by a vast mass of folkways handed down from the earliest existence of the race. . . ." ¹⁰ This became one of the abiding themes in the Veblenian philosophy.

Under President Porter, his doctoral advisor, Veblen learned to appreciate elements of the Common-sense and Kantian philosophies. He accepted the Common-sense emphasis upon inductive reasoning. He adopted its empiricism but rejected its dualism between mind and matter, body and soul. These realists in general accepted the prevailing religious sentiment of their day. President Porter, a pious man, must have found the skeptical Veblen a perplexing personality. Nevertheless, Veblen was called "Porter's chum", and the two were frequently seen strolling together on the Yale campus.

While at Yale, Veblen published his first article, an analysis of Kant's Critique of Judgment. He had first become interested in the great German philosopher during his course work under George S. Morris at Johns Hopkins. German philosophy continued to be his major interest at Yale,

¹⁰William Graham Sumner, Folkways, quoted in Ethics, A Source Book, ed. Oliver A. Johnson (Dryden: New York, 1958) p. 460.

although his interpretation of Kant suggests the influence of Peirce as well as the common-sense philosophy.¹¹

Having completed his degree in 1884, Veblen sought a teaching position in philosophy. His scholarship was outstanding, and his recommendations were excellent. President Porter, for example, wrote:

It is with great pleasure that I certify that Mr. Thorstein Veblen, B.A., Carleton College, 1880, Ph.D., Yale College, 1884, has been a student in the Graduate Department in this college for 2 1/2 years and for the most of the time under my immediate instruction. He has prosecuted special studies in Political and Social Science, and in Speculative Philosophy, ethics, psychology, etc. I can give confident testimony to his faithfulness and theoretical ability which he has evinced in all his studies. I have in all my experience had few pupils with whom I have had greater satisfaction or who have made more rapid or more satisfactory progress. He is also an excellent scholar in German and other languages. I can confidently recommend him as a very accomplished scholar and a very able man who ought not to fail to occupy a commanding position in some higher seminary of learning.¹²

His efforts were to no avail as Veblen was repeatedly turned down. Veblen was never a good salesman, seldom leaving a good first impression. His speech was barely audible; his vocabulary and syntax were awkward; his dress was provincial; and he lacked confidence in his own abilities. Dorfman's comment is probably more to the point, however.

¹¹Stanley Mathew Daugert, The Philosophy of Thorstein Veblen (King's: New York, 1950), pp. 5-25.

¹²Dorfman, op. cit., p. 54.

"No faculty wanted a 'Norskie', particularly one suspected of agnostic leanings."¹³ Fifteen years after receiving his degree Veblen described David Hume as a man who

was not gifted with a facile acceptance of the group inheritance that made the habit of mind of his generation. Indeed, he was gifted with an alert, though somewhat histrionic, skepticism touching everything that was well received.¹⁴

This passage characterizes Veblen as well as Hume. In 1884 there was no place for a skeptic on the theologically dominated faculties of philosophy. Veblen returned home a very disillusioned young man.

For the next seven years (1884-1891) Veblen was unemployed, defending his idleness on grounds of ill-health. Although he continued to seek a position, his lack of aggressiveness irritated his friends and family. It appeared to them that he was satisfied to be dependent upon others. It is unfortunate that so little is known concerning his activities during these years. It is known that he read widely, especially in the social sciences. He nurtured his interest in botany and continued to study foreign languages. For a short time he seriously considered philology as the field in which he would continue his advanced studies, but he was not proficient enough in the classical languages.

¹³loc. cit., p. 55.

¹⁴Thorstein Veblen, The Place of Science in Modern Civilization and Other Essays (Huebsch: New York, 1919), p. 96.

In 1888 he married his college sweetheart, Ellen Rolfe, who was the niece of President Strong of Carleton College. In many respects this was a strange match. Ellen was from one of the distinguished families of the Midwest, a family with extensive and powerful business interests. It was the kind of family against which Veblen would rail in his later writings. Still, the two had much in common. Neither was popular among classmates, both being solitaires. Both had literary talents, especially Ellen. Both had many and diverse intellectual interests. Ellen was described by classmates as a remarkable woman who was the most intellectual of her class.¹⁵

Veblen apparently admired Ellen's many tenderhearted, even maudlin, qualities; but he could never rationally accept them as a way of life. She was the romanticist, the sentimentalist, the one could believe in a cause. Although the match was not sanctioned by either family, they were happy during their first years of marriage. Living in Staceyville, Iowa, they shared their mutual interests. Together they read Edward Bellamy's Looking Backward, an experience which Ellen described as the "turning point in our lives."¹⁶ In this utopian novel Bellamy pictured a highly centralized economy governed by the principle of

¹⁵Dorfman, op. cit., p. 34.

¹⁶Loc. cit., p. 68.

cooperation. Technological efficiency would be encouraged. In this utopia there would be no social, political, or economic inequalities. The state owned all of the means of production and distribution. Bellamy endorsed the machine process and believed that through state ownership the machine could provide all of the economic needs of men. Within a few years Looking Backward had sold over 500,000 copies, and Bellamy became a leading figure in the Nationalist movement. Bellamy's emphasis upon cooperation and technological efficiency are ideas endorsed by Veblen.

In 1891 the Veblen family council decided that Thorstein should make something of his life. Andrew, who was then on the staff of the University of Iowa, prevailed upon his brother to return to school as a graduate student in the social sciences. The elder Veblen provided financial assistance, and Veblen enrolled in the Graduate School at Cornell University. Professor Laughlin of the economics department was highly impressed with Veblen's published article, "Some Neglected Points in the Theory of Socialism." When Laughlin was called to the newly-founded University of Chicago, he took Veblen with him.

Veblen in Chicago

It was 1892 and Veblen was thirty-five years of age when Laughlin brought him to Chicago as a teaching-fellow. In addition to teaching courses in agricultural economics

and socialism, Veblen was the managing editor of the Journal of Political Economy. For this strenuous load he was paid \$520 per annum and was still officially classified as a student. It was not until four years later that he advanced to the rank of instructor. During these four years he contributed numerous reviews and articles to the leading professional journals. It is understandable why Veblen developed an antipathy toward the institutions of higher learning.

Nevertheless, Chicago had much to offer Veblen. The University was building an outstanding faculty. Veblen had the opportunity to become acquainted with the thinking of Michelson in physics, Loeb in physiology, Dewey and Mead in philosophy, Caldwell in economics, and Starr in anthropology, to name but a few. Veblen unfortunately remained aloof from the faculty. He was not one to engage in any "give and take" with his colleagues, although their work was a major influence in his own intellectual development.

For Veblen the city of Chicago was a vast laboratory where he could gain a first-hand knowledge of the workings of the industrial system. Shortly after his arrival the second financial panic in twenty years crippled the nation. Businesses failed by the thousands, banks closed, railroads went into bankruptcy, and unemployment once more became a serious problem. Discontent and unrest were widespread; there were strikes, riots, and bloodshed. Chicago, stimulated by the World's Fair, was especially hard hit by the

four long years of economic paralysis.

Veblen was something more than a close observer of these "boom and bust" periods. The continuing agricultural depression threatened to reduce his parents to the status of peasants. Grain prices continued to decline, and the Panic of 1893 only added to their woes. It seemed to the Veblens a question of unorganized agriculture versus organized business, the outcome of which was a foregone conclusion.

The depression did serve one useful purpose. The people were becoming increasingly unwilling to accept the natural beneficence of the business community. It was becoming evident that even during periods of prosperity and "progress" there was almost unbelievable corruption in both economic and political life. Eric Goldman has observed that in the period following the Civil War "a good deal of American business and political life was taking on the morals of the gashouse."¹⁷ Writing of the same period, the conservative Commercial and Financial Chronicle remarked: "The whole chapter is so dark a record of betrayal of corporate trust . . . that if we had the space and the data, we should not have the desire to expose its details."¹⁸

It is not necessary to recount all of the sordid details of the period. It was an era of the emerging trusts

¹⁷Goldman, op. cit., p. 10.

¹⁸Ibid.

and holding companies, of monopoly power. It was an era made infamous by the Credit Mobilier, watered stock, child labor, unemployment, cut-throat competition, the Tweed Ring, Tammany Hall, ostentatious living, profiteering, slums, the Homestead and Pullman strikes, and Coxey's army. Veblen was not unmoved by these events and circumstances. His major intellectual asset was his ability to assess the significance of the events of the contemporary world. His social theory was developed with reference to the rapid changes which were occurring in the nation's economic and political life.

During his Chicago tenure Veblen formulated most of his important ideas and theories. In addition to contributing articles to professional journals, he published two of his most important studies: The Theory of the Leisure Class, 1899, and The Theory of Business Enterprise, 1904. The former is by far his best known work. Its immediate popularity was heightened by the favorable review of the distinguished literary critic, William Dean Howells. Overnight, Veblen became the "god of all the radicals, although he despised them." Veblen himself was disappointed that the book was regarded by many critics as primarily a satire on the way of life of the aristocracy.

If Veblen was misunderstood, he had himself to blame. As his disciple Wesley Claire Mitchell has written: "He usually wrote with one eye on the scientific merits of his

analysis, and his other eye fixed on the squirming reader. . . . Instead of seeking to facilitate the reception of his analysis by minimizing the reader's emotions, he artfully stimulates them for his own delectation."¹⁹ Whatever else The Theory of the Leisure Class might have been, it was obviously a satire "worthy of Ph.D. dissertations in English literature."²⁰ It was perfectly natural that most critics would regard it as primarily a satire.

From the day he stepped on a college campus, Thorstein Veblen was a legendary figure. His appearance and manner were enough to startle the undergraduates. Fantastic accounts of his erudition were heard wherever students congregated. His classes usually started with a reasonable number of students, but by the end of the semester only a handful remained. One way or another the less able students were discouraged from further attendance. This did not endear Veblen to those college officials concerned with economy. From their point of view Veblen was an expensive luxury.

Joseph Dorfman has given an excellent portrayal of Veblen as a teacher. By all conventional standards he was an atrocious teacher.

¹⁹ Wesley C. Mitchell, The Backward Art of Spending Money and Other Essays (McGraw-Hill: New York, 1937), p. 288.

²⁰ Dorfman, op. cit., p. 174.

Veblen's methods of teaching were often eccentric. Once when he was tired of lecturing . . . he asked a woman student, who was a church member, what was the value of her church in kegs of beer. But she did not appreciate this method of explaining the theory of value. . . . Veblen felt that his students should not take many notes. One meticulous old man, trying to take down Veblen's exact words, asked him to repeat what he had said, but Veblen answered: "I don't think it is worth repeating."

Undergraduates were discouraged by his heavy assignments in foreign languages. . . . Aspirants to Phi Beta Kappa were under a disadvantage in his classes, for he refused to give a grade higher than "C". . . . All his movements, like his speech, were slow and indolent. . . . He was more reserved than most of the professors, and he never laughed or showed emotion. . . .

Some of the graduate students found his apparently philosophical courses too abstract. . . . There was a belief that Veblen was too lazy to clarify his ideas. . . . He appeared colourless and unimpressive, with clothing that just escaped shabbiness, a carriage that barely missed being slouchy, and a voice that spoke in a low monotone. . . . He never seemed to raise his eyes from the seminar table. . . . Looking thin and pale, he seemed to have insufficient strength for the course. He appeared to pay little direct attention to the class, and at times seemed almost asleep. . . .²¹

Yet, Veblen had a tremendous impact on a select group of students. Although he was aloof, Veblen had a keen interest in the welfare of many of his students. He appears to have known more about them than they suspected. It was not unusual to find him strolling on the campus with small groups of graduate students. One of Veblen's colleagues, who was not an admirer, remarked: "One thing that impressed me about

²¹ Loc. cit., pp. 248-249.

Veblen was his ability to develop a feeling of personal respect and admiration for him as a teacher and a thinker, one might almost say, personal loyalty, among his students."²²

In 1906 Veblen was asked to leave the University of Chicago following an unchaperoned voyage to Europe with a woman other than his wife. This was the first of several "episodes" which were to contribute to his ill success in the academic world. Although he did not appear to take these affairs too seriously, they undermined his marital relationship. His wife left him on numerous occasions before their divorce in 1911. The marriage bore no children, largely because of his wishes. Mrs. Veblen had not remained idle during the years since her marriage. She had continued her active interest in socialism and had published a book for children, The Goosenbury Pilgrims. Although she was perhaps emotionally immature, Mrs. Veblen seems to have been devoted to her husband. He, on the other hand, displayed a streak of cruelty toward his wife. He seems to have enjoyed creating suspicions concerning his fidelity. In spite of their divorce they remained in contact with one another. Before her death in 1926, she became interested in theopathy and attempted to interest her former husband in its possibilities.

²²Loc. cit., p. 252.

The University was undoubtedly happy to find a reasonable excuse for dismissing Veblen. "The Philistines knew that a giant was among them, but he was the wrong kind of giant, whose strength they feared, and they were glad to see him go packing before he pulled the temple down around their heads."²³ Before leaving Chicago, Veblen applied for the position of Chief of the Division of Documents in the Library of Congress. His work in economics, anthropology, sociology, and languages seemed to give him the necessary qualifications for the position. In spite of his demonstrated competence as a research scholar, he was not offered the position. It was said that a more "routine" person was needed.

Veblen at Palo Alto

Although he was by now a recognized scholar, Veblen found it difficult to secure another teaching position. Fortunately, President Jordan of Stanford University was engaged in a dispute with his board of trustees and thought Veblen would aid his cause. Jordan described Veblen as the "most subtle man in the business. What he cannot reverse and make appear the opposite of what it purports to be isn't worth reversing."²⁴ Veblen joined the faculty of Stanford

²³Lerner, op. cit., p. 10.

²⁴Dorfman, op. cit., p. 269.

as an associate professor at a salary of three thousand dollars. The terms of the contract were to his liking. He was to teach as little as he desired, and he was given a tutor to assist in the reorganization of the library. His home was conveniently located in a secluded area on the Stanford campus. Here he could practice his mechanical ingenuity and care for his chickens and cows.

We are indebted to Robert L. Duffus and his Innocents at Cedro for the many valuable insights concerning Veblen's life during his three years at Stanford.²⁵ The Duffus boys lived with the Professor, helping with the house work. When the boys' father became ill, he also was welcomed. The family was completed when a Stanford student suffering from tuberculosis pitched a tent on the property. One can appreciate why scholars are hesitant in making generalizations concerning Veblen's relationship to people. The Veblen personality remains an enigma. At times he appeared to be cruel, cynical, anti-social, selfish, aloof, and conceited. On other occasions he could be sympathetic to the needs and sufferings of others.²⁶ He could be magnanimous in sharing

²⁵R. L. Duffus, The Innocents at Cedro: A Memoir of Thorstein Veblen and Some Others. (Macmillan: New York, 1944).

²⁶David Riesman emphasizes Veblen's relationship to his parents as a basis for understanding his personality and intellectual development. Although this is an interesting theory, Riesman appears to rely rather heavily upon its presumed validity. The weakness of this kind of theory is its failure to account for all of those who are not so affected. David Riesman, Thorstein Veblen. A Critical Interpretation (Scribner's: New York, 1953).

his meager resources. In this respect Duffus writes:

I think the intellectual and possibly the emotional tragedy of Thorstein Veblen's life was that he did have faith in the basic humanity of human beings, did feel poignantly the sad position in which multitudes of human beings found themselves, and yet didn't really believe in any possible reform which would enhance mass happiness.²⁷

For a short time at Stanford, Veblen's matrimonial life was unusually blissful. In a short time, however, he and Ellen were again separated, Mrs. Veblen building a shack near her husband's home. In spite of these difficulties Veblen was unusually happy during these years. His writing progressed satisfactorily, and he enjoyed riding horseback to his mountain cabin where he had an unimpeded view of the sea.

Although Veblen lived close to nature, he had no particular love for it. "What he had," writes Duffus, "was amused tolerance. He got on well with nature, as he got on

²⁷R. L. Duffus, "Veblen at Cedro," American Scholar, vol. XV, No. 4 (December, 1946), p. 463. To say that Veblen "didn't really believe in any possible reform" is to emphasize the pessimistic strain in Veblen's thought to the neglect of equally optimistic elements. It seems unlikely that he would have spent a lifetime analyzing the defects of our culture if he truly believed that no reform was possible. It is interesting that even among those who knew Veblen personally there is considerable disagreement concerning his basic outlook on life. Duffus implies that Veblen was basically pessimistic. Myron W. Watkins, on the other hand, writes that "Veblen was not a cynic, as certain superficial critics who never knew him nor understood him have alleged. Much less was he a pessimist, a prophet of doom." Myron W. Watkins, "Veblen's View of Cultural Evolution," Thorstein Veblen: A Critical Reappraisal, pp. 258-259.

with children, cats and horses. He didn't respect it as he did the best work of workmanlike human hands. He regarded it, I believe, as something that hadn't grown up. . . ."28

As a teacher Veblen was even less popular than he had been at Chicago. Working with undergraduates was especially difficult for him. Classes continued to be extremely small, although this appeared to please him.

The ideal situation for a professor, he appeared to think, was not to have any students at all. The next best was to have few, and those few awake. Veblen took steps to make this possible. Each applicant for registration had a personal interview with him. During this interview Veblen would paint the required work in the most horrific terms.²⁹

Veblen never referred to himself or his background in any of his writings. Duffus reports a similar reticence in his conversation. He mentioned his father only once. "He said that when the elder Veblen went to town on a market day and happened to meet his son on the street he did not speak to him or give any sign of recognition. I gathered that the Professor thought this interesting but not extraordinary."³⁰

In December of 1909 Veblen was dismissed from Stanford in consequence of another "affair." "What is one to do if the woman moves in on you?" he remarked to friends. Many

²⁸The Innocents at Cedro, p. 159.

²⁹Loc. cit., p. 60.

³⁰Loc. cit., p. 59.

of his former women students were devoted to him, and he appears to have used them as confidantes. Although he carried on an active correspondence with many of them, it does not appear that he was the aggressor.

Before leaving Palo Alto, Veblen applied for a Carnegie Foundation grant in order to study the derivation and growth "of those free or popular institutions which have marked off European civilization at its best from the great civilizations of Asia and Africa."³¹ Since the project would take three years and would cost between sixteen and twenty thousand dollars, he needed substantial financial backing. The usual recommendations were secured. Allyn Young, who was head of the Department of Economics at Stanford, wrote:

On the basis of a somewhat varied academic experience I feel no hesitation in saying that Veblen is the most gifted man whom I have known. His scholarship is extraordinary. . . . Moreover, he carries it lightly--he has none of the marks of methods of the pedant. . . . I regret in many ways that Veblen expects to abandon the teacher's profession, even temporarily. He has never been very successful in dealing with large numbers of under-graduates. . . . But on the students of adequate preparation and range of interests who have come under his influence he has had an extraordinary influence, and the same is true with reference to those of his colleagues who have had the fortune to know him at all intimately.
 . . .³²

³¹Dorfman, op. cit., pp. 297-298. The proposed study was primarily concerned with the Cretan civilization. Veblen hoped to show that there was a high correlation between technological proficiency and the development of free institutions.

³²Loc. cit., p. 299.

Although the Carnegie Foundation expressed an interest in the project, the necessary funds were not available. This was unfortunate since Veblen was not only interested in the project but seems to have been well-qualified, although he was not a scholar of the classical languages.

One of Veblen's former students, H. J. Davenport, was head of the economics department at the University of Missouri. When he heard of his teacher's plight, he came to the rescue. At some personal risk he offered Veblen a position in his department. After a year of unemployment Veblen at last had secured a position.

"In a Rotten Stump Called Missouri"³³

Veblen spent seven years (1911-1918) at the University of Missouri. Although he intensely disliked Columbia, he did have the companionship of several of his former students. These devoted students not only handled many of his personal affairs but provided shelter for him as well. For a time Veblen lived in the basement of the home of his former student, Davenport. Although his quarters were rather modest (the entrance was through a window), Veblen was well-satisfied. Two of his former Stanford students, William

³³"The local Chamber of Commerce [in Columbia] offered a prize for a slogan for the town, and Veblen told Walter Stewart, a student and colleague, that it ought to be described as a woodpecker hole of town, to which he later added, 'in a rotten stump called Missouri.'" Loc. cit., p. 306.

Camp and Leon Ardzrooni, came to Missouri so that they might continue their graduate work under Veblen.

These were productive years for Veblen. In 1914 he published The Instinct of Workmanship and the State of the Industrial Arts. This was soon followed by Imperial Germany and the Industrial Revolution (1915), An Inquiry into the Nature of Peace and the Terms of its Perpetuation (1917), and The Higher Learning in America. A Memorandum on the Conduct of Universities by Business Men (1918). The Higher Learning had been completed in 1916, but its publication had been withheld because of the controversial nature of the study. In the years preceding this country's entrance into World War I, Veblen became concerned with international affairs. The titles of two of his works in this period reflect this concern. Veblen, indeed, offered his services in connection with the House Inquiry which was acting in an advisory capacity to President Wilson in respect to the terms of the impending peace. Although he submitted a proposal, his services were not sought.

In 1914 he was married to Anne Fessenden Bradley, a divorcee and mother of two daughters. She was a devoted wife who took excellent care of Veblen, but a number of friends and former students were puzzled by the marriage. One former student attempted to prevent the match. The second Mrs. Veblen was a radical but, unlike her husband,

she was "impatient, explosive, and very doctrinaire."³⁴ She was amorous, argumentative, and definitely not "high brow." In spite of their divergent temperaments, it was a satisfactory marriage until her illness and subsequent death in 1920. She had been committed to a sanitarium in 1918 suffering from delusions of persecution.

Functionalism and efficiency were the fetishes of the Veblen household. It was his belief that housewives wasted most of their time. Therefore, the Veblen beds were never made, and dishes were not washed after each meal. When all of the dishes had been used, they were put into a tub and washed with a garden hose. Veblen made his own furniture "out of dry-goods boxes which he covered with burlap." His home had no telephone, since the telephone like the typewriter created more rather than less work. Invention, according to Veblen, is the mother of necessity.

Mrs. Veblen reared her daughters according to a literal interpretation of The Theory of the Leisure Class. Their clothing was made with little reference to current styles. The children were permitted no "conspicuous consumption."³⁵ They were treated as adults while still

³⁴Loc. cit., p. 304.

³⁵A Veblenian term meaning consumption motivated by the desire to emulate or impress others.

children. In short they were not allowed to enjoy a normal childhood. They were enrolled in the campus laboratory school but frequently did not arrive until mid-morning or later. In spite of protests from school authorities the Veblens made little effort to get their children to school on time. Veblen had an intense dislike for any kind of schedule.

Veblen's position at Missouri was always precarious. His appointments were for one year and always at the rank of lecturer. His salary varied from \$1920 to \$2400, considerably less than the \$3000 which he had received at Stanford. Although Veblen considered President Hill as good a college president as any, even the best become "highly undesirable" after a few years.³⁶

Although Veblen was now so well known that he was an object of curiosity, his class enrollment remained small. His unconventional pedagogical procedures continued. He gave little attention to examinations, grades, or class attendance, although the University had strict policies governing such matters. As before, he seems to have been most influential with a select group of graduate students. An incident cited by Dorfman reveals that there was a spirit of camaraderie between these students and their teacher.

³⁶Loc. cit., pp. 306-307.

During the early years Davenport used to invite frequently for supper four or five of the students who attended his own and Veblen's courses, and Veblen usually joined them. One of the members of this group . . . writes that, "although we were a rather impudent bunch of youngsters, I rather think he enjoyed us. When he did not appear, we would frequently go down the basement and rout him out and bring him upstairs to talk to us. The five of us had a silly secret society to which we initiated Mr. Veblen but we could never persuade him to wear a pin. I remember one of the occasions in which we grabbed him and announced that we wanted to discuss religion. In his humorous and quiet fashion he informed us that he knew nothing about religion but would be delighted to discuss theology with us."³⁷

Although his services had been previously rejected by the Federal government, Veblen still yearned to be in Washington. This is the only period of his life when he took an active interest in reform. Although he viewed the war as a great tragedy, it was also an opportunity. It was an opportunity to destroy the status quo and its decadent institutions. The war had demonstrated the necessity for peace as well as the latent productive potential of the industrial system.

Having received a leave of absence from the University of Missouri, Veblen joined the Price Administration in February, 1918. The loyalty of his friends and students was again very much in evidence. He secured the position through a former friend and while in Washington lived with a former student. His stay in Washington of less than five

³⁷Loc. cit., p. 312.

months was disappointing. Since victory was in sight, few were interested in his seemingly radical proposals. His position was unimportant and involved statistics of which he knew little. The memoranda which he submitted received only scant attention.

One of his proposals involved the Industrial Workers of the World, an organization under prosecution by the Federal government for seditious activities. He proposed that the indictments against the I.W.W. be quashed and that the men be utilized in meeting the dire shortage of farm labor in the grain producing areas. He had long been sympathetic to the plight of this group. Along with John Dewey and other liberals, Veblen signed a plea for public funds in order to insure a just trial for members of the I.W.W. Nevertheless, many members received long prison sentences which Veblen took as evidence of "hysteria, bordering on insanity."

Veblen had seen enough of Washington. His faith and optimism were shattered. The world was again to be made "safe for the vested interests." Although a former student offered him a position with the War Labor Board at a handsome salary, Veblen was not interested. He had other problems with which to contend. His studies on Imperial Germany and the Industrial Revolution and on An Inquiry into the Nature of Peace and the Terms of its Perpetuation were under attack as subversive literature. It was charged that

these writings constituted a threat to the war effort and that Veblen was a pacifist who was partial to the German cause. The attack on Imperial Germany became a tragicomedy. The Post Office Department informed the publisher that Imperial Germany could not be mailed under provisions of the Espionage Act. At the same time the Committee on Public Information was seeking to use the book for propaganda purposes in support of the Allied cause. Those who attacked Veblen had apparently not read the books in question.

The Universities of Missouri and Cornell had planned to share Veblen's time when he returned from government service, but the plan was quashed, perhaps because of the unfavorable publicity. Instead, he accepted a position with The Dial, a literary journal which intended to extend its coverage to include a "discussion of internationalism and a programme of reconstruction in industry and education."³⁸

The Journalist

Veblen assumed his duties on The Dial in the fall of 1918. The financial arrangements, the terms of the contract, and living quarters were handled by Leon Ardzrooni. When Mrs. Veblen became ill, another former student, Walter Stewart, cared for the children. During Ardzronni's absence

³⁸Loc. cit., p. 411.

Isador Lubin came from Washington D.C. in order to care for his former teacher. Wesley Mitchell, whom Veblen regarded as his outstanding pupil, was also available. It is difficult to conceive of such personal loyalty as these outstanding men demonstrated for their beloved teacher.

The Dial was undertaking a bold program. It had gathered together an outstanding group of editors including John Dewey, Veblen, Helen Marot, Randolph Bourne, Clarence Britten, Scofield Thayer, and George Donlin. The Emersonian Dial soon became known as the Veblenian Dial. The venture, however, did not prove to be very successful. As for Veblen, he was an impossible journalist. He had great difficulty in presenting a simple, direct, and concise thesis; and he found it almost impossible to keep within the limit of one-thousand words per article. Moreover, he would not permit anyone to edit his material. Lewis Mumford recalls the first and last time that anyone ever tampered with Veblen's copy.

Veblen had characterised Samuel Gompers as the sexton beetle of the American labour movement. In preparing the MSS. for the printer, one of the editors had automatically changed this over to sexton beadle, in order to make sense. Veblen was furious: his white ashen face was more ashen than ever with anger--such anger as seemed especially terrible in the mild and reticent person that Veblen always was. He wanted to know if the unknown dunderhead who had mutilated his copy did not realise that a sexton beetle was an insect that spent its life in storing up and covering over dead things? Besides, there was an overtone in the allusion: Gompers looked more like a beetle.³⁹

³⁹Loc. cit., p. 412.

During the year that Veblen was with The Dial he was unusually productive, although his disciples were disappointed in his writing. They felt that Veblen the "agitator" was taking precedence over Veblen the "thinker." Many of his articles had a radical, even revolutionary, bent. They no longer reflected the subtlety and critical analysis of his earlier writings. The post-war period had apparently embittered Veblen. He seems to have placed his remaining faith in the success of the Russian Revolution.

Veblen was gaining recognition, although it was not always favorable recognition. H. L. Mencken quipped: "Veblenism was shining in full brilliance. There were Veblenists, Veblen clubs, Veblen remedies for all the sorrows of the world. There were even in Chicago, Veblen girls-- perhaps Gibson girls grown middle-aged and despairing."⁴⁰

After one year The Dial once more became a literary journal. The subsidies which had made possible the programme of reconstruction were exhausted. Fortunately for Veblen, the New School for Social Research was founded in the fall of 1919, and he was offered a position.

The New School for Social Research

Veblen was now in the twilight of his career, although

⁴⁰Loc. cit., p. 423.

he continued to write. The Engineers and the Price System was published in 1921, and Absentee Ownership and Business Enterprise in Recent Times: The Case of America appeared in 1923. These are not Veblen's best writings since they add little to the fundamental themes of his earlier studies. Veblen's position on the staff of the New School for Social Research should have been ideal. His salary of six thousand dollars, of which forty-five hundred dollars was contributed by a former University of Chicago student, was more than adequate. He lived with friends and former students. He had outstanding colleagues, including James Harvey Robinson, Charles A. Beard, Wesley C. Mitchell, John Dewey, Harold Laski, Roscoe Pound, Leo Wolman, and Leon Ardzrooni. In spite of the stimulation which his colleagues could have provided, Veblen remained aloof. Only a handful were able to pierce his mask. Among these was Harold Laski who writes:

I first met Professor Veblen shortly after the opening of the New School for Social Research. He was very shy, and, in the first week of our acquaintance, it was difficult to get on intimate terms with him. But, once the initial barriers had been overcome, he was an entrancing companion. . . . It would have been easy to describe much of his talk as cynical; but one saw quite early that this was in fact merely a protective colouring beneath which he concealed deep emotions. . . . I do not remember discussing anything with him without receiving illumination; and his kindness to a much younger teacher remains one of the abiding memories of my years in America.⁴¹

⁴¹Loc. cit., pp. 450-451.

Veblen was not happy at the New School. He was tired of teaching. He was frequently absent from class, presumably because of ill health. He looked forward to his vacation periods. He no longer had the desire or energy for serious work over prolonged periods of time. For reasons of economy he was occasionally assigned large classes. His almost total ineffectiveness in working with such groups caused the students to rebel. He shared with John Dewey the dubious distinction of being the worst teacher at the school. Actually the New School did not fulfill its earlier promise. Since it did not grant degrees, it was difficult to attract superior students. Although the course work was designed for students possessing the bachelor's degree, many were enrolled without such a background. In consequence of a financial crisis at the school, many of the faculty resigned and a general reorganization followed.

In 1925 Veblen was offered the presidency of the American Economic Association, but he turned it down remarking: "They didn't offer it to me when I needed it." This was the end of the trail for Thorstein Bunde Veblen. Accompanied by his daughter, Becky, he returned to his mountain cabin near Stanford University where he could gaze upon the sea and spend his last days in peace. "As the end drew on, Veblen felt extremely lonely and neglected. He thought that everyone had forgotten him. . . . Finally he would not

see even old and true friends.⁴²

He died on August 3, 1929. Before his death he had prepared a statement concerning the final arrangements. It read:

It is also my wish, in case of death, to be cremated, if it can conveniently be done, as expeditiously and inexpensively as may be, without ritual or ceremony of any kind; that my ashes be thrown loose into the sea, or into some sizable stream running into the sea; that no tombstone, slab, epitaph, effigy, tablet, inscription, or monument of any name or nature, be set up in my memory or name in any place or at any time; that no obituary, memorial, portrait, or biography of me, nor any letters written to or by me be printed or published, or in any way reproduced, copied, or circulated.⁴³

He left his estate to his two daughters, although the royalties from his books did not pay his debts until 1932. Four of Veblen's former students acted as pallbearers at the funeral. Others were deeply moved by his death. Mitchell gave a fitting tribute to his teacher. He said:

There was the disturbing genius of Thorstein Veblen --that visitor from another world, who dissected the current commonplaces which the student had unconsciously acquired, as if the most familiar of his daily thoughts were curious products wrought in him by outside forces. No other such emancipator of the mind from the subtle tyranny of circumstance has been known in social science, and no other such enlarger of the realm of inquiry.⁴⁴

⁴²Loc. cit... pp. 502-503.

⁴³Loc. cit... p. 504.

⁴⁴Loc. cit... p. 505.

A Self-portrait

Though Veblen never wrote specifically about himself, he has given us a remarkable self-portrait in one of his short essays entitled "The Intellectual Pre-eminence of Jews in Modern Europe," first published in 1919.⁴⁵ Ostensibly, the article is concerned with the advisability of an independent Zionist state. Veblen first notes that the Jewish people

have contributed much more than an even share to the intellectual life of modern Europe. So also it is plain that the civilization of Christendom continues today to draw heavily on the Jews for men devoted to science and scholarly pursuits.⁴⁶

How does one account for this pre-eminence? Veblen rejects any theory of native racial superiority, arguing that the Jews are a hybrid race. The intellectual superiority of the Jew is not the consequence of a fortunate intellectual endowment.

This intellectual pre-eminence is manifested only when the

gifted Jew escapes from the cultural environment created and fed by the particular genius of his own people, only when he falls into the alien lines of gentile inquiry. . . . It is by loss of allegiance . . . to the people of his origin, that he finds himself in the vanguard of modern inquiry.⁴⁷

⁴⁵Republished in Essays in Our Changing Order, ed. Leon Ardzrooni (Viking: New York, 1934), pp. 219-231.

⁴⁶Loc. cit., p. 221.

⁴⁷Loc. cit., pp. 225-226.

This alienation of the Jew from his cultural environment produces a skeptical frame of mind which is the first requisite of significant work in science. It is the skeptic who advances the frontiers of knowledge.

We can now fill in the details of Veblen's thesis. The young Jew is born into a kind of sub-culture within the larger gentile community. In this sub-culture he learns what is true, beautiful, and good. This spiritual inheritance is traditional in the sense that it anticipates modern science and scholarship. If, however, the Jew has a thirst for knowledge, he must go forth into the gentile community with its own peculiar outlook and institutions.

He comes forthwith to realize that the scheme of traditions and conventional verities handed down within the pale of his own people are matters of habit handed down by tradition, that they have only such force as belongs to matters of habit and convention, and that they lose their binding force so soon as the habitually accepted outlook is given up.
 . . .⁴⁸

This does not imply that the Jew will now accept the outlook of the gentile community. On the contrary, the Jew retreats to a kind of intellectual "no man's man." By the force of circumstances the Jew becomes a skeptic and thereby acquires the sine qua non of intellectual pre-eminence.

While Veblen was not a Jew, the argument could appropriately be applied to his own intellectual development.

⁴⁸ Loc. cit., p. 227.

He grew into manhood always conscious of the conflict between his own people and the "Americans." Living on a cultural island, he learned the lore and mythology of his own people. It was an inheritance of which Veblen was proud. Indeed, he spent years translating an Icelandic saga and visited the native land of his ancestors. On occasion he even identified himself as a Norwegian.

Like the Jew, however, Veblen could not remain intellectually identified with his inheritance. He was considered a renegade by his own people. He hated their narrow provincialism. He repudiated their lore and mythology. He rejected their animistic thinking. On the other hand, neither could Veblen accept the culture in which he was to do his scholarly work. As Robert L. Duffus observed, Veblen's Norwegian background gave him a "detachment from American life. He was like an enlightened savage in a civilized country."⁴⁹

Like the Jew, Veblen was a skeptic by force of circumstances. He belonged to no country, to no culture. "He was a lone figure, the man nobody knew--not even his family and friends, not even his warmest disciples."⁵⁰

⁴⁹The Innocents at Cedro, p. 58.

⁵⁰Lerner, op. cit., p. 48.

CHAPTER III

A SYNOPSIS OF THE MAJOR WRITINGS OF THORSTEIN VEBLEN

To appreciate a writer fully he must be viewed from several vantage points. In the last chapter we presented a brief biography of Thorstein Veblen in the belief that such an account would contribute to our understanding of his characteristic frame of mind. In the final analysis, however, a man's point of view must be considered in terms of its own intrinsic merits. We are concerned with what Veblen wrote rather than in why he wrote it. It might be demonstrated, for example, that Veblen's attack on the universities of his day reflected his mistreatment at the hands of these institutions. While such a demonstration may shed light on Veblen's motives, it does not resolve the question of the truth or falsity of the beliefs which Veblen in fact maintains. The beliefs which men hold reflect a wide variety of motives and environmental circumstances. A true belief is often associated with a dastardly motive while false beliefs often emanate from angelic motives. The current attacks on education, for example, may be directed by the most sinister of motives, but this does not prove that the beliefs upon which the attacks are based are false. The truth or falsity of a belief is, in short, independent of

the baseness or the saintliness of the man who professes it.

We are concerned here with an exposition of Veblen's major writings. Such an exposition will reveal the broad range of his interests, his unusual literary style, and the development of his more important points of view.¹

From Philosophy to Economics

For the sake of taxonomy Thorstein Veblen is usually identified as an economist. His early training, however, was in pure philosophy. At Carleton and later at Johns Hopkins and Yale, he came under the influence of Scottish Common-sense Realism, then the prevailing point of view in American philosophy. This philosophical position was a reaction both against Hume's skepticism and Berkeley's idealism. These realists held that sensory impressions are presented directly to consciousness. The knowledge gained in this manner is to be accepted as reliable. Moreover, since men have uniform sensations, everyone will react to his environment in the same way. Although the realists utilized both inductive and deductive reasoning, their emphasis was upon the former.

¹Not all of Veblen's major writings will be discussed in this chapter. The Place of Science in Modern Civilization, which contains important essays on economic and social theory, will be discussed in Chapter IV, pp. 107 et seq. The Higher Learning in America, Veblen's treatise on education, is treated in Chapter V, pp. 183 et seq.

At Johns Hopkins, Veblen studied Hegelian idealism under George S. Morris. He attended lectures by Charles S. Peirce, from whom he may have learned to appreciate induction as a "guiding principle" in the search for reliable knowledge. Under President Porter at Yale, he became versed in the idealism of Kant. His doctoral dissertation was entitled Ethical Grounds of a Doctrine of Retribution. It is concerned with "why we need not believe in God." According to Dorfman, Veblen "seems thoroughly to have examined Spencer and Kant."²

The extent to which Veblen was influenced by these philosophical movements is of course not known with accuracy. Stanley Daugert believes that this early training in philosophy conditioned many of Veblen's later points of view.³

In 1884 Veblen published his first article: "Kant's Critique of Judgment."⁴ Since the Critique of Judgment had not yet been translated into English, this was no mean accomplishment for a graduate student. According to Veblen, the Critique of Judgment is an attempt by Kant to mediate between his earlier Critique of Pure Reason and Critique of Practical Reason. The former was highly deterministic in its emphasis upon causal necessity in the

²Dorfman, op. cit., p. 46.

³Daugert, op. cit., pp. 1-4.

⁴Essays in Our Changing Order, pp. 175-193.

phenomenal world, whereas the latter emphasized the moral freedom of man. Kant, continues Veblen, saw the need of reconciling this apparent inconsistency.

Man's moral freedom implies that he be able to choose alternative plans of action. This in turn implies that man be able to evaluate the consequences of projected plans of action. The Kantians argued that empirical knowledge is inadequate in this respect. Man's moral freedom demands something more.

This "something more" is the faculty of pure judgment which, according to Veblen, is nothing other than inductive reasoning. Veblen appears to have interpreted Kant in terms of the Common-sense emphasis upon induction. He now generalizes the value of induction for all areas of life.

Though Kant, in giving his reasons for undertaking the Critique of Judgment, speaks mainly of the indispensableness of this power of inductive reasoning for the purposes of morality, it is evident that it is no less indispensable in every other part of practical life. Today any attempt, in any science, which does not furnish us an induction, is counted good for nothing. . . .⁵

Veblen recognized that induction does not give us knowledge of final causes, but for the purposes of everyday life induction is sufficient. Veblen never lost his faith in inductive reasoning. It was to become a fundamental tenet in his social philosophy. The support which he here claims

⁵Loc. cit., p. 177.

from Kant, however, is not properly warranted. In most of the reviews which he wrote he was less interested in the author's point of view than he was in his own thesis. A review was just another opportunity to expound his own theory. Even in this early article there is evidence of the use of this technique. As Daugert has pointed out, Veblen's "emphasis upon pure judgment as inductive reasoning is not truly Kantian."⁶

Veblen and Socialism

After a lapse of seven years during which Veblen was unsuccessful in procuring a teaching position, he returned to academic studies at Cornell. His major interest had now shifted from philosophy to the social sciences.

One of Veblen's initial interests in economics concerned socialism. Although he continually refused to be identified with the socialist movement, his early writings are sympathetic to many of its doctrines. While a student at Cornell, he published his first article in economics: "Some Neglected Points in the Theory of Socialism."⁷ In this article he examined the current unrest among the peoples of the world and concluded that they were suffering from a

⁶Daugert, op. cit., p. 8.

⁷The Place of Science in Modern Civilization, pp. 387-408.

feeling of "slighted manhood." Inequalities in wealth have resulted in a feeling of envy among the less fortunate. This "regard for reputation" is an instinctive trait which can be satisfied in a variety of ways. In a competitive, pecuniary society in which the individual has many impersonal contacts with his fellow men, this trait is best satisfied through evidence of pecuniary success. The struggle to keep up appearances replaces the struggle for existence.⁸

The capitalistic economic system with its emphasis upon free competition and private property rights is responsible for the present unrest. Private property rights generate inequalities in wealth. The poor envy the rich. "Regard for reputation" takes the form of pecuniary emulation. Although emulation is justified from the viewpoint of the individual, it does not promote the welfare of the community. A large percentage of what is produced is wasted in the effort to "keep up appearances." By eliminating property rights and inequalities in income, a socialistic society might conceivably channel this "regard for reputation" into more serviceable activities.

⁸One of the interesting and important characteristics of Veblen's philosophy is the great consistency of the themes which he maintains throughout his writings. Even in this early essay, for example, he is aware of conspicuous waste as a motive in consumption. This theme is reiterated in later writings, especially in The Theory of the Leisure Class.

Fifteen years later Veblen presented his mature statement on Marxism.⁹ During the intervening years he made an exhaustive study of socialist literature. While he continued to be a sympathetic critic, he found many of its doctrines wanting.

Veblen introduced his article on Marx by stating: "The system of doctrines worked out by Marx is characterised by a certain boldness of conception and great logical consistency."¹⁰ He later reiterates this point and adds:

No member of the system, no single article of doctrine, is fairly to be understood, criticised or defended except as an articulate member of the whole and in the light of the preconceptions and postulates which afford the point of departure and the controlling norm of the whole.¹¹

The remainder of the article is a criticism of the Marxist philosophy. Paradoxically, Veblen is especially critical of the logic employed.

The weaknesses of Marxism are its dependence upon the Hegelian dialectic and the hedonistic calculus of the English Utilitarians. Veblen agrees with Marx that economic forces are important determinants of cultural growth and change. But Marx asserts far more than this when he states that the mechanism of change is the class struggle, and that

⁹"The Socialist Economics of Karl Marx and His Followers," The Place of Science in Modern Civilisation, pp. 409-456.

¹⁰Loc. cit., p. 409.

¹¹Loc. cit., p. 411.

this struggle inevitably leads to a classless society. In Hegelian terminology the entire process is the working out of an inner necessity, the dialectic of the historical process.

If Marx had been a devotee of Darwin rather than Hegel, he would have developed his theory in terms of "opaque" cause and effect.¹² There would have been no final term, no inevitable goal. The class struggle, as viewed by Marx, is not an evolutionary process but a metaphysical assumption. Furthermore, it presupposes the validity of the hedonistic psychology. Men presumably take stock of their class position by rationally calculating the pleasures and pains associated with their economic position in society. Since the present condition of workers produces an excess of pain, these workers consciously become instruments in the class struggle. The evil inherent in this role becomes a necessary condition for the achievement of the good society. The class struggle becomes a conscious struggle driven forward by human passions.

The dialectic is contrary to what Veblen would call the modern point of view. The Marxian philosophy is predicated on the assumption that progress inevitably results

¹²It is characteristic of Veblen not to define such terms as "opaque," even though he implicitly attaches esoteric meanings to such words. In Veblenian terminology, for example, "opaque" appears to denote "impersonal" or "objective."

from conflict. According to Veblen, this is contrary to fact.

Veblen was equally critical of the utopian socialists, although he was profoundly influenced by the writings of the utopian, Edward Bellamy. Generally, the utopians, like the Marxists, assumed that the inherent goodness of man had been corrupted by the institutions of society, especially such economic institutions as private property. Unlike the Marxists, however, these socialists argued that the salvation of man could be achieved through an appeal to the reasonableness of men. Man and his institutions are perfectible through knowledge. The evils of every society can be traced directly to human ignorance.¹³ Although Veblen is obviously sympathetic to these views, he does not embrace the sublime optimism which these views imply. Specifically, he does not believe that a program of education can achieve significant reform unless such a program takes into account the "vested" interests, the realities of human nature, and the rapidly changing character of the society. The selfish interests of a society, for example, do not resist change because of ignorance. Men are by nature conservative, and, furthermore, the selfish interests have a vested interest in the status quo. In short, Veblen believed that the

¹³Harry W. Laidler, Social-Economic Movements (Crowell: New York, 1948), pp. 100-117.

utopian was attempting to find his salvation outside the realities and circumstances of life.

The Economic Theorist: The Great Trilogy

Veblen formulated most of his important ideas during his tenure at the University of Chicago. It was here that he published two of his most important works: The Theory of the Leisure Class (1898) and The Theory of Business Enterprise (1904). The former work has been widely read and discussed, whereas the latter is scarcely known to the lay public. A third great study, The Instinct of Workmanship and the State of the Industrial Arts, was published in 1914 while Veblen was on the staff of Stanford University.

We shall discuss the major themes in these three studies. Much of the embellishment, embroidery, and extraneous material will be eliminated. Our purpose is to present a clear and concise verbal picture of the Veblenian point of view. Veblen is a difficult writer in this respect. He seldom gives the reader a brief exposition of his major theme. A footnote may contain the most important idea in any given chapter. He is rarely satisfied until he has related a given topic to all of the cultural forces in the society, or until he has shown the evolution of the theme from a primitive state of culture. The basic theme is further obscured by ramifications, qualifications, repetitions, and speculations on seemingly irrelevant questions.

The task is made even more difficult by the recondite language in which the basic thesis is often expressed.¹⁴

Industry vs. Business

Veblen is a critic of contemporary culture in spite of his lengthy and speculative accounts of the evolution of institutions from a primitive society. His anthropological speculations are intended to reinforce and sustain his evaluation of contemporary society. What did Veblen see in his culture which motivated him to attack it with such invectiveness?

In The Theory of Business Enterprise Veblen states:

To a greater extent than any other known phase of culture, modern Christendom takes its complexion from its economic organization. This modern economic organization is the "Capitalistic System" or "Modern Industrial System," so called. Its characteristic features, and at the same time the forces by which it dominates modern culture, are the machine process and investment for profit.¹⁵

¹⁴In this connection, Joseph Dorfman has written: "As a writer, too, Veblen is full of whimsy and humor. He loves to tease, to exaggerate, to present fantastic and poetic images, to utilize symbolism and allegory, and to mobilize folklore. He will even use archaic words and phrases to fit the mood of an archaic economic and social order." Joseph Dorfman, "The Source and Impact of Veblen's Thought," Thorstein Veblen: A Critical Reappraisal, p. 2. Professor Dorfman was perhaps recalling such Veblenian thought twisters as the following: "If we are getting restless under the taxonomy of a monocotyledonous wage doctrine and a cryptogamic theory of interest, with involute, loculicidal, tomentous and moniliform variants, what is the cytoplasm, centrosome, or karyokinetic process to which we may turn . . . ?" The Place of Science in Modern Civilization, p. 70.

¹⁵Thorstein Veblen, The Theory of Business Enterprise (Mentor: New York, 1958), p. 7.

This "machine process" involves more than mechanical contrivances. It involves the substitution of reasoned procedure for the rule of thumb. The machine process involves the application of scientific methodology to technology. It is exemplified in techniques of mass production.

The shortcoming of our society is the domination of the industrial process by investment for profit. The machine process has given civilization the means whereby all of the subsistence requirements of all peoples could be fulfilled. But investment for profit impedes the uninterrupted flow of economic goods and services.

Industry is carried on for the sake of business, and not conversely; and the progress and activity of industry are conditioned by the outlook of the market, which means the presumptive chance of business profits.¹⁶

The machine process, moreover, has created a highly interdependent economy. What affects one part of the economy necessarily affects every other part.

A disturbance at any point, whereby any given branch of industry fails to do its share in the work of the system at large, immediately affects the neighboring or related branches which come before or after it in the sequence, and is transmitted through their derangement to the remoter portions of the system. The disturbance is rarely confined to the single plant . . . but spreads in some measure to the rest. A disturbance at any point brings more or less derangement to the industrial process at large.¹⁷

¹⁶Loc. cit., p. 19.

¹⁷Loc. cit., pp. 14-15.

If industry is to produce a maximum of goods and services, it must be managed by those well versed in the causal relationships of the machine process. Profit considerations must not be allowed to sabotage the maximum utilization of natural and human resources. The Great Depression of a later decade has tended to give added force and meaning to this viewpoint.

The function of industry is to make goods, not money. The peoples of the world have economic wants that need to be fulfilled. In a rational economic system these wants would be satisfied as efficiently as possible. A maximum of output would be produced with a minimum of input. In a world of scarcity we cannot afford to waste our productive resources. From Veblen's standpoint our society does not meet these requirements. The irrationality of our system lies in the control of industry by business. Business which is largely ignorant of technology regulates this delicate industrial mechanism. Business decides what is to be produced. It decides when, where, and how production is to take place.

These business decisions are based upon profit considerations. It was assumed by many economists of Veblen's day that these decisions would in the long run automatically enhance the welfare of all. Every man, it was asserted, should seek his self-interest. In this manner the public interest would best be served. Veblen challenges this view.

He argues that the public interest is in continual conflict with the needs of business. The quest for profits in a capitalistic industrial society results in the "sabotage" of industry. This is a theme which runs through all of Veblen's writings. No rational society would permit resources to lie idle while her people suffered from hunger and privation. Veblen argues that even during periods of prosperity there are unemployed resources. There are always men who desire to work, there are resources available, and there is the technological knowledge. Men, however, continue to be denied the fruits of the potential wealth of the society. "The promised land flies before them like a mirage."

Moreover, the control of industry by business is morally wrong.¹⁸ The wealth produced by modern industry

¹⁸Veblen disclaims any value judgments in his analysis. He is the objective scientist investigating impersonal cause and effect. No reader of Veblen can accept such a statement at face value. His description of American business is enlightening in this regard. "The typical American businessman watches the industrial process from ambush, with a view to the seizure of any item of value that may be left at loose ends. Business strategy is a strategy of 'watchful waiting,' at the center of a web; very alert and adroit, but remarkably incompetent in the way of anything that can properly be called 'industrial enterprise.'" The Higher Learning in America. A Memorandum on the Conduct of Universities by Business Men (Sagamore: New York, 1957), p. 151. The question of Veblen's amorality will be considered in a later chapter. See below, pp. 166 et seq.

results directly from technological competence. This competence cannot be attributed to any man, nation, or period of time. Technology is a group inheritance which properly belongs to all of the people. Business contributes little to technology but usurps its productivity.

Keeping Up with the Joneses

The Theory of the Leisure Class continues to be Veblen's most widely read study. In many respects this book defies interpretation. Its unique style and vocabulary often leave the reader bewildered. Critics have seldom agreed as to its basic meaning and significance. Some have treated it as a satire on the way of life of the aristocracy. Others have viewed it as an analytical study of the economic significance of the leisure class. Is Veblen serious? This is perhaps the crucial question.

It is assumed in this thesis that Veblen was indeed making a serious study of the evolution and value of the leisure class in contemporary society. In the "Preface" of his study Veblen indicates that the purpose of his inquiry is to "discuss the place and value of the leisure class as an economic factor in modern life. . . ." ¹⁹ We accept this statement at face value. It is evident, however, that the

¹⁹Thorstein Veblen, The Theory of the Leisure Class: An Economic Study of Institutions (Modern Library: New York, 1934), p. vii.

study is also a satire. At times the satirical qualities of the work dominate the otherwise objective analysis. This has created the problems to which we have referred.

The central theme of The Theory of the Leisure Class will be developed by utilizing an illustration from contemporary life. The system of personal transportation in the United States should serve as an adequate example. This illustration will be developed in terms of the Veblenian methodology.

Although Veblen disclaims any interest in value judgments,²⁰ it seems certain that his major concern is precisely in this area. He would be concerned with the evaluation of our present system of personal transportation. His first task would be to establish the fundamental function of transportation. According to Veblen, functions can best be appreciated by analyzing primitive cultures which are close to the subsistence level. Such cultures cannot afford to waste natural or human resources. If their institutions (such as transportation) are not in harmony with the fundamental requirements of life, the penalty of death awaits them. We should expect, therefore, to find transportation

²⁰See, for example, the following disclamations: The Theory of the Leisure Class, p. 34; The Higher Learning in America, pp. 89, 161-162; The Theory of Business Enterprise, p. 184, n. 4; An Inquiry into the Nature of Peace and the Terms of Its Perpetuation (Viking: New York, 1945) pp. 2-3.

fulfilling a more or less rational function in such a culture.

After establishing the manifest function of transportation, its evolution from a primitive society is developed. This involves extensive historical and anthropological investigations. It is seen that transportation cannot be divorced from the other institutions in the culture. It is seen that transportation interacts with a complex and interdependent set of cultural and economic factors. The particular mode of transportation depends upon certain inventions and technological developments which in large part cannot be credited to particular persons, periods of time, or nations. A system of transportation cannot be appreciated unless it is seen as evolving out of the past. Future transportation must build upon present and past transportation. Indeed, transportation is an institution which has a history of its own. Certain habits of thought and ways of behaving are associated with it.

The prevailing mode of personal transportation in the United States is the automobile. Let us assume that the evolution and manifest function of the automobile has been established. Presumably the automobile is designed to transport its owner as efficiently and safely as possible at a minimum cost to the individual and the society. This presumably is the function of personal transportation in any culture at any stage of development. The mode of

transportation changes but the manifest or rational function remains the same.

How well does the automobile fulfill its manifest function? Does it represent a rational allocation of resources? Does it best serve the welfare and needs of the whole society? These are some of the questions which need to be answered before the system can be adequately evaluated. Before these questions can be adequately answered, an empirical study of the transportation system must be made. This would include an analysis of the production and sale of new automobiles, of technological developments, of the cultural incidence of the automobile, of alternative modes of transportation, and of cost.

An analysis of cost, for example, would show that we spend some ten billions of dollars annually for new automobiles, fifteen billions for gasoline,²¹ seven billions for traffic accidents, and billions more for the upkeep and maintenance of the sixty-five million registered automobiles. Added to this cost are the billions spent annually on traffic police, driver education, parking lots, garages, traffic courts, highway tolls, and so forth. Certainly, the total

²¹New automobile and gasoline costs include taxes paid to local, state, and federal governments. From the viewpoint of the society, not all of this tax cost is to be charged to the cost of transportation. From the standpoint of the individual, however, it does represent a cost of transportation. It reveals the preference which the individual has made in the allocation of his income.

cost would exceed forty billions of dollars annually or well over three times the total expenditure for all types of formal education in the United States. This does not, of course, prove that this expenditure on transportation is necessarily wasteful as compared to our expenditure on education. An empirical study of relative costs must precede, nevertheless, an evaluation of these costs. Ultimately, an evaluation depends upon the extent to which transportation and education each fulfills its manifest function. This we do not know, although the data suggests, perhaps, that we are allocating an exorbitant share of our national income to personal transportation.

Other analyses would indicate that styling often dominates engineering in the production of automobiles. Comfort, safety, economy, ease of handling, and durability are frequently sacrificed for the purposes of gaudy display. Technological improvements seldom sell automobiles. These statements are, presumably, not matters of theory but rather are statements of fact. Veblen himself did not always practice what he preached in this regard. He was much more interested in speculation than in statistical and factual investigations. His disciples, however, have pursued many such studies into almost every sector of the nation's economic life.²²

²²For example, two of his outstanding disciples, Wesley Mitchell and Robert Hoxie, have conducted, respectively, exhaustive studies of business cycles and labor organizations.

On the basis of such studies Veblen would conclude that the present system of transportation serves some additional function other than transportation. Otherwise, how can we account for the tremendous expense involved and the domination of engineering by considerations of style? One cannot determine this latent function by sampling consumer opinion. All men, according to Veblen, strive to rationalize their behavior. They buy a longer automobile in order to have a larger trunk. They want increased horsepower in order to pass other automobiles more easily and safely. A heavier car sways less in the wind. Wrap-around windshields provide better vision while power window-lifts are more convenient. In the Veblenian analysis these are rationalizations. They do not represent the basic motive.

All men have an instinctive regard for their reputations. Veblen argues that in some cultures this "instinct" is satisfied in ways which are serviceable to the entire community. In a pecuniary society this instinct is best satisfied through symbols which give evidence of pecuniary success. This instinct takes the form of pecuniary emulation--the striving to excel others in monetary terms.

Personal virtue and integrity still count for something in our culture. Veblen argues, however, that personal integrity loses its effectiveness in a highly impersonal and complex culture. Our regard for reputation can no longer be satisfied in this manner, although it sufficed in

the face-to-face relationships of certain primitive groups. In our society the worth of an individual is increasingly measured in monetary terms. "To a greater extent than elsewhere public esteem is awarded to artists, actors, preachers, writers, scientists, officials, in some rough proportion to the sums paid for their work."²³

The latent function of the automobile is its value as a symbol of pecuniary standing.²⁴ It is a measure of our worth in the eyes of others. We can now see why styling dominates engineering. If the automobile is to give evidence of ability to pay, the style must of course change frequently. The new style gives evidence that we are capable of more waste than our neighbors. Technological improvements will of course count for something. But these improvements are too often not visible to the eye. They also give evidence that we have to buy that which is service-able to our own needs. The goal is to show others that we have a surplus which we can afford to waste. Style, therefore, is especially commendable.

²³The Theory of Business Enterprise, p. 130.

²⁴Although the distinction between a latent and manifest function is clearly implied in Veblen, the terminology is taken from Professor Robert K. Merton's Social Theory and Social Structure (Free Press: Glencoe, 1957), p. 69.

The Veblenian analysis now moves swiftly. The key concepts are "conspicuous consumption," "conspicuous leisure," and "conspicuous waste". A large percentage of our wealth is wasted in impressing people that we have a surplus--more than enough to provide a bare subsistence. These wasteful expenditures do not enhance the welfare of the group or the manifest welfare of the individual. Conspicuous consumption is designed to inflate our own egos rather than to provide useful and needed goods. Conspicuous leisure, which is the "unproductive consumption of time," is similar in nature. A life of leisure is evidence that we can afford to waste time.

In The Theory of the Leisure Class Veblen illustrates these concepts by utilizing data "drawn from everyday life." Generally, his technique is to take some commonplace datum such as women's dress and show that its manifest function has gradually been corrupted. In primitive society, for example, dress was highly functional. Clothing, of necessity, was used primarily for protection from privation. In modern society the "law of conspicuous waste guides consumption in apparel." Dress in our society is evidence of ability to pay. Women's attire must give evidence of a life of leisure. It must not be strictly functional. Thus in China women bind their feet as evidence of their unproductiveness. In this country high heels and corsets provide similar evidence. Women's dress must not only be primarily

nonfunctional but obviously expensive. "Without reflection or analysis, we feel that what is inexpensive is unworthy. 'A cheap coat makes a cheap man!'"²⁵

The conspicuous consumption and leisure of women in our society is extremely important. According to Veblen, American women consume vicariously for other members of the household. The good repute of her family requires that she waste both time and goods. In some households children may assume some of this responsibility. They are deluged with toys and clothing which can neither be consumed nor appreciated. In the Veblenian analysis the parents are not displaying affection but rather are using children for purposes of conspicuous consumption. This inflates the parents' ego, not the child's.

The actual volume of conspicuous consumption is dependent upon our financial resources and upon the conspicuous consumption of those with whom we identify ourselves. Typically, our standard of living is geared to that group just above us in the economic hierarchy. There is no final term since we continually strive to excel those who are more successful economically.

Veblen finds his supporting data in the most unexpected quarters. Some of his illustrations are hilarious, although

²⁵The Theory of the Leisure Class, p. 169.

often far-fetched. In order that the reader may appreciate his masterful satire, his discussion of domestic pets is quoted at length.

Apart from the birds . . . the animals which merit particular attention are cats, dogs, and fast horses. The cat is less reputable than the other two just named, because she is less wasteful. . . . At the same time the cat's temperament does not fit her for the honorific purpose. She lives with man on terms of equality. . . .

The dog has advantages in the way of uselessness as well as in special gifts of temperament. He is often spoken of . . . as the friend of man, and his intelligence and fidelity are praised. The meaning of this is that the dog is man's servant and that he has the gift of an unquestioning subservience and a slave's quickness in guessing his master's mood. Coupled with these traits . . . the dog has some characteristics which are of a more equivocal aesthetic value. He is the filthiest of the domestic animals in his person and the nastiest in his habits. For this he makes up in a servile, fawning attitude toward his master. . . . The dog, then, commends himself to our favour by affording play to our propensity for mastery, and as he is also an item of expense, and commonly serves no industrial purpose, he holds a well-assured place in men's regard as a thing of good repute. . . .

And even those varieties of the dog which have been bred into grotesque deformity . . . are in good faith accounted beautiful by many. These varieties . . . are rated and graded in aesthetic value somewhat in proportion to the degree of grotesqueness. . . . The commercial value of canine monstrosities . . . rests on their high cost of production, and their value to their owners lies chiefly in their utility as items of conspicuous consumption. Indirectly, through reflection upon their honorific expensiveness, a social worth is imputed to them; and so . . . they come to be admired and reputed beautiful. . . .²⁶

²⁶ Loc. cit., pp. 140-142.

Veblen makes a more serious and significant analysis of manners. He first notes that manners are deteriorating as we shift from conspicuous leisure to conspicuous consumption.

Many a gentleman of the old school has been provoked to remark regretfully upon the under-bred manners and bearing of even the better classes . . . and the decay of the ceremonial code . . . among the industrial classes proper has become one of the chief enormities of latter-day civilization. . . . The decay . . . testifies . . . to the fact that decorum is a product and an exponent of leisure class life and thrives in full measure only under a regime of status.²⁷

Manners originated in a desire to show good will and this "initial motive is rarely if ever absent from the conduct of well-mannered persons at any stage of the later development."²⁸ Manners, however, soon ceased to be considered as means. They came "to be possessed of a substantial utility in themselves; they acquired a sacramental character. . . ."²⁹

There are few things that so touch us with instinctive revulsion as a breach of decorum; and so far have we progressed in the direction of imputing intrinsic utility to the ceremonial observances of etiquette that few of us, if any, can dissociate an offence against etiquette from a sense of the substantial unworthiness of the offender. A breach of faith may be condoned, but a breach of decorum can not. "manners maketh man."³⁰

²⁷Loc. cit., p. 46.

²⁸Loc. cit., p. 47.

²⁹Loc. cit., p. 48.

³⁰ibid.

Veblen next analyzes the economic ground of good manners.

Their ulterior, economic ground is to be sought in the honorific character of that leisure or non-productive employment of time and effort without which good manners are not acquired. The knowledge and habit of good form come only by long-continued use. Refined tastes, manners, and habits of life are a useful evidence of gentility, because good breeding requires time, application, and expense, and can therefore not be compassed by those whose time and energy are taken up with work. . . . In the last analysis the value of manners lies in the fact that they are a voucher of a life of leisure. Therefore, conversely, since leisure is the conventional means of pecuniary repute, the acquisition of some proficiency in decorum is incumbent on all who aspire to a modicum of pecuniary decency.³¹

We are now prepared to return to Veblen's original question. What is the value of the leisure class as an economic factor in modern life? Much of the discussion until now has been in terms of individual behavior. We must now shift the argument to the behavior of groups or classes of individuals. The leisure class, according to Veblen, is a class which specializes in unproductive pursuits. It specializes in conspicuous consumption and conspicuous leisure. As a class it is divorced from the industrial pursuits. From the viewpoint of the society at large, the leisure class is parasitic.

We can now appreciate the close relationship between The Theory of Business Enterprise and The Theory of the Leisure Class. The business man of the former study is a

³¹Loc. cit., pp. 48-49.

member of the leisure class. He seeks unlimited profits for the purposes of pecuniary emulation. He too must "keep up with the Joneses." Moreover, the business man adds little to production. His work falls more in the area of exploit than production. This meets the requirements of the leisure class mores.

The business man stands at the apex of the industrial system. In modern society the business community is the most powerful section of the leisure class. The business class becomes the pacemaker in nearly all questions concerning values, ideals, consumption and leisure standards, and criteria of success. Although the business community is parasitic from the society's viewpoint, it is regarded as the finest flower of evolution. The important questions of the society are taken to the business man for solution. Even the academic community confers upon him their most coveted honors in recognition of his unselfish devotion to the common good. This is the picture which Veblen sketches for the reader. Individuals themselves are not to be condemned, however. Individual behavior only reflects powerful cultural forces in the society. The determination of behavior is for the individual a process at the subliminal level. That business should control modern life is simply a reflection of the pecuniary values of the culture.

If the Veblenian analysis is valid, then the Marxian analysis is untenable. The Marxists postulate sharp class

cleavages based upon irreconcilable conflicts between the economic interests of various occupational groups. They further assume that an occupational group will become conscious of its economic interest and will identify itself with other groups having similar interests. White collar employees, for example, would in the Marxian analysis identify themselves with other employees in the class struggle.³²

Veblen recognizes the existence of economic classes but denies that an occupational group will necessarily develop a class consciousness and thereby ally itself with those having similar economic interests. White collar groups do not as a matter of fact identify themselves with other employees but rather with employers and other members of the leisure class. In the Veblenian analysis, one's ideals and aspirations are borrowed from that social group which is next higher in the social hierarchy. Social classes are highly interdependent and cannot be closely correlated with distinct economic classes.

The major evil of modern civilization, states Veblen, is the right of private property. It is upon the basis of this right that the leisure class achieves its control. Without the right of private property business could not

³²C. Wright Mills, White Collar: The American Middle Classes (Oxford: New York, 1956), pp. 294-298, 324-327.

exploit industry. Regard for reputation would not take its present form of pecuniary emulation. Common labor and industrial pursuits would regain their respectability. No longer would work be equated with drudgery.

The Instinct of Workmanship

The third book of the great trilogy is entitled: The Instinct of Workmanship and the State of the Industrial Arts.³³ Veblen regarded this study as his only important contribution. Dorfman states that "all his work seems to merge together in this book, and it combines in its sweep all the basic concepts and devices for presentation he had used before."³⁴ This study presents the positive side of Veblen's thought. It develops his psychology and his views of the nature of primitive man. It elaborates his earlier thinking on the function and cultural incidence of the machine process.

There is a Rousseauistic ring in the Instinct of Workmanship. The savage stage of human culture is pictured as peaceful. It is characterized by workmanlike efficiency and group solidarity. The very survival of man depended upon the primacy of these traits. The penalty of death awaited those groups which did not place the welfare of the

³³Thorstein Veblen; The Instinct of Workmanship and the State of the Industrial Arts (Huebsch: New York, 1922).

³⁴Thorstein Veblen and His America, p. 325.

group above the welfare of the individual.

In the savage state man's nature was in harmony with his environment and institutions. His instincts were well-suited to the kind of activities in which he was engaged. Man's regard for reputation was satisfied by activities which served the group welfare. The potlach was perhaps one such activity. Since social life was characterized by face-to-face relationships, there was no need to advertise one's success or social standing.

This peaceful state of savagery was short-lived. The material circumstances of life changed. Man was no longer confined to the subsistence level of life. His economic surplus permitted him to "play fast and loose" with life. The penalty of death no longer awaited the individual or group which refused to follow the dictates of basic drives, propensities, or instincts. Man's fundamental nature became contaminated. Workmanship came to serve purposes no longer in the best interests of the community. The regard for the welfare of the group became subliminal. This is ironical of course that the achievement of an economic surplus should eventuate in the corruption of man, but such is the case.

Actually these speculations concerning the original state of man are highly controversial. Most of Veblen's theories regarding primitive cultures have either been modified or completely refuted. Fortunately, these speculations do not constitute a necessary element in his overall

theoretical scheme. Although he admired the primitive stage of culture, he does not suggest that it is possible to return to such a culture. Neither does he rest the validity of his social theory upon the validity of his theory of primitive culture.

Veblen views man as an active, purposeful organism. His behavior is governed fundamentally by instincts. Veblen does not use the term "instinct" to mean tropismatic behavior. Instincts involve consciousness, intelligence, and adaptation. The more precise nature of instincts will be discussed in the following chapter. It will suffice here to note that Veblen himself was not always precise in his use of the term.

Although man's nature is literally a bundle of instincts, three are important in the continued survival of man. These include a regard for the welfare of the group, a sense of workmanship, and a desire for knowledge. Although these instincts can be contaminated, they cannot be erased from human nature. Thus there is always hope for humanity.

The Instinct of Workmanship complements Veblen's earlier writings. In discussing The Theory of the Leisure Class an important question was left unanswered. Why do members of the leisure class engage in all kinds of activity when their success has already been assured? Why are they active in politics, business, esoteric sports, and community

projects? Anticipating his Instinct of Workmanship Veblen observes in an early section of The Theory of the Leisure

Class:

As a matter of selective necessity, man is an agent. He is, in his own apprehension, a centre of unfolding impulsive activity--"teleological" activity. He is an agent seeking in every act the accomplishment of some concrete, objective, impersonal end. By force of his being such an agent he is possessed of a taste for effective work, and a distaste for futile effort. He has a sense of the merit of serviceability or efficiency and of the demerit of futility, waste, or incapacity. This aptitude or propensity may be called the instinct of workmanship.³⁵

Why do members of the leisure class pursue an activity such as hunting? It is not that they need food or exercise.

Rather, it is because hunting is a purposeful activity which serves the canons of reputable waste as well. Hunting represents a contamination of the instinct of workmanship.

Although the instincts of man ultimately must govern his behavior, an individual is more directly controlled by institutions. In Veblenian terminology an institution is not so much a physical entity as it is a way of thinking or acting. An institution can be regarded as a prevailing habit of thought in the community. Since an individual is born into a society with existing patterns of thought, he learns to make responses to the promptings of his instincts in ways sanctioned by the institutions of the community.

³⁵The Theory of the Leisure Class, p. 15.

An institution can be regarded as a means by which man accomplishes his purposes. Unfortunately, institutions do not always serve this function. They lag behind economic changes, or they become ends rather than means.

Although the Instinct of Workmanship provides a basis for an optimistic philosophy of life, Veblen remains equivocal concerning the future of man. The fundamental problem in all ages is adaptation to change, especially to the changes in the material circumstances of life. Men who live close to change are likely to make the adaptation. In a sense they are forced to adapt. The industrial engineer for example adapts to the matter-of-fact requirements of modern industry. He is forced to think in terms of impersonal cause and effect. The leisure class, however, adapts only with extreme difficulty, since it lives so far removed from the sources of change. In this respect the leisure class is a drag on the civilization of man.

Veblen's pessimism stems from his lack of faith in the rationality of man. Unlike the Marxist, Veblen discounts the factor of rational, human consciousness in cultural change.³⁶ Men often react blindly and impulsively to

³⁶The Marxian theory, according to Veblen, implicitly assumes that men will rationally calculate their self-interest. Class solidarity is achieved in this manner. Many students of Marx do not support this position. Professor Sabine, for example, states that "whereas Hegel appealed to national patriotism, Marx appealed to the fidelity of workers to their class. . . . It was addressed rather to loyalty than to self-interest, to duties rather than to rights. . . ." George H. Sabine, A History of Political Theory, rev. ed., (Holt: New York, 1950),

changing stimuli. Their institutions are frequently imbecilic. Frequently, men must be literally forced to modify their habits of action and thought.

The Reformer

Veblen was fifty-seven when the Instinct of Workmanship was published in 1914. Until this time his writings had what Max Lerner has described as a "cosmic and timeless quality." This perhaps accounts for the continued popularity of his earlier writings.

Even Veblen, however, could not remain aloof from the earth-shattering events of the First World War. An examination of his articles and books between 1915 and 1919 reveals an intense interest in the war and the problems of reconstruction. The very titles of these books and articles suggest their contents. In 1915, Imperial Germany and the Industrial Revolution was published.³⁷ Two years later, An Inquiry into the Nature of Peace and the Terms of Its Perpetuation appeared. Near the close of the war and in the early months of reconstruction, Veblen wrote on the problems of peace. These articles include: "A Policy of Reconstruction," "Passing of National Frontiers," "An Outline of a

pp. 753-754. Professor Mills, on the other hand, supports Veblen's position. "Both Marxism and liberalism make the same rationalist assumption that men, given the opportunity, will naturally come to political consciousness of interests, of self or of class." C. Wright Mills, op. cit., p. 326.

³⁷Thorstein Veblen, Imperial Germany and the Industrial Revolution (Huebsch: New York, 1918).

Policy for the Control of the 'Economic Penetration' of Backward Countries and of Foreign Investments," and "Immanuel Kant on Perpetual Peace."

As a reformer Veblen did not contribute significantly to the overall development of his theoretical system. The old wine was put into new bottles. Yet, at times this made for a rather heady drink. In this period Veblen is primarily interested in the application of his previous speculations.

One cannot read An Inquiry into the Nature of Peace without soon realizing that the fundamental themes are similar to those of his earlier works. This is illustrated in his discussion of patriotism which he defines as a "sense of partisan solidarity in respect of prestige."³⁸ Patriotism like other modes of behavior can be traced back to a fundamental drive, propensity, or instinct in human nature. Unlike the instinct which seeks the welfare of the group, patriotism seeks differential advantage. It seeks to injure, humiliate, emulate, or destroy a competing group. Its value to society is not in "keeping the peace" but in "breaking the peace." Patriotism "makes for national pretensions and international jealousy and distrust, with warlike enterprise always in perspective. . . ."³⁹ As a habit of thought

³⁸An Inquiry into the Nature of Peace and the Terms of Its Perpetuation, p. 31.

³⁹Loc. cit., p. 78.

patriotism is not in harmony with the economic and cultural realities of the modern world. It breeds particularism; whereas science, technology, and scholarship are becoming cosmopolitan in scope. "Into this cultural and technological system of the modern world the patriotic spirit fits like dust in the eyes and sand in the bearings."⁴⁰

Imperial Germany and the Industrial Revolution is generally regarded as the most significant study of this period. Max Lerner regards it as "one of Veblen's masterpieces." In addition to being a refutation of German racism, it is an analysis of the development of the German dynastic state. In particular, it attempts to account for the rapid rise to prominence of German industry. Why has Germany been able to make such rapid economic progress? Why has Germany been able to match British technological efficiency in something like one-sixth of the time?

Veblen argues that Germany has benefited from the "merits of borrowing", whereas Great Britain has suffered from the "penalty of taking the lead." German technology was not made in Germany but in England; it was borrowed from the English. The Germans, however, did not borrow English institutions.

⁴⁰
Loc. cit., p. 40.

What has been insisted on above is that British use and wont in other than the technological respect was not taken over by the German community at the same time. . . . Germany combines the results of English experience in the development of modern technology with a state of the other arts of life more nearly equivalent to what prevailed in England before the modern industrial regime came on; so that the German people have been enabled to take up the technological heritage of the English without having paid for it in the habits of thought . . . induced in the English community by the experience involved in achieving it. Modern technology has come to the Germans ready-made.

. . . ⁴¹

Veblen argues that a nation which borrows suffers none of the "growing pains" associated with a nation which takes the lead. Germany, for example, is not retarded by customs and conventions which have accompanied the development of British industry. The Germans in a sense borrowed a fully developed theoretical principle shorn of all cumbersome habits of thought.

The German people, who have lived close to a subsistence level, know little of the fine arts of conspicuous waste. This is a habit of action which has accompanied industrial advances in Great Britain. It constitutes one of the "penalties" of taking the lead, as Veblen suggests in the following passage:

It will be appreciated how serious a question this may become, of the ways and means of reputable consumption, when it is called to mind that in the communities where the modern state of the industrial arts has adequately taken effect this margin of product disposable for wasteful consumption will always

⁴¹Imperial Germany and the Industrial Revolution, pp. 82-83.

exceed fifty per cent of the current product. . . . So considerable a margin is not to be disposed of to good effect by haphazard impulse. The due absorption of it in competitive spending takes thought, skill and time. . . . It is also not a simple problem of conspicuously consuming time and substance, without more ado; men's sense of fitness and beauty requires that the spending should take place in an appropriate manner. . . . It has, indeed, proved to be a matter of some difficulty . . . in the industrially advanced communities, to keep the scheme of conspicuous waste abreast of the times; so that . . . there have grown up an appreciable number of special occupations devoted to the technical needs of reputable spending. The technology of wasteful consumption is large and elaborate and its achievements are among the monuments of human initiative and endeavour; it has its victories and its heroes as well as the technology of production.⁴²

A nation such as Germany can divert a large percentage of total output to producers' goods; whereas Great Britain, under the canon of conspicuous waste, must divert most of her production to consumers' goods.

A nation which borrows has another important advantage. This can be illustrated by reference to the current relationship between the Soviet Union and the Western world. The case of Russia is in many respects strikingly similar to the case of Germany. Russia, like Germany, has borrowed her technology ready-made. The Soviet Union borrows only the most advanced technology of the West. In developing its steel industry her technicians consider only the most advanced processes. In this manner she has gained an industrial advantage in the world's economic community. A

⁴²Loc. cit., pp. 33-34.

United States steel firm, for example, has far too much invested in present facilities and processes to permit rapid change. The past weighs heavily upon the present and future.

The present location of American industry is another example of the penalty of taking the lead. A century ago the transportation of resources and finished goods was not a significant percentage of total cost. Thus, factories were often located without significant regard for distance from resources or markets. In the past fifty years, however, the picture has changed drastically. Industrial efficiency has increased at a fantastic rate, whereas transportation efficiency has increased only modestly. Transportation has thereby become a significant item in the total cost of finished products. Does this mean that the automobile industry will be relocated in the immediate future? Obviously, this cannot be done without extreme difficulty. Russia, on the other hand, can learn from our experience.

The Veblenian thesis in respect to borrowing has many applications. An illustration will make this evident. Let us suppose that one of the illiterate peoples in the world desires to establish a system of schools. Assuming that the nation is sparsely settled, one of its first problems will concern the size and location of individual schools. Knowing that the United States has devoted considerable time and energy to this problem, it consults with our specialists in this area. Having observed and studied our

consolidated school districts, these foreign educators establish a system of regional schools in their own country.

Some years later we send a delegation of our own educators to this country in order to observe its progress in implementing our ideas. We are surprised to learn that their schools are ideal in respect to size and location. They have accomplished in five years what we have been unable to accomplish in twenty-five. They borrowed our "technology" without the accompanying institutional encumbrances. This illiterate people had never heard of the "little red school school house." They did not have to fight the institutions or habits of thought generated in an earlier period of educational development.

The Propagandist

After the First World War a disillusioned Veblen turned to Bolshevism. Again, the very titles of his articles suggest their contents and their author's point of view. As an editor of The Dial he contributed: "Bolshevism Is a Menace--to Whom?", "Bolshevism Is a Menace to the Vested Interests," "A World Safe for the Vested Interests," "The Red Terror and the Vested Interests," and "The Red Terror--At Last It Has Come to America."

Between 1919 and 1925, Veblen published his last four studies. Of these, we shall not be concerned with Absentee Ownership and Business Enterprise in Recent Times:

The Case of America (1923) or The Laxdaela Saga (1925). The former is a refined restatement of his earlier writings on business enterprise. The translation of the Icelandic saga does not fall within the scope of Veblen's major writings.

The remaining works include: The Vested Interests and the State of the Industrial Arts (1919)⁴³ and The Engineers and the Price System (1921). The contents of these works were originally published as articles in The Dial. As such, they reflect the usual deficiencies of the journalistic style. The depth and subtlety of his earlier writings are missing. In neither of these works is Veblen at his best. The basic themes are the same, but the objective and style have changed. He is now the propagandizer of his earlier themes. Something is lost in the transition. There is no longer the objectivity and suspended judgment of his earlier essays. Bitterness, bias, narrowness, naiveness, and overstatement are the characteristics of many of these articles. Bernard Rosenberg has made a fair evaluation of The Vested Interests. He has called it a "forceful but unfortunately repetitious, garrulous, and bitter restatement of Veblenism. Its analogies are overdrawn: business is simply reduced to blackmail or ransom, but the worker is represented as an exemplar of honesty and industry."⁴⁴

⁴³The title was changed in 1920 to The Vested Interests and the Common Man.

⁴⁴Rosenberg, op. cit., p. 111.

The Vested Interests need not detain us further.

The Engineers and the Price System deserves extended treatment. Although it suffers from the limitations already described, it does present in rather concise fashion the major Veblenian themes in respect to American capitalism.⁴⁵ The reader should be aware, however, that it is a disillusioned and bitter Veblen who is now writing. Moreover, it is Veblen as a journalist. There are few qualifications, ramifications, fine discriminations, or embellishments in these essays. The journalistic style forced Veblen to present his thesis in a direct and brief form.

Veblen was bitterly disappointed in the outcome of the First World War. He concluded in one of his earlier articles after the war that the common man had "won the war but lost his livelihood." The war had demonstrated the productive possibilities of modern technology. Peoples everywhere were in desperate need of goods and services. The long war had diverted production into war materiel. Now that peace had been won this great productive potential could be unleashed for the benefit of all men. The goods and services were not forthcoming. The reason for this failure was the sabotage of industry by business. He argues:

⁴⁵For the reader who is unacquainted with Veblenism, The Engineers and the Price System and The Vested Interests and the Common Man provide an excellent introduction to the major themes in Veblen's social philosophy.

In any community that is organized on the price system, with investment and business enterprise, habitual unemployment of the available industrial plant and workmen, in whole or in part, appears to be the indispensable condition without which tolerable conditions of life cannot be maintained. That is to say, in no such community can the industrial system be allowed to work at full capacity for any appreciable interval of time. . . . The requirements of profitable business will not tolerate it. So the rate and volume of output must be adjusted to the needs of the market, not to the working capacity of the available resources, equipment and man power, nor to the community's need of consumable goods. . . . It is always a question of more or less unemployment of plant and man power, and a shrewd moderation in the unemployment of these available resources, a "conscientious withdrawal of efficiency," therefore, is the beginning of wisdom in all sound workday business enterprise that has to do with industry.⁴⁶

Under modern capitalism there is a basic and irreconcilable conflict between the making of money and the making of goods, between business and industry. This is a frequently reiterated theme in Veblen's writings.

Having indicated the tremendous productive potential of the modern industrial system, Veblen attempts to account for this productivity. Traditionally, the economist had analyzed production in terms of land, labor, and capital. The contribution which each made to the productive process was measured by the income received in terms of rent, wages, and interest. In this classification profit represented the wages of management.

⁴⁶Thorstein Veblen, The Engineers and the Price System (Huebsch: New York, 1921), pp. 9-10.

Veblen finds this explanation of production unsatisfactory. The productivity of industry is primarily a product of the state of the industrial arts. Any adequate explanation of productivity must include technological proficiency as a factor of production. Unlike land, labor, and capital, technological proficiency is not privately owned.

The state of the industrial arts is a joint stock of knowledge derived from past experience, and is held and passed on as an indivisible possession of the community at large. It is the indispensable foundation of all productive industry, of course, but except for certain minute fragments covered by patent rights or trade secrets, this joint stock is no man's individual property. For this reason it has not been counted in as a factor in production. The unexampled advance of technology during the past one hundred and fifty years has now begun to call attention to its omission. . . .⁴⁷

Productivity necessarily depends upon the technological competence of the community. Business exploits this competence for private advantage. Although Veblen is not explicit, his position implies that productivity belongs rightfully to the community which nurtures it rather than to business which exploits it.

Although the community should control industry for its own welfare, it obviously must delegate this responsibility. Should not business logically exercise this responsibility? Veblen is unequivocal in rejecting this possibility. Business men are too far removed from the technological process. Modern business thinks in terms of

⁴⁷Loc. cit., p. 28.

prowess and exploit rather than in terms of impersonal cause and effect. In an earlier period of industrial development the business man was a competent technologist. He was the owner of his shop, the financier, the foreman, the plant manager, the innovator, and the master technician.

These captains of the early times are likely to be rated as inventors, at least in a loose sense of the word. But it is more to the point that they were designers and builders of factory, mill, and mine equipment, of engines, processes, machines, and machine tools, as well as shop managers, at the same time that they took care, more or less effectually, of the financial end.⁴⁸

At this stage of industrial development there was no divorce between ownership and management, between the financial and technological aspects of industry. A community could well entrust its technological knowledge to this kind of individual.

Modern business does not possess the technological proficiency of its predecessors. As industry became more complex, the business man necessarily became increasingly involved in financial affairs. He became an expert in "prices and profits and financial maneuvers." In Veblen's estimate the typical business man is ignorant of technology. He is a financier with a cash-register mind rather than an industrial engineer. In spite of this incompetence, however, business men continue to make the final decisions governing the utilization of the community's technological knowledge.

⁴⁸Loc. cit., p. 32.

The ever increasing complexity of the industrial system makes this control all the more odious and ill-advised.

It is the engineers who should control industry since the modern industrial system is

eminently a system, self-balanced and comprehensive; and it is a system of interlocking mechanical processes, rather than of skilful manipulation. . . . It is an organization of mechanical powers and material resources, rather than of skilled craftsmen and tools. . . . It is of an impersonal nature, after the fashion of the material sciences, on which it constantly draws. . . . For all these reasons it lends itself to systematic control under the direction of industrial experts, skilled technologists, who may be called "production engineers," for want of a better term.⁴⁹

The engineer not only understands technology but has no vested interest in the industrial process. The engineers, therefore, are the men to whom the community can delegate responsibility. In point of fact the engineers already are responsible for whatever industrial progress is made. Thus, the overturn of business would not obstruct the efficient operation of the economic system. On the contrary, such an overturn would be a tonic to industry. This is Veblen's "positive" contribution after a lifetime during which he continually criticized American capitalism.

Although we are not primarily concerned with a critical examination of Veblen's position at this juncture, it must be pointed out that he has made an almost unbelievably naive proposal. The reader may wonder, as indeed many

⁴⁹Loc. cit., p. 52.

have wondered, if Veblen was serious in proposing that the engineers should take command of the industrial system. Whether he was serious or not, his proposal is not a logical consequence of his critique of American business.

Veblen criticizes business because it controls both the ends and means of the industrial system without demonstrating competence in either. The ends of business conflict with the ends of the community. While one may not agree with Veblen, it is a position which he argues forcibly and convincingly. He now turns to the role of engineers in the industrial process. The logical consequence of his position is that the engineers should take control of industrial means. This is the manifest function of an engineer. He is a specialist in the determination of means relative to given ends. Society, on the other hand, would determine the ends of the industrial system. This is the proper function of society in a democratic culture. Veblen almost suggests this when he argues that production depends upon the technological knowledge of the community. The fruits of industry belong to the community. The community, therefore, should decide which fruits it desires. This is the logical consequence of Veblen's position.

Veblen, however, does not defend the point of view which logically issues from his general position. Instead, he asserts that the engineers should determine both the ends and means of production. This, of course, is not a logical

conclusion of Veblen's attack on business. Engineers are no more competent than business men in the determination of the proper ends of society. Veblen's position is so absurd that it is difficult to believe that he was entirely serious. In any case, as R. L. Duffus has concluded, Veblen "was at his best when he criticized human society not when he tried to mend it."⁵⁰

During the early years of the Great Depression The Engineers and the Price System became Veblen's most popular work. It formed the philosophical basis of the notorious movement, Technocracy. This movement proposed that the engineers should seize control of industry. Veblen was called the spiritual father of Technocracy. It was said that the last chapter of The Engineers and the Price System, entitled "A Soviet of Technicians," anticipated the movement. Although Technocracy was short-lived, its radical nature served to discredit Veblen in the eyes of many who had not read beyond this single naive book.

There are important features of Veblen's writings that are best appreciated when his work is considered in its entirety. In the first place, there is a striking lack of empirical evidence in support of his bold generalizations. This is paradoxical, since Veblen is the spiritual father of Institutional Economics, a movement which lays great

⁵⁰The Innocents at Cedro, p. 150.

emphasis upon empirical studies. Coupled with these bold generalizations is a professed objectivity. We are asked to believe that terms such as "waste" and "serviceability" are morally neutral. Veblen's conclusions presumably rest upon colorless mater-of-fact and impersonal cause and effect.

Veblen's writings are characterized by sharp dichotomies. The most conspicuous of these is that between business and industry. These categories are developed in terms of a strict either-or opposition. Many of the dichotomies employed by Veblen transcend purely empirical generalizations. They become tools which he employs in his analysis of American culture, although Veblen does not always distinguish between these logical models and reality. This is an important point, for Veblen criticizes traditional economists for confusing their abstractions of reality with reality itself. Veblen, however, is at times equally guilty.

On the positive side, Veblen's writings reveal remarkably consistent themes. He contradicts himself frequently but is able, nevertheless, to relate nearly all of human knowledge to certain prevailing points of view. The result is a kind of grant synthesis of knowledge around a central theme. Moreover, these major theses appear to involve the significant problems and questions. He had that rare ability to raise the "right" questions and issues. One need not agree with him in order to admire and applaud his work. Veblen is the direct opposite of those social

scientists who deal with insignificant problems by utilizing insignificant correlations between insignificant data in the hope that they can reach insignificant conclusions.

CHAPTER IV

THE SOCIAL PHILOSOPHY OF THORSTEIN VEBLEN

Although Thorstein Veblen did not write a systematic treatise on social theory, the elements of such a theory are found in scattered passages in his various studies. In particular, his critique of classical economics rests upon a rather comprehensive philosophical position. After examining Veblen's attack on the orthodox economics, we shall turn to a discussion of some of the more distinctive elements in his social philosophy.

Critique of Orthodox¹ Economics

This critique involves a comprehensive analysis of the philosophical and psychological assumptions upon which the orthodox position rests. In respect to the philosophical assumptions of economics, Veblen is particularly critical

¹Veblen makes no rigorous distinction between classical and neo-classical economics. Orthodox refers to the economic theory of Alfred Marshall as well as to that of Adam Smith. In this thesis, the terms classical, orthodox, and traditional are used interchangeably to refer to all economic theory which is conventionally labeled either classical or neo-classical.

of its metaphysics, although the methodology is also found wanting. In discussing the "invisible hand" of the Wealth of Nations² Veblen states that Adam Smith

conceives the Creator to be very continent in the matter of interference with the natural course of things. The Creator has established the natural order to serve the ends of human welfare; and he has very nicely adjusted the efficient causes comprised in the natural order, including human aims and motives, to this work they are to accomplish. The guidance of the invisible hand takes place not by way of interposition, but through a comprehensive scheme of contrivances established from the beginning. For the purpose of economic theory, man is conceived to be consistently self-seeking; but this economic man is a part of the mechanism of nature, and his self-seeking traffic is but a means whereby, in the natural course of things, the general welfare is worked out. The scheme as a whole is guided by the end to be reached. . . . The benevolent work of guidance was performed in first establishing an ingenious mechanism of forces and motives capable of accomplishing an ordained result. . . .³

²The passage to which Veblen refers reads as follows: "Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily, leads him to prefer that employment which is most advantageous to the society. . . . By directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain; and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it." Adam Smith, The Wealth of Nations, Vol. II (Clarendon: Oxford, 1869) pp. 26, 28.

³The Place of Science in Modern Civilisation, p. 115.

The orthodox economist argued that every man should pursue his self-interest. Competition directs the individual's self-interest to a social goal. The "invisible hand" works through the mechanism of competition. The consumer is a rational calculator in pursuit of pleasure. He registers his economic wants on the market. The producers, who are motivated by expectations of profit, are guided by the prices which consumers have in part established.

Although the consumer is therefore sovereign, his behavior is passive and mechanical. Human nature is conceived to be a mechanism through which the "grand design" is worked out. Nevertheless, man's relationship to the economic order is not entirely deterministic. Man can meddle with economic laws. In the short run at least, he can prevent the Providential Order from being realized. But man cannot alter economic laws. Although he can interfere, he cannot render a permanent change. As soon as he ceases to interfere with the economic order, things "will right themselves."

This belief in the recuperative power of the economic order is still a prevalent point of view. In our own day it is exemplified by the exhortations to return to a free-enterprise, competitive, laissez-faire economy. The laws of economics, it is implied, are eternal. Therefore, the cataclysmic economic changes of the past century are irrelevant so far as these laws are concerned. Although man has meddled with the economic order, a return to free competition

will once again make society fully consistent with the Providential Order.

The orthodox economists believed in a meliorative trend in the operation of immutable economic laws. Society not only moves toward fixed ends, but these ends are good and worthy. The economic conflicts between individuals eventuate in harmony and beneficence at the societal level. This view cannot be justly evaluated or appreciated unless it is seen in relationship to the culture in which it arose. In its inception orthodox economics was forward looking. It represented freedom as opposed to the oppressive practices of feudalism and mercantilism. Capitalism thrived under the institutions of free competition, private property, and the profit motive. Industrial and commercial expansion were rapid. The prevalence of the small firm gave credence to the view that free competition would goad self-interest toward a social good. The orthodox economist had reason to believe that his theory represented a somewhat idealized account of the actual state of affairs.

In postulating a meliorative trend, however, the classical economists rationalized un-Christian conduct at the individual level. The traditional sins now became virtues. In the words of Lewis Mumford:

All the practices of the worldly life, which had been hitherto banned by the Church, were now either tacitly sanctioned or actively stimulated. Avarice ceased to be a sin. . . . Greed, gluttony, avarice, envy, and luxury were constant incentives to industry. . . .

The whole moral change that took place under capitalism can be summed up in the fact that human purposes, human needs, and human limits no longer exercised a directive and restraining influence upon industry. . . .

Now, up to the emergence of capitalism, economic life had had a strong moral foundation. It was rooted in the notion that every act of life was under the judgment of God. . . . Hence, the conception of a just price. . . . Against the Roman legal motto, Let the buyer beware, the medieval economist held rather, Let buyer and seller both fear God. . . . Social justice was more important than private advantage.

But the capitalist transvaluation of human values went on steadily; and the supreme success was in making pride and luxury the central virtues.⁴

Lewis Mumford has stated explicitly what is only implicit in Veblen. Although Veblen claims to describe, not to judge, his critique of classical economics was apparently motivated in part by this "transvaluation of human values." Veblen writes like a man who literally hated pride, luxury, greed, and envy. It is revealing in this connection that in an essay on Christianity Veblen equates this religious doctrine with humility and brotherly love, traits that are not conducive to success in a highly competitive society.⁵

Explicitly, Veblen attacks the orthodox belief in a natural economic order. This belief had obscured significant aspects of economic reality. The classical economists knew

⁴Mumford, op. cit., pp. 162-163.

⁵"Christian Morals and the Competitive System," Essays in Our Changing Order, pp. 200-218.

their conclusions before undertaking their studies. Their preconceptions controlled the entire range of their speculations. The traditional economist knelt down before the altar of the "normal" and the "natural." Data which failed to support the normal were considered unreal or were attributed to a "disturbing" cause. It was evident that change took place, but change was equated with movement toward a fixed state of equilibrium. This was in the best tradition of the classical physics. Obviously, there was no room for genuine novelty in this kind of Weltanschauung. The study of institutions, social customs, and human wants were beyond the pale of these economists.

Veblen concludes that the work of the orthodox economists was taxonomic in character. In the following passage he gives us his interpretation of a taxonomic science:

The ways and means and the mechanical structure of industry are formulated in a conventionalised nomenclature, and the observed motions of this mechanical apparatus are then reduced to a normalized scheme of relations. The scheme so arrived at is spiritually binding on the behavior of the phenomena contemplated. With this normalized scheme as a guide, the permutations of a given segment of the apparatus are worked out according to the values assigned the several items. . . . This is the deductive method. The formula is then tested by comparison with observed permutations, by the polariscopic use of the "normal case". . . . Features of the process that do not lend themselves to interpretation in the terms of the formula are abnormal cases and are due to disturbing causes. In all this the agencies or forces causally at work in the economic life process are neatly avoided. The outcome of the method, at its best, is a body of logically consistent propositions concerning the normal relations of things--a system of economic taxonomy.⁶

⁶The Place of Science in Modern Civilisation, p. 67.

Veblen cites the writings of John Elliott Cairnes (1824-1875) as best exemplifying economic taxonomy. The earlier classical economists had developed their theories in relationship to the common sense metaphysics of their time. Economic theory was ostensibly concerned with the fulfillment of human purposes. Thus there is an emphasis upon "meliorative trends," "harmony of interests," "invisible hand," and so forth. In Cairnes, however, the emphasis is distinctly altered. Economics became a formal, abstract, deductive science divorced from the life process. Starting with a knowledge of ultimate principles concerning human nature, the laws of economics are deduced. Economics came close to being "taxonomy for the sake of taxonomy."

While Veblen recognized that there were differences in emphases among the various traditional economists, he does not regard these differences as substantial. Cairnes, for example, still writes in terms of the "normal" case and "natural" law. "Controlling" principles still determine the outcome of the economic process. None of the orthodox economists developed a theory based upon cumulative causation and impersonal matter-of-fact. In general, the classical economists were much more concerned with structure than with function. The task of the economist was to fit dynamic economic facts into static categories.

Arthur Kent Davis, a disciple of Talcott Parsons, finds Veblen's criticism of classical economics ill-founded.

He first argues that "Veblen's position rested upon some profound misconceptions of the nature of scientific theory and of economic theory in particular."⁷ Later, he continues:

Scientific theory is necessarily an abstraction. A given science abstracts a certain abstract of action. . . . The given empirical universe can be explained in causal terms only by a synthesis of a series of such abstract sciences, each studying a given aspect of the concrete world.⁸

According to Davis, "economics is an analytical abstract science which is not logically dependent upon any other discipline for its data."⁹ Finally, Davis finds that the "idea of beneficence, concerning which Veblen makes such a fuss, faded with Malthus and Ricardo."¹⁰

Veblen's sin, according to Davis, was to criticize traditional economics for not explaining all of reality. Had Veblen understood scientific theory, he would have appreciated the role and function of abstraction. In particular, he would have seen that economics is an "analytical abstract" science. Furthermore, he would have realized that sociology, not economics, is the grand synthesizer of the social sciences.

⁷Davis, op. cit., p. 171.

⁸Ibid.

⁹Loc. cit., p. 174.

¹⁰Loc. cit., p. 175.

There are many passages in Veblen which tend to support Davis's contentions. Veblen was unduly critical of the methodology of the orthodox economists. He did not familiarize his readers with the fact that much of traditional economics is written in the subjunctive mood. One can also agree that Veblen's theory of science is superficial. Indeed, his writings on scientific methodology are pitched in the most general terms. Concepts such as matter-of-fact, evolution, cause and effect, and animism are not adequately defined. Yet, when Veblen's writings are considered as a whole, one suspects that Davis is making a straw man out of Veblen.¹¹

Are we seriously to believe that Veblen did not appreciate the function of abstraction in scientific inquiry? That such is not the case is evident in the following passages:

All this may seem like taking pains about trivialities. But the data with which any scientific inquiry has to do are trivialities in some other bearing than that one in which they are of account.¹²

¹¹In this connection it should be noted that Davis has in recent years been much more sympathetic toward Veblen. In a recent article, for example, he praises Veblen in the following terms: "What can we say of Veblen that his writings do not say better? What, indeed, except that with the passing of time he looms ever larger as one of the handful of really great minds of the modern world. His is surely the most original and prophetic figure in American academic circles; history may yet judge that he is the greatest social thinker this country has so far produced." Monthly Review, vol. IX, Nos. 3-4 (July-August, 1957), p. 98.

¹²The Place of Science in Modern Civilisation, p. 42.

The habit of distinguishing and classifying the various purposes and directions of activity prevails of necessity always and everywhere; for it is indispensable in reaching a working theory or scheme of life. The particular point of view, or the particular characteristic that is pitched upon as definitive in the classification of the facts of life depends upon the interest from which a discrimination of the facts is sought.¹³

What has just been said of the place which the university occupies in modern civilization . . . may seem something of a fancy sketch. It is assuredly not a faithful description of any concrete case. . . . Yet it is true to the facts, taken in a generalized way. . . . It describes an institutional ideal. . . .¹⁴

Although Veblen may have exaggerated the scope and function of economics, it is evident that he was aware of more than the economic interest in the determination of behavior. Man has "aesthetic, sexual, humanitarian, and devotional" as well as economic interests. The point is that these interests cannot be isolated from one another. Man as an agent acts with a single "complex of habits of thought." Every interest therefore is influenced by the economic interest. Indeed, Veblen argues that every interest is in some respects an economic interest. But it will also be true that aesthetic, sexual, humanitarian, and devotional interests influence the economic interest. To abstract any one interest and treat this interest as the substantial reality is to divorce that interest from the life process.

¹³The Theory of the Leisure Class, p. 9.

¹⁴The Higher Learning in America, p. 32.

Although the orthodox economists were preoccupied with abstractions, deductions, and taxonomy, these perhaps were not their major shortcomings. Their primary sins were two-fold. On the one hand, as Davis points out, they committed what Alfred North Whitehead has called the fallacy of "misplaced concreteness."¹⁵ They treated their abstractions as the substantial concrete reality. Secondly, they failed to abstract the most significant features of the economic process. For example, they were unable to deal with economic growth and development within the scope of their abstractions.

Evidently an economic inquiry which occupies itself exclusively with the movements of this consistent, elemental human nature under given, stable institutional conditions . . . can reach statical results alone; since it makes abstraction from those elements that make for anything but a statical result.¹⁶

Davis's contention that the "idea of beneficence . . . faded with Malthus and Ricardo" is especially curious. In the first place, Veblen states specifically that this idea played a less important role among many of the later orthodox economists.¹⁷ Secondly, although there is a tone of pessimism in many of the writings of the economic theorists and social philosophers of the nineteenth century,

¹⁵Alfred North Whitehead, Science and the Modern World (Mentor: New York, 1953), p. 52.

¹⁶The Place of Science in Modern Civilisation, p. 242.

¹⁷Loc. cit., p. 159.

the doctrine of beneficence continued to be preached. Fred-
 eric Bastiat (1801-1850) and Henry C. Carey (1793-1879)
 perpetuated the doctrine.¹⁸ Furthermore, educated Americans
 continued to read Adam Smith and his popularizer, J. B. Say.
 Later in the century, it was the social philosophy of Herbert
 Spencer which dominated the intellectual climate of the
 United States. Spencer accepted the doctrine of beneficence
 in its most blatant form. He writes:

Meanwhile the well-being of existing humanity, and
 the unfolding of it into this ultimate perfection,
 are both secured by that same beneficent, though
 severe discipline, to which the animate creation at
 large is subject: a discipline which is pitiless in
 the working out of good: a felicity-pursuing law
 which never swerves for the avoidance of partial and
 temporary suffering. The poverty of the incapable,
 the distresses that come upon the imprudent, the
 starvation of the idle . . . are the decrees of a
 large, far-seeing benevolence. It seems hard that
 an unskilfulness which with all his efforts he
 cannot overcome, should entail hunger upon the
 artisan. . . . It seems hard that widows and or-
 phans should be left to struggle for life or death.
 Nevertheless, when regarded not separately, but in
 connection with the interests of universal humanity,
 these harsh fatalities are seen to be full of the
 highest beneficence. . . .¹⁹

It is true, of course, that Spencer was not concerned with
 beneficence as an economic doctrine per se, but it is also
 true that neither Veblen nor the classical economists were

¹⁸Alexander Gray, The Development of Economic Doctrine
 Longmans: London, 1951), pp. 248-265.

¹⁹Herbert Spencer, Social Statics (D. Appleton: New
 York, 1865), pp. 353-354.

concerned with beneficence as merely an economic doctrine. It is also true that Spencer develops his thesis of beneficence in relationship to the Darwinian theory of evolution. His conclusion, however, is consistent with the position of the orthodox economists. All interference by the state in the social order is rejected, because it interferes with man's natural tendency toward perfection. It seems likely that Veblen's animosity toward the idea of beneficence was generated at Yale where he studied the Spencerian philosophy as a graduate student.

Davis's definition of economics as a logically independent, abstract, analytical science appears to be inadequate. It emphasizes pure theory to the neglect of "applied" economics. If we understand Davis correctly, his definition implies that the science of economics should be concerned with the derivation of laws and principles. Some of these laws will have universal applicability such as the Law of Diminishing Returns, whereas others will depend upon certain institutional assumptions. Upon the bases of these fundamental laws and principles the economist constructs logical models with which he analyzes given wants in respect to given resources and institutions. What is suggested by Davis is valid so far as it goes. It is also true that Veblen tended to neglect this area of economic science, although his early essay on the price of wheat indicates his acquaintance with both the function and value of

conventional analysis. Davis, nevertheless, seems to have missed the central point of Veblen's argument.

Ultimately, economics must be concerned with application. It is the concrete economic behavior of men which must finally be the concern of the science. Men have wants, the determination of which depends upon empirical investigation. It cannot be assumed that the economic system automatically fulfills these wants according to the dictates of certain universal laws and principles. The validity or the relevancy of an economic law is to be judged in relationship to economic action. The economist must know how, in fact, the economic system operates before he can assess the significance of given economic principles. This is what Veblen seems to be asserting. He had witnessed the change and development of economic life and did not believe that the conventional laws and principles were relevant in understanding these changes. He implies, therefore, that the principles of economics must be derived from an empirical study of the character of the economic activities of the culture. The science of economics, in other words, has little meaning or validity apart from economic action. Indeed, the very term "economic" is dependent for its meaning upon a given type of human behavior. The economist cannot, therefore, include certain kinds of behavior and exclude other kinds a priori. This, however, would appear to be the consequence of accepting Davis's definition of economics.

The Psychology of Orthodox Economics

One of the most important features of Veblen's critique concerns the psychological assumptions of the orthodox economists. He attempts to show that their philosophical speculations are integrally related to specific psychological doctrines. The hedonistic psychology²⁰ of the English economists is described by Veblen in this much quoted passage:

The hedonistic conception of man is that of a lightning calculator of pleasures and pains, who oscillates like a homogeneous globule of desire of happiness under the impulse of stimuli that shifts him about the area, but leave him intact. He has neither antecedent nor consequent. He is an isolated, definitive human datum, in stable equilibrium except for the buffets of the impinging forces that displace him in one direction or another. Self-imposed in elemental space, he spins symmetrically about his own spiritual axis until the parallelogram of forces bears down upon him, whereupon he follows the line of the resultant. When the force of the impact is spent, he comes to rest, a self-contained globule of desire as before. Spiritually, the hedonistic man is not a prime mover. He is not the seat of a process of living, except in the sense that he is subject to a series of permutations enforced upon him by circumstances external and alien to him.²¹

²⁰This psychology states that the volitions of men are inescapably determined by present and future pleasures and pains. It is not to be confused with ethical hedonism which states that men ought to pursue pleasure and avoid pain. See C. D. Broad, Five Types of Ethical Theory (Routledge & Kegan Paul: London, 1951), pp. 180-184.

²¹The Place of Science in Modern Civilisation, pp. 73-74.

Man is conceived to be an isolated, passive, inert organism which reacts in predictable ways to given stimuli. Since human nature is everywhere the same, the economist can treat it as a "given" or constant in his speculations.

Among the earliest orthodox economists the hedonistic calculus fortified the mechanistic view of the economic system. The teleological conception of the social system required that man be a mechanism whereby the "natural course of things" was worked out. Among these economists the Providential Order was the substantial reality. Human nature was the means through which this reality was realized. It was recognized by these economists that human behavior was not always consistent with their ideal formulations. Human behavior was perverse in many respects. It must have been recognized, in addition, that man had other motives than self-interest. Nevertheless, there was a tendency to equate the abstraction of the hedonistic man with reality.

Subsequent traditional economists tended to de-emphasize the teleological quality of the social order. Human nature was no longer merely the means by which the natural order was worked out. It was the purposeful behavior of men which was emphasized. The pleasures and pains of men were viewed as the active motivators of behavior. The conclusions of these economists, nevertheless, were similar to those reached by the earlier traditionalists.

Veblen's attack focused on the "individualism" of the hedonistic psychology. The traditional economists viewed man as an isolated being rather than as a member of a social group. Man's nature was formed from within. Cultural forces had no bearing upon his nature except in so far as he made calculated and predictable responses to stimuli. Human wants were abstracted from their institutional setting. The prevailing habits of thought in the society could have no economic bearing under these psychological assumptions.

An Evolutionary Economics

A brief consideration of the major features of an evolutionary economics will assist us in comprehending the broader aspects and implications of Veblen's social theory. The fundamental difference between the traditional and evolutionary points of view in economics is described as a "difference of spiritual attitude. . . . To put the matter in other words, it is a difference in the basis of valuation of the facts for the scientific purpose, or in the interest from which the facts are appreciated."²² An evolutionary economics is not unique in being "realistic" or in emphasizing "facts." Neither is it unique in its emphasis upon development, process, or sequence. The orthodox economists

²²The Place of Science in Modern Civilisation, p. 60.

were not entirely oblivious to these features of economic life.

The fundamental characteristic of the modern point of view is its refusal to "go back of the colorless sequence of phenomena and seek higher ground for its ultimate syntheses."²³ The cumulative nature of impersonal cause and effect commands the attention of the modern economist. An evolutionary economics finds no place for normality, optimism, natural rights, absolute truths, Providential Order, controlling principles, or natural laws. Whereas the classical economist viewed the economic process from the standpoint of "ceremonial adequacy," the modern economist develops his theory in terms of an impersonal cause and effect which seeks no final term. The economic life process must be stated in terms of the process itself.

Veblen hastens to point out that this "later method of apprehending and assimilating facts . . . may be better or worse, more or less worthy or adequate, than the earlier; it may be of greater or less ceremonial or aesthetic affect. . . ."²⁴

From the philosophical standpoint the evolutionary approach has no intrinsic or absolute merit. A preconception

²³Loc. cit., p. 61.

²⁴Loc. cit., p. 81.

of a Providential Order may represent a more adequate view of the life process. Such a preconception, however, is beyond the scope of an evolutionary science. It is an "extra-evolutionary preconception" which lies beyond the scope of an inquiry into processes characterized by cause and effect relationships.

Although the evolutionary approach has no absolute validity, such an approach must prevail under present conditions of life.

Under the stress of modern technological exigencies, men's everyday habits of thought are falling into the lines that in the sciences constitute the evolutionary method; and knowledge which proceeds on a higher, more archaic plane is becoming alien and meaningless to them. The social and political sciences must follow the drift, for they are already caught in it.²⁵

Institutional Economics

The evolutionary approach to economics involved much more than a "change in spiritual attitude." The additional aspects and characteristics of the Veblenian point of view will be developed within the more inclusive context of the so-called Institutional Economics, a movement of which Veblen is often recognized as the spiritual father. Although Institutionalism has never been endorsed by a majority of economists, it does include within its ranks such outstanding

²⁵ Ibid.

men as Veblen, John R. Commons, John M. Clark, Rexford G. Tugwell, and Wesley C. Mitchell.²⁶

Generally, an Institutionalism is more readily identified by what he opposes than by what he endorses. This is particularly true of Veblen who was initially concerned with the inadequacies of the traditional outlook. It is perhaps for this reason that there is no general body of theory which defines the position. Indeed, the movement has been described by its opponents as "anti-theoretic."²⁷ While not a popular movement, it has had a marked and lasting effect upon economics. The majority of economists have attempted to incorporate its main doctrines into their own eclectic positions.

What is the fundamental position of contemporary analytical economics?²⁸ Like the orthodox economist, the contemporary analyst makes certain assumptions regarding human nature. It is assumed that men behave rationally, that they seek to maximize pleasure, that human wants are insatiable. In addition to such assumptions, the scope of the science is defined. Economics is a science which studies the "organization through the operation of which

²⁶Allan G. Gruchy, Modern Economic Thought (Prentice-Hall: New York, 1947)

²⁷Gray, op. cit., pp. 366-367.

²⁸The following discussion is based in large part upon Kenneth Boulding's Economic Analysis, 3rd. ed., (Harper: New York, 1955), especially Chapter I.



the utilization of scarce resources in the satisfaction of human wants is controlled."²⁹ We live in a world of scarcity. This is the fundamental concept. It is not the task of the economist to judge the quality of human wants or the manner in which wants develop. Neither is it the primary task of the analyst to study the means by which scarce resources are either increased or diminished. Human wants and scarce means are "givens." This establishes the limits of the science.

What we have said applies generally to any economic system. But our economy is capitalistic and so the analyst makes further assumptions. He assumes maximization of profits on the part of entrepreneurs, consumer sovereignty, private property, full employment, perfect competition, and so forth.

The analyst is now prepared to develop a logical model upon the basis of these assumptions. He can show, for example, how prices are established in a perfectly competitive market. He can show how resources are allocated among various producers. Various functional relationships can be established and treated mathematically. Thus one can plot consumption curves in respect to income; investment curves in respect to the rate of interest; price curves in

²⁹John S. Due, Intermediate Economic Analysis, rev. ed., (Richard Irwin: Chicago, 1950), pp. 2-3.

respect to the quantity of money in circulation; etc. There is no limit to the logical extensions of economic analysis.

The modern economist is cognizant of the limitations of his analysis. He professes to recognize that his logical models are only abstractions of reality. At best he has drawn a rough map of the significant features. Therefore, he qualifies his logical models in order to make them relevant to actual economic realities. Assume, for example, that his model is constructed in terms of a perfectly competitive market. Since no such market exists, he must make allowances for various degrees of monopoly behavior. A purely competitive market becomes a frame of reference.

Such are the premises of the contemporary analytical point of view. It is these premises which Veblen and the Institutionalists who have followed him have called into question.

All Institutionalists are impressed by change, process, development, growth, and evolution. It is the dynamic rather than the static qualities of economic experience which commands their attention. This is their frame of reference in economic speculation. Whereas the traditional economist treated human wants as given, the Institutionalist centers his analysis on their changing character. Likewise, he studies the growth and development of industry, capital, and natural resources. In short, the Institutionalist studies the economy through time, whereas the orthodox

economist makes a cross-sectional analysis divorced of time considerations.

Among the important contributions of the Institution-
alists are their empirical studies of the economic system.
They have made exhaustive studies of prices, monopoly, labor-
management relations, business cycles, legal statutes, etc.
Much of this work has involved the collection of data in
the belief that the reconstruction of economics must rest
upon a more comprehensive knowledge of the realities of
economic life. This emphasis upon empirical studies was
preached by Veblen but practiced by his disciples. They
have stressed content rather than form, function rather
than structure, and induction rather than deduction. They
have asserted that economics must narrow the gap between
theory and practice. This can be achieved only to the
extent that economists will study the details of the economic
life process.

Of special interest to the educator is the Institu-
tionalist emphasis upon economic action as a mode of behavior.
Economics is a cultural science concerned with the behavior
of man in satisfying his economic wants in a world of
scarcity. As a way of thinking and acting, economics cannot
be divorced from the other social sciences, since economic
behavior cannot be divorced from behavior in general. An
individual is a single organism. His behavior in one di-
rection influences his behavior in every other direction.

The formal, abstract, deductive approach to economics has obscured the fact that economic science must be focused on man and his activities. The problem of scarcity arises because of the wants of man. It is man's pursuit of the material means of life which constitutes the subject matter of economics. The traditional study of market mechanisms tended to disguise this fundamental and obvious fact.

Veblen and his disciples were especially impressed by the extent to which behavior is culturally conditioned. They rejected the orthodox conception of an isolated, rational individual. Man is a social being whose behavior is as much controlled by habit as by reason. From birth the individual learns to make appropriate responses to a variety of stimuli. Customs, conventions, and prescriptions are powerful molders of behavior. When a particular response to a stimulus has become habitual among large numbers of people, it is said that the response has become institutionalized. This is the derivation of the term "institutional." The institutional economist believes that in the past the role of institutions in economic behavior has been neglected. He believes, for example, that the quality and quantity of economic wants as well as the means of their attainment are determined by the prevailing institutions.

In the light of this discussion it is not surprising that the Institutionalists are more concerned with the

psychological foundations of economics than their predecessors. "We need to know more than we do, and vastly more than economics has generally permitted itself to try to know, about the human material of which a community must be built: about its motives, reactions, capacities, and needs."³⁰ To what extent is the nature of man well-suited to the competitive character of our economic system? Does human nature demand more security than a competitive society can furnish? These are the kinds of questions which direct the inquiries of the Institutionalists.

One of the most revolutionary features of contemporary economics is its methodology. The orthodox economist developed his theoretical schemata by arguing from the simple to the complex, from the part to the whole. This methodology, which was endorsed by the natural and biological sciences of that period, was an integral part of the abstract, deductive approach. The traditional economist developed the simple, but idealized, case of pure competition before considering the complex, but realistic, case of imperfect competition. His concept of a public interest was developed from an analysis of private interests. A society became a mere collection of individuals, aggregated together like the grains of sand in a sandtrap.

³⁰ John Maurice Clark, Alternative to Serfdom (Alfred A. Knopf: New York, 1948), p. 27.

Spurred on by the Institutionalists, contemporary economists have tended to adopt an almost opposite point of view. The whole is conceived to be greater than the sum of its component parts. To a degree, the behavior of the whole governs the behavior of the parts. It is the general level of wages, prices, employment, and profits which are important in understanding the economic behavior of the individual firm or industry. This shift in methodology has its correlate in the physical and biological sciences. According to the physicist, the electron behaves differently within an atom than when isolated. Similarly, the atom probably behaves differently within man than when isolated. In each case the pattern of the whole or the "field" governs the behavior of the constituent parts. The current emphasis upon Gestalt psychology also illustrates this shift in methodology.

Although economics is a social science, the above analogy is useful in indicating the methodological approach of Institutional Economics. An illustration will make this evident. One of the virtues preached by the orthodox economists was thrift. From the viewpoint of the individual, thrift does indeed serve his self-interest, especially during periods of economic distress. If we assume that the public interest is a summation of private interests, then thrift becomes a societal virtue.

Yet, when thrift is considered a societal virtue, paradoxical results ensue. It is a matter of factual record that the more a society attempts to save the poorer it becomes. One man's saving is another man's loss of income. The cumulative nature of this process results in the impoverishment of all. The "paradox of thrift" becomes strikingly evident when individuals attempt to save at compound interest. Although this makes sense for the individual, it is irrational from the viewpoint of the society. "One cent compounded yearly at six per cent from the year one A.D. to the end of 1944 would have amounted to approximately \$156,531,000,000,000,000,000,000,000,000,000,000,000,000,000,000,000."31 This is "equivalent to the value of balls of pure gold the size of the earth to the number of more than 6,000,000,000,000,000,000. . . ."32

The paradox of thrift is a consequence of the tendency to equate money with real goods and services. In sharply differentiating money from the goods and services which it commands, the Institutionalists have made a major contribution. It becomes evident that a society, unlike an individual, has no interest in saving money. Rather, it desires to save

³¹H. Gordon Hayes, Spending, Saving, and Employment (Alfred A. Knopf: New York, 1947), p. 39.

32 Ibid.

goods and services. Unfortunately, this kind of saving is impossible to any significant degree.

Many contemporary economists of the orthodox position would strongly disagree with any suggestion that their views are anachronistic or unrealistic. There is a very real sense in which they would be justified in such a reaction. Institutional thought has not annihilated the validity of orthodox economics, although some economists write as if this were the case. It is not the purpose of this discussion to resolve this dispute between economists. Such an undertaking would be pretentious and outside the scope of this thesis. It does appear, however, that each school of thought has a valid contribution to make toward the understanding of economic behavior and, thus, of behavior in general. To assert that the orthodox theory is anachronistic does not reveal the positive value of this position. A science of economics is impossible apart from a utilization of the tools of orthodox analysis. Moreover, the abstract models developed by the orthodox theorists are invaluable in ordering the multitude of facts with which the economist is concerned.

Similarly, to refer to Institutionalism as "anti-theoretic" does not point up the positive features of this position. Institutional thought should be viewed as complementing, rather than contradicting, orthodox theory. As the term suggests, Institutionalists have made extensive studies of the bearing of institutions upon the economic

behavior of men. They have demonstrated that the relevancy of an economic theory is dependent upon the validity of its institutional assumptions. This has permitted economists to define the limits within which orthodox analysis is useful and valid.

All Institutionalists agree that the present economic system has serious deficiencies. They all propose some form of governmental interference in the economic system, although their specific proposals vary widely. Few would agree with Veblen that the business community should be purged and replaced by engineers and economists. In general their proposals are much less sweeping in nature.

Since Institutionalists are all reformers in some degree, they are faced with the question of what ought to be done. Generally, they agree with their orthodox colleagues that the economist should remain neutral in respect to the intrinsic values of a people. They do not conclude that such values are unimportant in economic analysis. It is at this juncture that they disagree with many of their colleagues. They argue that an economic system should serve to implement whatever values a society does in fact hold. The economist must determine both the values a people hold and the extent to which the economic system serves these values. Two important values in our society appear to be freedom and security. To what extent does our economic system expedite the realization of these values? Does the fear of unemployment

threaten man's quest for security? Would socialism threaten man's quest for freedom? These are the kinds of questions which the Institutionalists ask prior to making specific proposals for reform.

Veblen's Theory of Human Nature

Veblen assumed that there is an intrinsic relationship between social and psychological theory.³³ His criticism of orthodox economics centers in part upon its psychological premises. Likewise, an evolutionary economics must be evaluated in terms of its view of human nature. Since psychological theory is a fulcrum of Veblen's social philosophy, we shall consider his view of human nature before examining other features of his social theory.

In dealing with pedagogical problems and the theory of education, current psychology is nearly at one in saying that all learning is of a "pragmatic" character; that knowledge is inchoate action inchoately directed to an end; that all knowledge is "functional"; that it is of the nature of use. This, of course, is only a corollary under the main postulate of the latter-day psychologists, whose catchword is that The Idea is essentially active. There is no need of quarreling with this "pragmatic" school of psychologists.³⁴

Man is essentially an active rather than a passive organism.

³³Louis Schneider, The Freudian Psychology and Veblen's Social Theory (King's: Morningside Heights, 1948), p. 57.

³⁴The Place of Science in Modern Civilisation, p. 5.

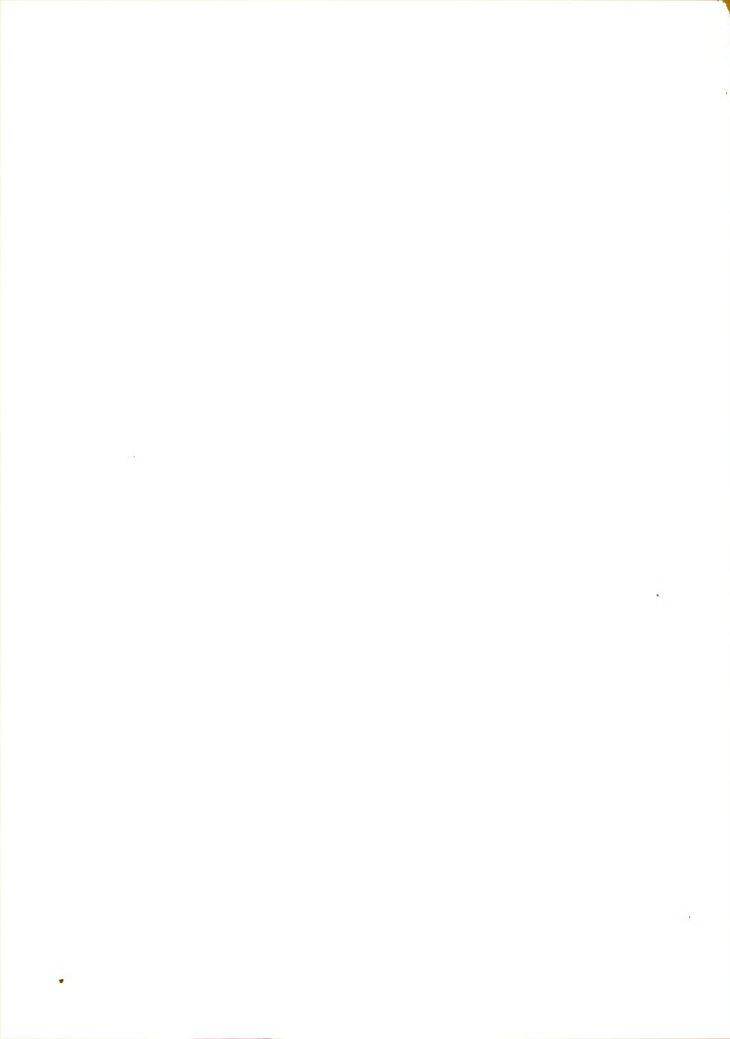
He seeks in every action the accomplishment of a specific, concrete end. Man is "in his own apprehension, a centre of unfolding impulsive activity--'teleological' activity."³⁵ This teleological character of behavior is, however, an "hereditary trait settled upon the race by the selective action of forces that look to no end. The foundations of pragmatic intelligence are not pragmatic, nor even personal or sensible."³⁶

Although Veblen's position is somewhat paradoxical, he is apparently attempting to reduce the teleological character of human intelligence to the unteleological character of evolution. "Mind" has emerged as a product of evolutionary forces. The forces of natural selection proceed in terms of impersonal cause and effect. There is no initial or final term but only endless sequence. Evolution moves blindly, without reason or purpose. Human activity, on the other hand, proceeds in terms of the interest and intention of an agent. Purposes direct man's behavior to the accomplishment of specific goals.

Veblen appears to argue that the teleological bent of intelligence had a high survival value at an early stage of man's biological evolution. The activities of savage man

³⁵The Theory of the Leisure Class, p. 15.

³⁶The Place of Science in Modern Civilisation, p. 5.



were almost exclusively devoted to his quest for survival. Only those men survived who were able to adapt readily to the changing circumstances of life. This ability to engage in intelligent behavior had led to man's dominant position in the animal kingdom. That man should have developed this particular trait is presumably a matter of pure chance. That this trait should have persisted is explained in terms of the character of evolution.

The teleological character of intelligence is only one of many abiding traits which the biological forces of evolution have produced. Veblen calls these traits of human nature "instincts." Thus, the trait which we have described is termed the Instinct of Workmanship. Man has a "sense of the merit of serviceability or efficiency and of the demerit of futility, waste, or incapacity."³⁷ Workmanship is also akin to the proclivity for construction. Other important instincts include the Parental Bent, Idle Curiosity, and Self-regard.

Before discussing these, it must be pointed out that considerable confusion and controversy has centered about Veblen's theory of instincts. Contrary to the usual meaning of the term, Veblen defines all instinctive behavior as "intelligent in some degree."³⁸ Instinctive action involves

³⁷The Theory of the Leisure Class, p. 15.

³⁸The Instinct of Workmanship and the State of the Industrial Arts, p. 30.

"consciousness and adaptation to an end aimed at."³⁹ It is teleological in the sense that it aims at the fulfillment of specific ends. Instincts set both the ends of life and the means by which they are fulfilled.

An instinct is not an irreducible trait of human nature. Workmanship, for example, can be reduced to still simpler traits and tropisms. In the Veblenian psychology a tropism is what the contemporary psychologist would define as an instinct. An instinct in Veblenian terminology comes close, perhaps, to the current conception of a drive. Veblen considers hunger both tropismatic and instinctive. It is tropismatic to the extent that the individual's response to its promptings is automatic. It is instinctive to the extent that intelligence is involved in fulfilling the end which hunger prompts. Since man acts as a whole, instincts are not found in isolation. Instead, instincts blend, overlap, and fuse with one another. They are even capable of mutual contamination. In no sense are instincts discrete.

Human behavior can never escape from the scope of man's instincts taken as a whole. This is what Veblen apparently means when he writes that the human race is ultimately at the mercy of its instincts. Nevertheless, within the limits prescribed by this conglomeration of

³⁹Loc. cit., p. 4.

instincts man has a considerable measure of freedom. This seems to be the meaning of Veblen's statement that instincts are "subject to development and hence to modification by habit." Instincts can be fused and combined in various ways so as to produce modes of behavior which are only indirectly related to particular instincts. Actually, Veblen's suggestion that instincts are subject to "modification by habit" is an unfortunate choice of terminology since Veblen does not mean that particular instincts can be modified. To suggest that particular instincts can be modified contradicts Veblen's belief in the "givenness" of human nature. In summation, although man can never escape the limits imposed by his heredity, he can synthesize his instincts in such ways as to produce novel forms of behavior.

Although man is literally a bundle of instincts, Veblen discusses only those important for economic theory. The Parental Bent is the regard which one generation has for the upcoming generation. It is much broader than the solicitude which parents show for children. It is not to be equated with the drive to procreate. The Parental Bent is the instinctive regard for the welfare of mankind in general. It is the conscience of a people.

The Idle Curiosity is a "more or less urgent propensity to inquire into the nature of things, beyond the serviceability of any knowledge so gained. . . ." ⁴⁰ It is,

⁴⁰The Higher Learning in America, p. 7.

"perhaps, closely related to the aptitude for play, observed both in man and in the lower animals."⁴¹ This instinct has produced two ranges of knowledge. It accounts for the myths and legends of primitive man as well as the matter-of-fact knowledge of modern science.

Workmanship, Idle Curiosity, and the Parental Bent are closely related. In human behavior they support and reinforce each other. David Riesman has suggested that Workmanship is the central instinct in Veblen's analysis."⁴² When Workmanship is viewed as a regard for craftsmanship for its own sake, it approaches the Idle Curiosity which is the pursuit of knowledge for its own sake. On the other hand, Workmanship can be viewed as a regard for what is useful, serviceable, or constructive. In this respect it approaches the Parental Bent.

These three instincts, proclivities, or propensities form the basis of the optimistic strain in Veblen's thought. He regarded these instincts as more basic than the acquisitive, predatory, self-regarding instincts. In the savage state survival depended upon traits which promoted the welfare of the race. Men who were inefficient in their work, who were not curious about their environment, and who had no interest in the welfare of others were eliminated in the quest for

⁴¹The Place of Science in Modern Civilisation, p. 7.

⁴²Riesman, op. cit., pp. 51-52.

survival. Thus these traits became deeply imbedded in human nature.

At a later stage of civilization the heretofore latent selfish instincts became manifest. Mankind no longer lived close to the subsistence level. Self-regarding behavior no longer eventuated in extinction. Economic progress resulted in the fall of man. It is ironical that Veblen, an exponent of technological progress, should take this position. It is the pessimistic side of his philosophy.

In spite of Veblen's detailed speculations on the nature of primitive man, his theory of instincts does not play as important a role as a reading of the Instinct of Workmanship would suggest.⁴³ Much fruitless controversy has raged around this aspect of Veblen's psychology. Bernard Rosenberg for example has roundly criticized Arthur Kent Davis for "textual carelessness."⁴⁴ Rosenberg however is not always enlightening either. He argues, for example, that Veblen regarded intelligence as providing the "motivation

⁴³Veblen's theory of instincts does have an important bearing upon his theory of value. See below, pp. 157 et seq. Otherwise, Veblen seems intent upon demonstrating that heredity counts for something in the determination of human behavior regardless of the terms employed to describe that "something." Veblen chose the unpopular term "instinct," whereas contemporary psychologists prefer such concepts as "drive," "need," "emotion," and so forth.

⁴⁴Rosenberg, op. cit., pp. 44-45.



for instinctive behavior."⁴⁵ He bases this conclusion upon Veblen's statement that an instinct "involves consciousness and adaptation to an end aimed at." It is difficult to follow Rosenberg's reasoning on this point. It would appear that he has read too much into Veblen's statement. To say that instinctive behavior involves consciousness and adaptation is not to say that intelligence provides the motivation. We believe that Veblen intended only to indicate the flexible, malleable character of instincts. Intelligence is the regulator rather than the motivator in the Veblenian scheme.

For the purposes of Veblen's social philosophy three characteristics of human nature are important. In a physiological and anatomical sense the nature of man is relatively constant. Veblen believed that the savage man had pretty much the same physical equipment as modern man. The difference between primitive man and modern man is a difference in habits of thought. Veblen accepts the pragmatic emphasis upon the teleological character of human behavior. Man is an active, purposeful organism whose behavior is directed toward the achievement of a specific, concrete end.

The behavior of man is both a product of heredity and environment. Heredity sets both the limits and ultimate goals of human action. Within these limits human nature is

⁴⁵Loc. cit., p. 44.

highly malleable. Instincts can adapt to a wide range of environmental conditions.⁴⁶ Although Veblen emphasizes adaptation of man to the environment, he recognizes that the relationship is reciprocal. Man induces changes in his environment as well as adapting to a given environment.

There is one element in Veblen's theory of instincts which is important in his social psychology. Basically, modern man has inherited two conflicting sets of tendencies or instincts. Those instincts which enhance life are exemplified by the Instinct of Workmanship, whereas those which lead to mankind's destruction are exemplified by the Instinct of Predation. Veblen's view of primitive man leads him to regard Workmanship as the more generically human. Although Veblen is not explicit on this point, it would appear that Predation is more of a contamination of Workmanship than a separate cluster of instincts. If

⁴⁶This appears to contradict the usual conception of instinctive behavior. Veblen, himself, was not always consistent in this matter. At times he emphasizes the "givenness" of instincts while on other occasions he stresses their malleability. If, however, instincts are likened to drives, his position becomes more meaningful. Instincts, like drives, cannot be extirpated from human nature. Ultimately they set the ends of life. In this sense they represent the "givenness" of human nature. On the other hand, men can and do manipulate their drives or instincts. Some drives are encouraged while others are suppressed. The experiences of men will tend to heighten the promptings of some instincts or drives while diminishing the activity of others. No instinct or drive, however, can be permanently eliminated from man's nature. A change in the circumstances of life can cause a previously suppressed instinct to be reasserted.

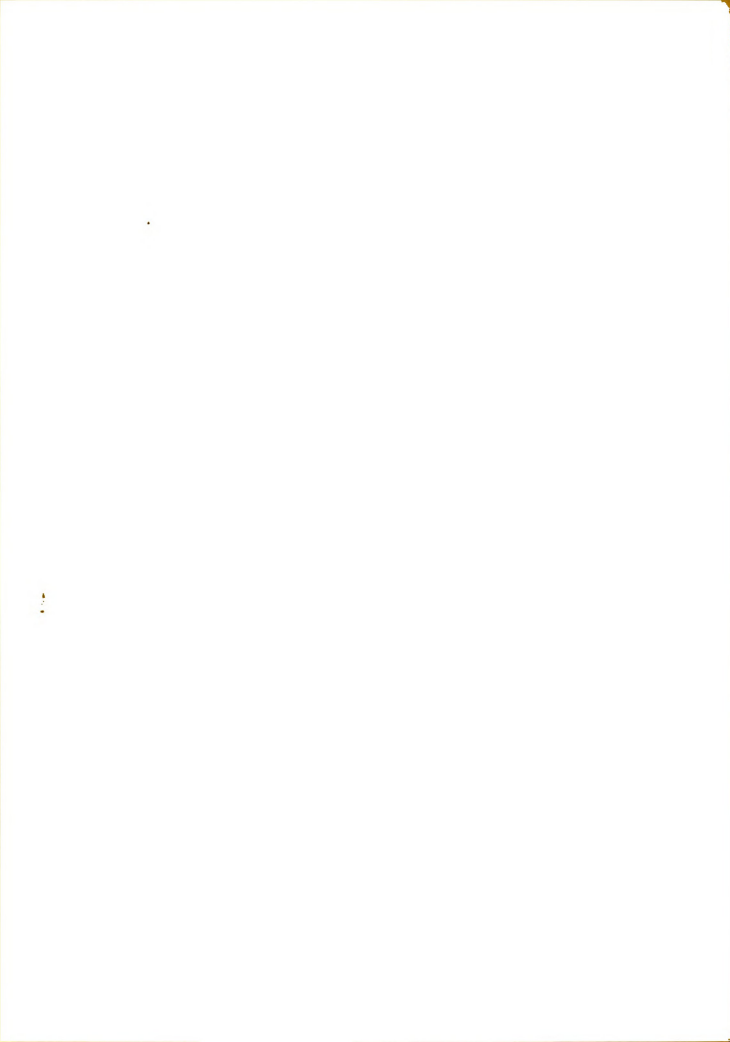
Predation is viewed as an instinct, then Veblen must argue that one instinct is more fundamental than another. This, however, would appear to violate Veblen's professed objectivity.

In any case, modern man has inherited both sets of instincts, although these traits are not spread evenly among men. The predatory instincts may be more prevalent in certain ethnic types than others. Within specific ethnic groups there will be similar variations, although every individual has some degree of both. In certain groups one or the other of the sets of instincts may become dominant in behavior. The successful business man, for example, must manifest the predatory instincts if he is to survive in business. The engineer, on the other hand, tends to suppress these instincts in favor of Workmanship. The occupations of men become both selective and conditioning factors.

Veblen's Theory of Institutions

It has been suggested that Veblen's theory of primitive human nature is not as important in understanding modern man as Veblen sometimes leads us to believe. This is implied by Veblen in the following passage:

The forces which have shaped the development of human life and of social structure are no doubt ultimately reducible to terms of living tissue and material environment; but proximately, for the purpose in hand, these forces may best be stated in terms of an environment, partly human,



partly non-human, and a human subject with a more or less definite physical and intellectual constitution.⁴⁷

Taken in conjunction with other passages it seems evident that Veblen has shifted the ground of his analysis. Through empirical observation it is seen that man has a "more or less definite physical and intellectual constitution." Further observation reveals that man is confronted with an environment which is both physical and human. The evolution of a culture is the product of the interaction of man with this changing environment. This is the point of departure in Veblen's social philosophy. Instincts will reappear but in a somewhat different light.

Proximately, human behavior is governed by institutions rather than instincts. The theory of instincts is rapidly transformed into a social psychology or theory of institutions. An institution, according to Veblen, is a prevailing habit of thought or action in the society. It is of the "nature of an habitual method of responding" to the stimuli of the environment.⁴⁸ An individual is born into a society with existing habits, conventions, customs, mores, folkways, attitudes, canons of truth, and bodies of knowledge. Upon the basis of these, the individual learns the acceptable modes of behavior in his culture.

⁴⁷The Theory of the Leisure Class, p. 189.

⁴⁸Loc. cit., p. 190.

Since it is commonplace to identify institutions with physical entities, Veblen's definition needs to be examined closely. Moreover, it reflects a significant theme in his social philosophy. Veblen argues that banks, churches, schools, etc., are primarily ways of thinking and acting in respect to certain objectives and functions. This conception of institutions is always implicit in our thinking but rarely explicit. By identifying habits of thought with institutions we can include such non-physical entities as science and technology within the scope of institutions.

Veblen would agree that a school is an institution, although he would substitute the term "education" for "school." A school signifies something physical, whereas education implies process and relationship. As an institution a school cannot be adequately defined in terms of blackboards, laboratories, students, teachers, buildings, and books. An institutional definition would be stated in terms of relationship, process, habits of thought, and function.

Likewise, a factory is an institution when we define a factory in terms of technology. The machines and tools are physical embodiments of specific functional relationships. They must be operated with precise and exact habits of thought and action. Modern industry is characterized by impersonal, matter-of-fact thinking in terms of cause and effect. No other habit of thought is appropriate to

modern technology.

It is difficult to overemphasize this conception of an institution. Veblen argues that the most important possession of a culture is its habits of thought. This is where the orthodox economist went astray. He tended to define wealth and capital in terms of money, or at best, in terms of labor, land, and capital. These definitions exclude the most important ingredient in production, wealth, and capital; namely, certain ways of acting and thinking in respect to the material circumstances of life. A machine is of no value unless we know how to use it. A tool is worthless unless we know the purpose for which it was designed. The very evolution of a society is an evolution of habits of thought.

An institution controls behavior. This is fairly obvious in the case of modern technology. In those industries characterized by assembly line production every worker must perform a specific operation in a precise and exact manner. The overall process controls the behavior of individual workmen. The process itself is characterized by precise cause and effect relationships. The individual workman must "fit," so to speak, into this process. The exact nature of the process permits machines to be utilized. The workman now becomes a tender of a machine. His behavior is now completely regulated in terms of the character of the machine. Although this is an extreme case of the manner



by which institutions control behavior, Veblen seems to argue that much the same condition prevails in other sectors of life. The prevailing habits of thought in the community control the behavior of the individual.

How would institutions operate in a perfectly static and unchanging universe? Ideally, habits of thought provide for an exact adjustment of inner relations to outer relations. An institution is a means by which basic human nature is brought into perfect harmony with the circumstances of the environment to which it is addressed. It is the function of institutions to mediate between instincts and the ultimate ends of life. Institutions provide us with habitual responses to impinging stimuli. In a static world, therefore, institutions would serve man rather than enslave him.

Unfortunately, man does not live in a static world. The tragedy of life, in Veblen's view, is that man cannot readily adjust his habits of thought to the rapidly changing circumstances of his existence. The "outer relations" change more rapidly than the habits of thought. Institutions lag behind the exigencies of life. Veblen describes the dilemma of man in the following passage:

The situation of to-day shapes the institutions of tomorrow through a selective, coercive process, by acting upon men's habitual view of things, and so altering or fortifying a point of view or a mental attitude handed down from the past. The institutions . . . under the guidance of which men live are in this way received from an earlier time. . . . Institutions are products of the past process, are

adapted to past circumstances, and are therefore never in full accord with the requirements of the present. In the nature of the case, this process of selective adaptation can never catch up with the progressively changing situation. . . .

It is to be noted then . . . that the institutions of to-day . . . do not entirely fit the situation of to-day. At the same time, men's present habits of thought tend to persist indefinitely, except as circumstances enforce a change. These institutions which have so been handed down, these habits of thought, points of view, mental attitudes and aptitudes, or what not, are therefore themselves a conservative factor.⁴⁹

One of the persistent traits of human nature is conservatism. Men change their habits of thought only under duress. If an individual or group is sheltered from the forces of the environment, then that individual or group will respond only tardily, if at all, to changes in the environment.

Veblen's theory of institutions is a major theme in all of his writings but, particularly, in The Theory of the Leisure Class. The leisure class is guided in its activities by institutions or habits of thought which are no longer appropriate in respect to the exigencies of life. It is a sheltered class which is not forced to adapt to a changed environment. From the viewpoint of the society this class is parasitic. It makes no contribution in respect to the adjustment of man to his environment.

In one sense Veblen is more concerned with the

⁴⁹Loc. cit., pp. 190-191.

influence of the leisure class than he is with the leisure class per se. No doubt the leisure class values its institutions. From its viewpoint leisure class institutions are right and just. Although Veblen believes that the leisure class must adapt to the realities of economic life or face extinction, he is reluctant to argue the intrinsic worth of its institutions. In attacking the influence of the leisure class, Veblen points out that its institutions become the institutions of society at large. Moreover, although this class is divorced from economic reality, it controls the activities of mankind.⁵⁰ Thus, the leisure class influence jeopardizes the well-being of the entire society.

It is important to note that the leisure class opposes change largely because of psychological inertia rather than self-interest. In this respect Veblen disagrees with the Marxist position.⁵¹ According to the Marxist, the leisure class is conservative because it has a vested interest in the status quo. While not denying that self-interest is an important element in conservatism, Veblen believes that the Marxist has overemphasized it. The Marxist has postulated more rationality in human behavior than the facts would seem to warrant. Men, according to Veblen, are conservative by

⁵⁰Thus business controls industry. This is the theme of The Theory of Business Enterprise.

⁵¹In Veblen's later writings he approaches the Marxist position in this regard.

nature. Although reason can produce a change in a habit of thought, this is infrequent. Habits of thought change only under duress. Even the force of circumstances will not always produce the needed change in institutions.

History records more frequent and more spectacular instances of the triumph of imbecile institutions over life and culture than of peoples who have by force of instinctive insight saved themselves alive out of a desperately precarious institutional situation, such, for instance, as now faces the people of Christendom.⁵²

Veblen's Theory of Cultural Change

Veblen's theory of institutions is integrally related to his theory of cultural change. Essentially, the dilemma of man grows out of the constant changes in the "outer" relations of the environment, both human and non-human. What is the nature of the forces inducing these changes?

In The Theory of the Leisure Class Veblen states that the "forces which make for a readjustment of institutions . . . are, in the last analysis, almost entirely of an economic nature."⁵³ Habits of thought change in response to economic change. An economic change involves the material circumstances of life. It is a change in the manner by which the material circumstances of life are turned to account. Veblen believed that a habit of thought or an

⁵²The Instinct of Workmanship and the State of the Industrial Arts, p. 25.

⁵³The Theory of the Leisure Class, p. 193.

institution reflected a habit of action. Institutions, then, grow out of the activities of man.

In a primitive culture man's activities are dominated by his quest for survival. It is a quest for food, clothing, and shelter. The dominance of these economic activities is reflected in the institutions of primitive man. Modern man, of course, lives well above the subsistence level. He has many interests that are not specifically economic in nature. He engages in many activities that are not primarily concerned with sheer survival. One might suppose, therefore, that economic activities would not loom as large in his life.

Yet, the first requirement of life is survival. This activity undergirds and interacts with all other interests, pursuits, drives, and activities. All institutions are partially economic in nature. It was the failure of the orthodox economists to recognize this fact that led to Veblen's devastating criticism. The subject matter of the economist is as broad as life since the economic interest is pervasive in its influence. Veblen could have pointed out that the interdependent character of modern society reinforces and maintains the importance of economic activity in the lives of men. Although we live above the subsistence level, security for most of us is dependent upon our continued employment. Few of us own the tools of production or substantial property. Modern man is an employee working for wages. His security rests almost entirely in the hands

of a relatively small group of employers. For this reason, men are still forced to occupy their thoughts with economic considerations.

Are we to conclude then that Veblen is an economic determinist? There is certainly a wealth of evidence to support such a conclusion. For example, Veblen writes:

For the present it is the vogue to hold that economic life, broadly, conditions the rest of social organization or the constitution of society. This vogue of the proposition will serve as excuse from going into an examination of the grounds on which it may be justified, as it is scarcely necessary to persuade any economist that it has substantial merits. . . . What the Marxists have named the "Materialistic Conception of History" is assented to with less and less qualification by those who make the growth of culture their subject of inquiry. This materialistic conception says that institutions are shaped by economic conditions.
 . . .⁵⁴

In other passages, however, Veblen seems to deny what he has just affirmed. In the Instinct of Workmanship he maintains that the

facts of technological use and wont are fundamental and definitive, in the sense that they underlie and condition the scope and method of civilisation in other than the technological respect, but not in such a sense as to preclude or overlook the degree in which these other conventions of any given civilisations in their turn react on the state of the industrial arts.⁵⁵

⁵⁴The Place of Science in Modern Civilisation, p. 313.

⁵⁵The Instinct of Workmanship and the State of the Industrial Arts, p. vii.

The state of the industrial arts is, in other words, not always an independent causal factor.

Moreover, Veblen's psychology and theory of human nature have non-deterministic elements. We would agree with Paul T. Homan who holds that the "element of rationality, or intelligence, is never quite ruled out."⁵⁶ Although Veblen was a pessimist, he was also a reformer, at least during a part of his life. Unless we assume that man can intelligently manipulate his environment for human purposes, many of Veblen's later writings become meaningless. If Veblen were a strict determinist, why would he propose that the engineers take command of the industrial system? Why would he make proposals for a lasting peace?

That Veblen is not a strict economic determinist is evident in his theory of instincts. Although instincts can be traced back to the relationship between man and his material environment, these instincts nevertheless assert themselves in modern man as partially independent of economic activities. The instincts of Idle Curiosity, Workmanship, and the Parental Bent continually reassert themselves even when confronted with an environment not conducive to their realization.

⁵⁶Paul T. Homan, Contemporary Economic Thought (Harper: New York, 1928), p. 189.

Barring repressive conventionalities, reversion to the spiritual state of savagery is always easy; for human nature is still substantially savage. The discipline of savage life . . . has been by far the most protracted and probably the most exacting of any phase of culture . . . ; so that by heredity human nature still is, and must indefinitely continue to be, savage human nature. This savage spiritual heritage that "springs eternal" when the pressure of conventionality is removed or relieved, seems highly conducive to the two main traits of Christian morality [brotherly love and renunciation].⁵⁷

It would appear that Veblen's theory of instinctive behavior is not consistent with a strict economic determinism. One could maintain, however, that Veblen's psychology is deterministic in a more general sense in that behavior, in his view, is ultimately controlled by instincts. While this assertion has unquestioned merit, it does not explain the functioning of the idle curiosity. This instinct produces genuine novelty in the world. As a quest for knowledge for its own sake, idle curiosity is a creative act. Although idle curiosity is not divorced from the culture, it does by its very nature become an independent causal factor in cultural evolution.

In spite of this evidence Veblen is frequently called an economic or technological determinist. If the terms are used in a rather loose sense, then there is no reason to quarrel with these critics. It is certainly true that Veblen regarded the material circumstances of life as

⁵⁷Essays in Our Changing Order, p. 209.

extremely important in cultural evolution. In the words of Abram L. Harris, Veblen believed that the prime movers in history are the "conflicting social habits induced by the different types of occupations in which men are engaged."⁵⁸ Moreover, Veblen tends to neglect sexual, aesthetic, and moral factors in civilization, although he does not deny their existence. Finally, Veblen's lack of faith in human intelligence supports the view that he is a determinist.

Veblen's Theory of Value

It has been frequently observed that critics of Veblen are sharply divided in their evaluation of Veblen's social theory. An important cause of this division of opinion is to be traced to Veblen's theory of value. Although value assumptions play an important role in any philosophical position, they are a pivotal concern in a social philosophy. A theory of value, especially of ethical value, is implied in any social theory.

Characteristically, Veblen never explicitly developed a theory of value. Although he was trained in philosophy, he devoted very little of his analysis to a consideration of ethical, religious, aesthetic, moral, social, or even economic value. He seldom discussed questions of the nature

⁵⁸ Abram L. Harris, "Veblen As Social Philosopher--A Reappraisal," Ethics, vol. LXIII, No. 3, Part II (April, 1953), p. 1.

of beauty, duty, evil, ought, right, or the summum bonum.

Nevertheless, Veblen's most popular work, The Theory of the Leisure Class, is in Veblen's own words a discussion of the "value of the leisure class." Moreover, the vocabulary in this study is suggestive of an ethical position. Terms such as "conspicuous," "waste," "invidious," and "predatory," have ethical overtones. It is difficult for the reader to accept Veblen's explicit denial that he is using these terms in a way which implies an ethical position. He tells us that he is making an impartial, objective, scientific, matter-of-fact, descriptive study of the economic bearing of the leisure class in modern society. It is little wonder that students of Veblen have been engaged in almost endless controversy concerning what Veblen actually taught, believed, or said.

Veblen's theory of instincts appears to be related to his theory of value. Instincts, it will be remembered are the ultimate determinants of human behavior. Man is literally composed of a bundle of these propensities, drives, bents, or impulses. Although these instincts set the ends of activity, man is more directly governed by habits. Institutions intervene between the basic drives and the goals of life. Instincts become contaminated, modified, or thwarted in their drive toward realization.

Since institutions govern behavior proximately, Veblen dispenses with instincts in his analysis of

contemporary society. What, then, is the function or purpose of his theory of instincts? We believe that instincts are the guiding principles of Veblen's analysis. They are disguised values which constitute the criteria by which contemporary culture is evaluated. There is evidence in Veblen to support such a view.

The instincts of man can be roughly divided between those which conserve life and those which destroy life, between the constructive and the destructive instincts. Contemporary life can be viewed as a perpetual conflict between these two sets of instincts. Thus, business is opposed to industry, predation conflicts with workmanship. This is the recurring theme.

A theory of value is clearly implied in Veblen's defense of the constructive instincts. He attempts to avoid an ethical position by arguing that the constructive instincts are more "generically" human since they are more deeply imbedded in human nature. The instincts of workmanship, idle curiosity, and the parental bent developed during the extended period of savage life. The instinct of predation, on the other hand, is of more recent vintage. The present scheme of life has not yet been of sufficient duration to establish this trait as an abiding instinct of human nature. In The Theory of the Leisure Class Veblen writes:

But why are apologies needed? If there prevails a body of popular sentiment in favour of sports, why is not that fact a sufficient legitimation? The protracted discipline of prowess to which the race has been subjected under the predatory and quasi-peaceable culture has transmitted to the men of today a temperament that finds gratification in these expressions of ferocity and cunning. So, why not accept these sports as legitimate expressions of a normal and wholesome human nature? What other norm is there that is to be lived up to than that given in the aggregate range of propensities that express themselves in the sentiments of this generation, including the hereditary strain of prowess? The ulterior norm to which appeal is taken is the instinct of workmanship, which is an instinct more fundamental, of more ancient prescription, than the propensity to predatory emulation. The latter is but a special development of the instinct of workmanship, a variant, relatively late and ephemeral in spite of its great absolute antiquity. The emulative predatory impulse--or the instinct of sportsmanship, as it might well be called--is essentially unstable in comparison with the primordial instinct of workmanship out of which it has been developed and differentiated. Tested by this ulterior norm of life, predatory emulation, and therefore the life of sport, falls short.⁵⁹

We do not find Veblen's argument convincing. His view of primitive life is highly speculative in nature. There is little empirical evidence with which to support this position. Even if his account of primitive life be accepted, it does not adequately account for the fall of man. Presumably, the contamination of the "generically" human is a consequence of the fact that man no longer lives close to the subsistence level. In the primitive state the quest for survival eliminated those men who manifested

⁵⁹The Theory of the Leisure Class, p. 270.

a predatory bent. With an economic surplus man can "play fast and loose" with life.

Veblen's argument raises as many questions as it answers. It doesn't explain why, in the final analysis, man's nature should develop destructive tendencies. Instincts are the products of natural evolutionary forces. As long as man was directly controlled by the environment, his basic nature remained uncontaminated. The predatory instincts arise in conjunction with economic progress. The struggle for life shifted from interaction of man with a physical environment to an interaction with a human environment. But this still does not account for the development of the predatory instincts.

Veblen was apparently aware of the difficulties in accounting for the sudden development of the destructive instincts. Frequently, he attempts to resolve this difficulty by postulating a basic human nature in which both types of instincts inhere. Thus, in respect to the "patriotic animus" he states:

To anyone who is inclined to moralize on the singular discrepancies of human life this state of the case will be fruitful of much profound speculation. The patriotic animus appears to be an enduring trait of human nature, an ancient heritage that has stood over unshorn from time immemorial. . . . It is archaic, not amenable to elimination or enduring suppression, and apparently not appreciably to be mitigated by reflection, education, experience or selective breeding.⁶⁰

⁶⁰ An Inquiry into the Nature of Peace, p. 41.

If this position is accepted, then Veblen cannot argue that one instinct is more generically human than any other instinct. Apart from a theory of value, every instinct has an equal claim to be considered fundamental. The constructive instincts cannot, therefore, be logically utilized as criteria with which to evaluate the culture.

Veblen is now forced to argue that the constructive instincts, by enhancing life, are more generically human than those instincts which destroy life. This is clearly a statement of value. Indeed, predatory behavior may enhance the life of the individual. It is apparent that Veblen's theory of value is oriented to the welfare of the society. Individual behavior is to be judged by its relationship to the group.

It will be noted how readily Veblen's theory of instincts becomes a theory of value. The fundamental fact of life is man's struggle with the material environment. The economic problem looms large in every society. Fortunately, man is endowed with a nature which makes him potentially able to manipulate this environment for human purposes. Man's instincts are malleable, purposeful, and intelligent in some degree. They can be modified by habit. Unlike other animals man can foresee the consequences of his action and can, thereby, adapt to a wide range of environmental circumstances.

Man in other words has all of the necessary means

to overcome his economic problems. If he would cooperate with his fellow man, if he would use his intelligence, if he would reorganize his institutions, if he would develop a sense of efficiency, and if he would be curious about his environment, he could achieve an economic welfare undreamed of by previous generations.

Man, however, is often perverse and stupid. He is a creature of habit, superstition, and narrow self-interest. He wastes the means of life in a conspicuous display of prowess and economic success. He becomes enslaved to his institutions. He is frequently too indolent to be curious about his environment. Instead of cooperating with his fellow men, he manifests behavior characterized by ferocity, cunning, cheating, and self-seeking. Fortunately, not all men are equally addicted to predatory behavior. It is possible to appeal to the reasonableness of some men, although the majority of men cannot be reformed in this manner. The particular behavior which an individual manifests is to be traced ultimately to the kind of economic activity in which he is engaged. At least economic activity, as it is expressed in institutions or habits of thought, is a major determinant of behavior. As a creature of habit, man can be manipulated either toward destructive or constructive behavior. Such a manipulation involves the reorganization of institutions. Veblen never rules out the possibility that man can be reformed in this way.



Veblen's theory of science has led some of his readers to conclude that he is a positivist, a philosophical position which exalts science and matter-of-fact thought while denying the separate existence of values. From the positivist standpoint a value statement is either reducible to a statement of fact, is meaningless, or has only an emotive appeal.⁶¹

In respect to science Veblen observes:

Modern civilisation is peculiarly matter-of-fact. It contains many elements that are not of this character, but these other elements do not belong exclusively or characteristically to it. The modern civilized peoples are in a peculiar degree capable of an impersonal, dispassionate insight into the material facts with which mankind has to deal. . . . This characteristic of western civilisation comes to a head in modern science, and it finds its highest material expression in the technology of the machine industry. . . . Whatever is not consonant with these opaque creations of science is an intrusive feature in the modern scheme, borrowed or standing over from the barbarian past.⁶²

Later in the same essay he continues:

On any large question which is to be disposed of for good and all the final appeal is by common consent taken to the scientist. The solution offered in the name of science is decisive so long as it is not set aside by a still more searching scientific inquiry.⁶³

⁶¹A. J. Ayer, Language, Truth and Logic (Oxford University: London, 1936); Charles L. Stevenson, Ethics and Language (Yale University: New Haven, 1944).

⁶²The Place of Science in Modern Civilisation, pp. 1-2.

⁶³Loc. cit., pp. 3-4.

Modern science assumes that reality is characterized by process, change, and development. It is a metaphysics of evolution in which the process is to be explained in terms of itself. There can be no appeal to a higher ground which lies outside the process. The fundamental metaphysical assumption of modern science is that change is characterized by impersonal cause and effect. Science is, in other words, the dispassionate study of the relationships which subsist between facts. This is Veblen's view of the nature of science.

In describing what he conceives to be the nature of science, Veblen is not thereby joining the positivists. He explicitly rejects this position.

This latterday faith in matter-of-fact knowledge may be well grounded or it may not. It has come about that men assign it this high place, perhaps idolatrously, perhaps to the detriment of the best and most intimate interests of the race. There is room for much more than a vague doubt that this cult of science is not altogether a wholesome growth. . . .⁶⁴

While Veblen unquestionably admires the instrumental value of science, he does not preach that science is ultimately true and good. He does not preach that science will allow humanity to achieve a millenium. He does preach that the scientific point of view dominates modern culture. Whether men like it or not, science is giving its tone and color to

⁶⁴Loc cit., p. 4.

modern civilization. This is precisely the reason why economics must become evolutionary. Otherwise, it will not be intelligible to men imbued with the scientific animus. In Bacon's phrase, nature can be commanded only if she be obeyed. Science is a lesson in obedience; it does not teach us what to command.

If Veblen did have a theory of value disguised as a theory of instincts, why does he lead us to believe that his theory is amoral? Veblen's reply to this query is implicit in his attack upon the orthodox economists. The traditional economist refused to separate value from fact. His thinking was dominated by such value concepts as "Providential Order," "natural," "normal," and "progress." He did not recognize an independent tribunal of facts. Instead, he manipulated facts in ways which would support his preconceptions. If the traditional economist had seen that values reside in the activities of men, he would have realized that his preconceptions rationalized many of the evils of the society.

Veblen assumes that it is possible for the social scientist to make something approaching an objective study of society. Like the natural scientist, the social scientist can make certain statements about the world which are not value statements. This is not to say that value statements are meaningless or inappropriate. The error of the orthodox economist was in confusing the realm of fact with the realm

of value. There are empirical statements which are in no sense value statements. Had the orthodox economist recognized this, he would have been committed to an examination of the "seamy side of life" as well as those facts which reinforced his preconceptions.

By implication Veblen argues that an evolutionary economics must emphasize empirical investigations at the expense of value analysis. This is indeed what he has attempted to accomplish. The social scientist must assign a high priority to instrumental as contrasted with intrinsic values. It is not the function of the economist to evaluate the intrinsic values of a society. Like every other individual, the economist holds values, but these values should not prevent him from an examination of the impersonal, irreducible, "opaque" facts. Although Veblen never achieved his ideal, this appears to be his position.

Veblen's disclaimer of any moral judgments has led to much criticism of his writings, especially of The Theory of the Leisure Class. Clarence E. Ayres, for example, charges that Veblen's analysis leads to cultural relativism. "By his ironical disclaimer of any moral judgment he misled a whole generation of students into supposing that he really did regard waste and usefulness as morally neutral categories, and that his whole analysis was therefore rudderless."⁶⁵

⁶⁵Clarence E. Ayres, "The Coordinates of Institutionalism," American Economic Review, vol. XLI, No. 2 (May, 1951), p. 52.

This criticism seems unwarranted. In the first place, no one could seriously read any of Veblen's works and conclude that Veblen personally regarded "waste" as morally neutral. Secondly, although Veblen has indeed "misled" students, this is not a necessary consequence of his philosophy. Veblen does not argue that "waste" is ultimately morally neutral. Indeed, the very concept of waste reflects the values which men hold. Waste is morally neutral only in respect to a scientific analysis of the culture. Veblen was attempting to apply the methods of science to a study of the culture. It was a descriptive, impersonal study which excluded his personal values. Veblen believed that an empirical study of the culture would show that certain activities and institutions were wasteful as determined by the canons of waste which the society has established. What Veblen personally regards as waste has no bearing upon the validity of this proposition. He believed that his conclusions were true apart from his personal values. Although Veblen was not successful in divorcing his analysis from value considerations, his attempt should not have misled students. It does not destroy the logical validity of his approach.

An illustration will perhaps clarify the above argument. An important economic activity of a capitalistic society is competitive advertising. The orthodox economists frequently argued that advertising served the people by informing them. Veblen and other economists scrutinized

the details of this activity and found that advertising generally misinforms. The function of advertising is to sell the product. If this can be achieved through misinforming the public, then the public will be misinformed.

Veblen calls this kind of activity "wasteful," but claims that no value judgment is intended. Why then call it wasteful? It is wasteful in the sense that it does not serve the interest of the people as a whole. Morton White points out that Veblen is clearly making a value judgment in establishing this criterion by which the wastefulness of an activity is established.

When he said that it was wasteful he meant that it did not serve "human life or well-being on the whole." He was squeamish about implying that those who indulge in conspicuous consumption don't value it individually, but in calling it wasteful he did not refrain from making a value judgment in one clear sense of that phrase.⁶⁶

Although Veblen has clearly made a value judgment in defining waste in terms of the welfare of the people as a whole, he is otherwise presumably making an analysis free of value judgments. Competitive advertising is wasteful since it does not serve human life as a whole. The generality of men, in Veblen's view, ultimately determines what is wasteful. It so happens that men define waste as activity which does not serve life. If the public understood the nature and consequences of competitive advertising, it too

⁶⁶White, op. cit., p. 207.

would call it wasteful. The concept of waste has a widely accepted meaning among people. It reflects the values of the society. The term "waste," in other words, does not so much reflect Veblen's values as the values of the culture.⁶⁷ There is evidence in Veblen to support such a position. In a reply to the criticisms of John Cummings, Veblen wrote:

Exception is taken . . . to my attempted definition of waste. It should be said that the definition in question aims to promulgate no novel doctrine; the aim being to state discursively what is the content of a judgment concerning waste or futility. The definition may be unfortunate, but its ineptitude does not eliminate the concept of waste from men's habits of thought. . . . Men do currently pass opinions on this and that as being wasteful or not wasteful. . . . Sumptuary legislation and the much preaching of the moralists of all ages against lavish habits of life is evidence to this effect. There is also a good deal of a consensus as to what manner of things are wasteful. The brute fact that the word is current shows that. Without something of a passable consensus on that head the word would not be intelligible. . . . As Mr. Cummings earnestly contends . . . it is always the individual that passes

⁶⁷Veblen, however, is not advocating cultural relativism as Professor Ayres has argued. Veblen's position appears to be simply this: A scientific analysis of a culture will reveal that the generality of men do in fact regard certain types of behavior as wasteful. The scientist evaluates the culture in terms of this prevailing conception of waste. As a scientist, this is the extent of his function. In his capacity as a scientist he cannot determine what men ought to regard as wasteful. He cannot advocate any particular ethical position. He cannot even conclude that wasteful activities ought to be abolished. A scientist, in short, cannot tell us what we ought to value. He can only describe what men do actually value. The confusion in Veblen's position arises, because Veblen does not maintain this professed objectivity. Moreover, the values which he imputes to the generality of mankind seem identical in nature to the values which he holds personally.

an opinion of this kind. . . . But the consensus that prevails shows that the opinions of individuals on matters touching "the generically human" passably coincide. . . .⁶⁸

What is Veblen's view of the good society? Surely, it would be a society characterized by peace, cooperation, efficiency, workmanship, rationality, humility, and knowledge for its own sake. It would be a society in which the institutions would provide a perfect adjustment between man and his environment. Institutions would serve to expedite the fulfillment of the basic needs and drives of man. These basic needs and drives are primarily economic in nature. Veblen is obsessed with production. He comes close to the prototype of David Riesman's concept of the "inner-directed," production man.⁶⁹

Veblen gives surprisingly little attention to the relationship between production and consumption. He appears to take the nature of this relationship for granted. Production is valuable for consumption; consumption is valuable for the maintenance of life; and life in any form is valuable in itself. Nevertheless, the problems related to production cannot be divorced from the problems concerning consumption. This is particularly the case where the industrial system

⁶⁸Essays in Our Changing Order, p. 18.

⁶⁹David Riesman, Nathan Glazer, and Reuel Denney, The Lonely Crowd. A Study of the Changing American Character (Yale University: New Haven, 1950), Chapter V.

is able to provide all of the subsistence requirements. Veblen apparently could not envisage a society where the problem of production would be secondary to the problem of distribution. Veblen is primarily concerned with sheer physical quantities of goods and services. It is to be noted in this respect that Veblen developed no theory of leisure. His world is largely devoid of literature, fine arts, music, and recreation. He allows the individual no consumption other than that which directly provides for his physical needs.

If one were to isolate that cluster of values which is most characteristic of Veblen, it would be those instrumental values associated with technology. The machine process not only leads to unlimited production but also to increased rationality. The machine process forces men to adapt to the requirements of contemporary life, although Veblen does not explain why such an adaptation is desirable. Finally, the machine process refuses to be manipulated by conventional truths or the personal whims of men. Veblen's admiration for technology is implicit in the following passage:

The machine throws out anthropomorphic habits of thought. It compels the adaptation of the workman to his work, rather than the adaptation of the work to the workman. The machine technology rests on a knowledge of impersonal, material cause and effect, not on the dexterity, diligence, or personal force of the workman, still less on the habits and propensities of the workman's superiors. . . . It inculcates thinking in terms of

opaque, impersonal cause and effect, to the negation of those norms of validity that rest on usage.

. . .

The machine process gives no insight into questions of good or evil, merit or demerit, except in point of material causation. . . . The machine technology takes no cognizance of conventionally established rules of precedence; it knows neither manners nor breeding. . . . Its metaphysical basis is the law of cause and effect, which in the thinking of its adepts has displaced even the law of sufficient reason.⁷⁰

Veblen and Dewey

One of the anomalies which has perplexed us in this study is the almost complete neglect of the writings of Thorstein Veblen by American educators. This is not necessarily to imply that Veblenism provides an adequate foundation for a philosophy of education. The neglect is anomalous only in the sense that Veblenism is an integral part of a broad movement in American social philosophy from which professional education has borrowed heavily. Whereas John Dewey has had a tremendous influence upon American education, his spiritual brother, Thrstein Veblen, has literally been a voice in the wilderness.

Morton White has noted the intellectual kinship of those who pioneered in the "revolt against formalism." He writes:

⁷⁰ The Theory of Business Enterprise, p. 148.

Pragmatism, instrumentalism, institutionalism, economic determinism, and legal realism exhibit striking philosophical kinships. They are all suspicious of approaches which are excessively formal; they all protest their anxiety to come to grips with reality, their attachment to the moving and the vital in social life.⁷¹

A comparison of Dewey and Veblen will increase our understanding of the latter's social philosophy. We shall see Veblen as one of the early pragmatists who applied the principles of this philosophy to the study of economics. Although there are major differences between Veblen and Dewey, these differences are overshadowed by large areas of agreement.

Even the intellectual backgrounds of Veblen and Dewey are similar. Both men were initially students of philosophy. They were students of idealism, of Kant and Hegel, before they were pragmatists. Both rejected British empiricism early in their writings. Darwin's evolutionary thesis looms large in the works of both men. Neither man respected either received knowledge or conventional truths. They were both pioneers in the application of scientific method to the problems of society. They were pioneers in advocating a unified social science.

Whereas Veblen applied the evolutionary principle to the subject matter of economics, Dewey made a similar

⁷¹White, op. cit., p. 6.

application in philosophy and education. Veblen attacked the deductive, abstract, taxonomic character of the classical economics. Dewey at the same time was launching an assault upon the fortress of traditional philosophy. He argued that philosophy was preoccupied with metaphysical disputes. Formal logic prevented philosophy from coming to grips with reality. Likewise, education was dominated by outmoded ideals which prevented it from coming into contact with the actualities of life. Both Dewey and Veblen charged that traditional psychology and social science were inadequate in dealing with the rapid changes in American life.

Both men campaigned for a more realistic study of the American culture. To Veblen and Dewey this meant an increased emphasis upon factual studies rather than theoretical speculations. It meant an increased emphasis upon the study of anthropology, biology, sociology, economics, history, psychology, and scientific method. It meant a decreased emphasis upon formal logic, mathematics, and classical philosophy. Although both men preached a philosophy of science, their influence was primarily in the social sciences. Indeed, neither man demonstrated any degree of competence in natural science. Their writings reflect only a superficial acquaintance with the subject.

Veblen and Dewey are pragmatists in the sense that they conceive of reality in terms of process, change, growth, and development. It is for this reason that they are

critical of the statics of formal logic, mathematics, and economic analysis. They are similarly suspicious of abstraction, since an abstraction is divorced by its nature from some aspects of reality. In particular, an abstraction rarely does justice to the dynamic, changing aspects of reality. The inadequacy of static theory is perhaps best expressed by the institutional economists of our own day. Both Veblen and Dewey would enthusiastically support the view expressed in the following passage:

But logic is static; it has to do with known factors
--it is not creative.

The inability to discuss dynamic problems is an aspect of the well-known timelessness of static theory--equilibrium theory. A dynamic process is one in time, in the sense that we cannot go back from a later moment to an earlier moment except by outright destruction; the process changes the data, while the equilibrating process only rearranges them. In equilibrium theory the time element is, as it were, denatured; it is again, purely logical, not historical.⁷²

Although Dewey was by nature more optimistic than Veblen, he nevertheless recognized that there were powerful forces of destruction in society. He was sensitive to the great waste of human and natural resources. He was conscious of the powerful vested interests which were opposed to any change detrimental to their pecuniary interests. Unlike

⁷²Eduard Heimann, "Developmental Schemes, Planning, and Full Employment," Planning and Paying for Full Employment, ed. Abba P. Lerner and Frank D. Graham (Princeton University: Princeton, 1946), p. 100.

Veblen, however, Dewey had great faith in human intelligence. Through education man can find salvation. He can learn to control his environment for human purposes. Veblen, on the other hand, had no such optimistic faith. He did not have a high regard for the intelligence of the mass of men. He therefore emphasized the forced adjustment of man to his environment. Human nature being what it is, the hope of humanity lies in the adjustment of man to the machine process. In a way it is paradoxical that Dewey, rather than Veblen, should be the optimist. Veblen's social philosophy implies an optimistic view of life, yet he is a pessimist; whereas Dewey's social philosophy could easily lead to despair, yet he is an optimist.

In respect to the area of values, both men placed great faith in the methods and fruits of science and technology. They rejected all moral absolutes. Dewey, in particular, rejected all hierarchies of value and attempted to include axiology within the empirical sciences. Veblen's writings are characterized by suspended judgment in respect to this question. He appears to have regarded ethics as outside the scope of economics and the empirical sciences generally. Ethical considerations are extra-evolutionary. He could point out that competitive advertising conflicts with the values of our society but refused to conclude that competitive advertising ought to be abolished. Dewey would show no such reticence. He would, indeed, defend such a

conclusion. The question of "ought" is in other words reducible to empirical investigations. It is within the province of scientific method. The scientist cannot only trace the consequences of various plans of action but can also indicate what ought to be done.

Dewey's definition of education will serve to illustrate both the agreements and differences between the two men in respect to value theory. Dewey defines education as growth which is relative only to more growth. Taken literally, this definition has little meaning, since people in fact cherish various values. From the viewpoint of the society some forms of growth are malignant. We cannot imagine an educational philosophy in which all forms of growth were given equal value. Implicit, therefore, in Dewey's definition is the concept of education as desirable growth. But how do we determine what is desirable? Is what is desirable to be determined scientifically?

Dewey first observes that there is a distinction between desiring and desirable. That an individual desires something is a statement of fact. But the mere fact that something is desired does not constitute "desirableness." Thus far Veblen and Dewey are in general agreement.

How do we distinguish between desired and desirable? Dewey deals with this question in the following passage:

To declare something satisfactory or desirable is to assert that it meets specifiable conditions. It is, in effect, a judgment that the thing "will do."

It involves a prediction; it contemplates a future in which the thing will continue to serve; it will do. It asserts a consequence the thing will actively institute; it will do. That it is satisfying is the content of a proposition of fact; that it is satisfactory is a judgment, an estimate, an appraisal. It denotes an attitude to be taken.

. . .

Values (to sum up) may be connected inherently with liking, and yet not with every liking but only with those that judgment has approved, after examination of the relation upon which the object liked depends. A casual liking is one that happens without knowledge of how it occurs nor to what effect. The difference between it and one which is sought because of a judgment that it is worth having and is to be striven for, makes just the difference between enjoyments which are accidental and enjoyments that have value and hence a claim upon our attitude and conduct.⁷³

Dewey has made a distinction between impulsive action and reasoned conduct. In order for an action to be desirable it must be reasonable in the sense that the consequences of the action have been thought out. The action must "fit," so to speak, into the stream of experiences of the individual. If education is to further desirable growth, it must assist students in examining alternative plans of action. It must train students to think before they act. In taking this position Dewey has avoided the postulation of a hierarchy of values. Yet, it is difficult to see just how his position solves any problems in respect to values. Reasoned conduct is surely not equivalent to desirable conduct. Dewey, perhaps,

⁷³John Dewey, Intelligence in the Modern World, ed. Joseph Ratner (Random House: New York, 1939), pp. 784, 785, 786.

meant that reasonableness is a necessary condition of desirable conduct. This, however, leaves the problem of desirable conduct unresolved, for that which is reasonable will not necessarily be desirable.

Veblen was much more reluctant than Dewey in concluding that "desirableness" can be scientifically determined. As Morton White has shown, Veblen appears to have believed that certain areas of value are beyond the scope of an empirical science.⁷⁴ The question of "ought", for example, cannot be determined on purely scientific grounds. It is significant that Veblen never suggested that the leisure class ought to be abolished. Such a suggestion would have involved a comparison between the worth of the values held by the society and those held by members of the leisure class. Veblen pointed out that from the viewpoint of the society the leisure class was parasitic. From its own viewpoint, however, the leisure class values its activities. Therefore, Veblen refused to take an ethical position.⁷⁵

This chapter will be concluded with several short passages from the writings of John Dewey. These passages reflect the intellectual kinship of the two men. Curiously, neither Veblen nor Dewey makes any reference to the writings

⁷⁴White, op. cit., pp. 210-211.

⁷⁵As an individual, as distinct from a scientist, Veblen would have abolished the leisure class!

of the other, although they were unquestionably acquainted with each other's work. It will be noted that even the vocabulary is similar.

Anthropologically speaking, we are living in a money culture. Our materialism, our devotion to money making . . . are not things by themselves. They are the product of the fact that we live in a money culture; of the fact that our technique and technology are controlled by interest in private profit. There lies the serious and fundamental defect of our civilization. . . . The evasion of fundamental economic causes by critics . . . seems to me to be an indication of the prevalence of the old European tradition. . . . The development of the American type . . . is an expression of the fact that we have retained this tradition and the economic system of private gain on which it is based, while at the same time we have made an independent development of industry and technology that is nothing short of revolutionary. . . .

[The captains of industry and finance] exercise leadership surreptitiously and, as it were, absent-mindedly. They lead, but it is under cover of impersonal and socially undirected economic forces. Their reward is found not in what they do . . . but in a deflection of social consequences to private gain.

It is not too much to say that the whole significance of the older individualism has now shrunk to a pecuniary scale and measure. The virtues that are supposed to attend rugged individualism may be vocally proclaimed, but it takes no great insight to see that what is cherished is measured by its connection with those activities that make for success in business conducted for personal gain.

Every occupation leaves its impress on individual character and modifies the outlook on life of those who carry it on. No one questions this fact as respects wage-earners tied to the machine, or business men who devote themselves to pecuniary manipulations.

I want here to call attention rather to the fact that the present method of dealing with the problem is restriction of productive capacity. For scarcity of materials and surplus of those who

want to work is the ideal situation for profit on the part of those situated to take advantage of it. Restriction of production at the very time when expansion of production is most needed has long been the rule of industrialists.

The ultimate problem of production is the production of human beings. To this end the production of goods is intermediate and auxiliary. It is by this standard that the present system is condemned.

Back of the appropriation by the few of the material resources of society lies the appropriation by the few in behalf of their own ends of the cultural, the spiritual, resources that are the product not of the individuals who have taken possession but of the cooperative work of humanity.⁷⁶

⁷⁶John Dewey, op. cit., pp. 405, 408, 411, 412, 429, 430, 465, 466.

CHAPTER V

EDUCATIONAL IMPLICATIONS OF THE PHILOSOPHY OF THORSTEIN VEBLEN

The distinguished educator, Harold Rugg, has called Thorstein Veblen America's "first social psychologist and pioneer student of the economic system."¹ In a later passage he continues:

While John Dewey was documenting the social nature of the Self and the human act of knowing, his sociological colleagues were applying the action-psychology to the changing industrial society itself. Their leader was Thorstein Veblen--the fourth of the great seminal minds that stated the American philosophy and psychology of experience. Among a score of major students of our social institutions he stands first, comparable in the field of social analysis to Peirce and James and Dewey in the psychology of behaving and knowing. As Dewey led his group in the study of the psychology of the individual act of behaving and knowing, Veblen led students in applying the new action-psychology to the study of the behavior of human beings in societies.²

In spite of this acclaim Rugg's analysis of Veblen's contribution is surprisingly brief. Since Veblen is rarely assigned such an important role in the development of the American philosophy of experience, an extended analysis seems to be in order. Using Rugg's statement as a point of

¹Foundations for American Education, p. 75.

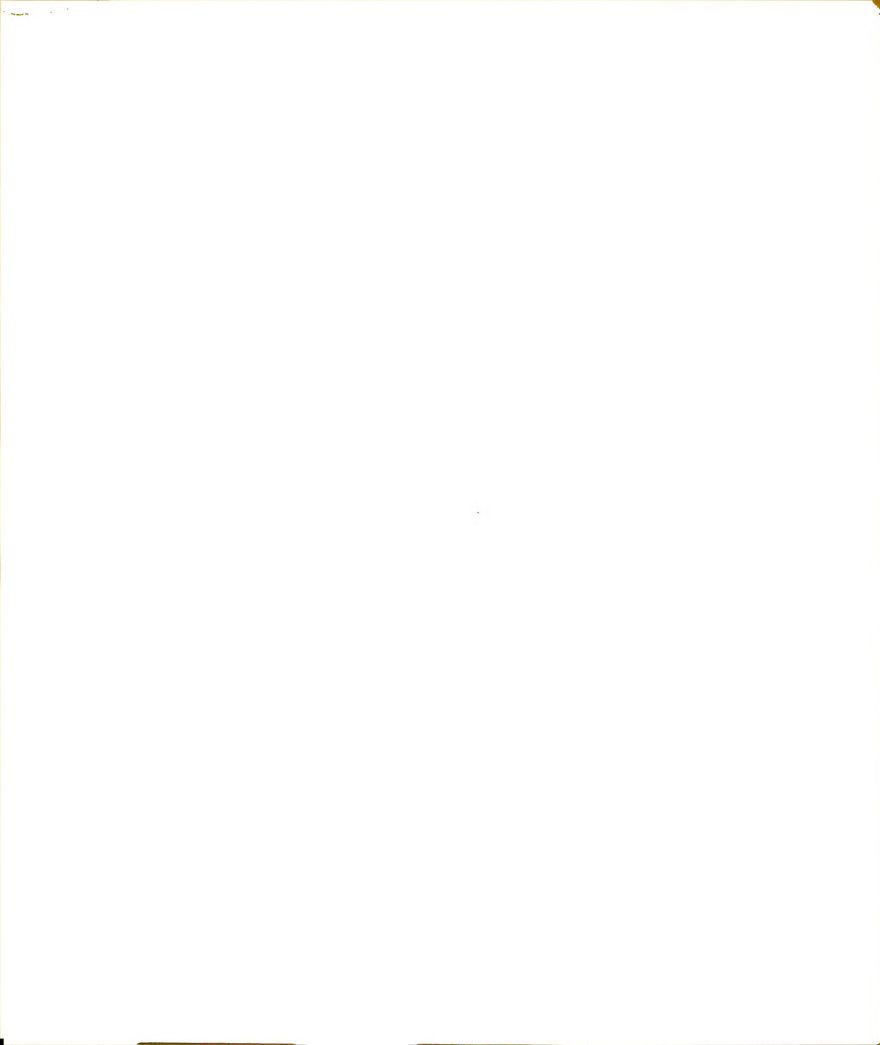
²loc. cit., pp. 264-265.

departure, some of the more important educational implications of Veblen's philosophy will be examined.

Since both The Theory of the Leisure Class and The Higher Learning in America contain important material on education, these two studies will be considered before turning to the more general implications of the social philosophy. The last chapter of the former study is specifically directed to college and university education. As one might surmise, the analysis is concerned with exhibiting the influence of the leisure class upon education. It is an application and extension of the more general thesis of this study.

The higher learning, it is argued, continues to bear the marks of its ancient origins. Initially, learning was closely associated with the "devotional" function. "In great part, the early learning consisted in the acquisition of knowledge and facility in the service of a supernatural agent. It was therefore closely analagous in character to the training required for the domestic service of a temporal master."³ The ancient learning was concerned with the ritual by which service is rendered to the "supernatural leisure class." Such learning bore little relationship to the industrial function of the community. It did not

³The Theory of the Leisure Class, p. 364.



contribute to the economic welfare of the society. Those who pursued this useless learning were generally men divorced from the industrial pursuits. In short it was a leisure class activity.

Learning, Veblen continues, has also been traditionally associated with sympathetic magic. The goal of learning was the evocation of the occult forces. The pursuit of knowledge has been the pursuit of the "unknowable." "By those whose habits of thought are not shaped by contact with modern industry, the knowledge of the unknowable is still felt to be the ultimate if not the only true knowledge."⁴ By virtue of his presumed mastery of the occult forces, the savant was able to impress and coerce the unlettered or uninitiated. This close relationship between learning and magic, between learning and religious sorcery, accounts for the continued prevalence of excessive ritual, ceremony, tradition, and pageantry in the higher learning.

Veblen's discussion of the origins of the higher learning is only a preliminary to his major theme. Stated briefly, he argues that the leisure class, under the canons of conspicuous consumption and conspicuous leisure, controls the content and aims of the higher learning. The leisure class has little regard for knowledge which is useful or

⁴Loc. cit., pp. 366-367.

serviceable to the community. It rejects educational innovations. It refuses to contribute to the development of new areas of knowledge. It sneers at such practical studies as technology and even relegates science to the "lower" schools.

Thus, there has arisen a division in knowledge between the theoretical and the practical, between the "higher" and the "lower." The best education is one concerned with the esoteric, theoretical, abstract, "cultural," non-industrial knowledge. The leisure class pursues the study of the ancient languages, the humanities, the fine arts, and other "cultural" studies. The leisure class gentleman does not acquire such knowledge for its own sake, although this may be his rationalization. Neither does he acquire culture for its serviceability to the welfare of the community.

What, then, is the function of a leisure class education? The first requirement is that it give evidence of a life of leisure. It must give evidence that the individual can afford to waste the means of life. Thus, a knowledge of form, manners, and ritual becomes extremely valuable. Likewise, the acquirement of recondite knowledge serves as a symbol of wasted effort and hence of good pecuniary standing in the community. Veblen illustrates his thesis with a reference to the conventional spelling of the English language.

A breach of the proprieties in spelling is extremely annoying and will discredit any writer in the eyes of all persons who are possessed of a developed sense of the true and the beautiful. English orthography satisfies all the requirements of the canons of reputability. . . . It is archaic, cumbrous, and ineffective; its acquisition consumes much time and effort; failure to acquire it is easy of detection. Therefore it is the first and readiest test of reputability in learning, and conformity to its ritual is indispensable to a blameless scholastic life.⁵

What kind of learning does Veblen advocate? We have seen that he rejects all learning which is motivated by a desire for good repute or pecuniary success. On the basis of The Theory of the Leisure Class he seems to endorse learning which is "serviceable" to the welfare of the community, especially its economic welfare. Here as elsewhere Veblen appeals to a community or societal standard in evaluating the higher learning. Education is not rightfully pursued for the sake of the learner but rather for the sake of the society. The society is interested, presumably, in such areas of study as will contribute directly to the furtherance of life. Thus, the society supports the study of engineering, science, mathematics, and the social studies. It rejects such areas of study as the humanities and the fine arts as cultivating waste rather than efficiency.⁶

⁵Loc. cit., p. 399.

⁶Veblen would protest that he is not making a value judgment concerning the curriculum of the higher learning. He is, instead, assessing the higher learning from the standpoint of the economic welfare of the community. There may be other and more substantial grounds for cultivating

Although Veblen has a marked bias in this essay against cultural studies, it appears, nevertheless, that he is primarily concerned with the motive rather than the content of learning. Any area of knowledge is legitimate if it contributes to the welfare of the community. This at least would seem to be the proper consequence of Veblen's position.

When The Higher Learning in America is examined, we find a marked change in emphasis from Veblen's earlier views. In the "Introduction" to this study he states:

Men instinctively seek knowledge, and value it. The fact of this proclivity is well summed up in saying that men are by native gift actuated with an idle curiosity,--"idle" in the sense that a knowledge of things is sought, apart from any ulterior use of the knowledge so gained.

For good or ill, civilized men have come to hold that this matter-of-fact knowledge of things is the only end in life that indubitably justifies itself. So that nothing more irretrievably shameful could overtake modern civilization than the miscarriage of this modern learning, which is the most valued spiritual asset of civilized mankind.⁷

"culture." Certain studies are called "wasteful" only in the sense that they do not contribute to economic well-being. As far as Veblen's personal beliefs are concerned, there is no problem, for it is evident that he did not have a high regard for culture. This, however, does not compromise the logical validity of his position. It is legitimate to examine education from the viewpoint of the economic interest. Certain studies can be called "wasteful" in respect to their economic bearing. This does not, of course, eliminate value judgments from Veblen's analysis since he makes society his frame of reference.

⁷The Higher Learning in America, pp. 4, 8.

Veblen states that the pursuit of knowledge for its own sake is the most cherished ideal of the race, although he makes no effort to substantiate this questionable assumption. The preservation of this ideal is in the keeping of the university. Veblen contrasts this ideal with knowledge which is useful in gaining individual success. He equates this latter knowledge with the "pragmatism of the market-place." In characteristic fashion Veblen chooses to employ the term "pragmatism" in a very special sense. In Veblenian terms the self-seeking business man is the prototype of the pragmatist.

The ideal university should, according to Veblen, promote pure research. It must not be contaminated by undergraduate students, professional schools, or any of the practical interests of the society. This is a curious reversal of the views expressed in The Theory of the Leisure Class. The ideal university, as it is conceived in this later study, would have no place for the engineer, the doctor, the lawyer, or the professional educator. It would have no college of commerce, agriculture, or journalism. In short it would have no direct contact with the world of affairs.

Veblen has made a sharp distinction between the theoretical and the practical, between pure and applied knowledge. Ostensibly, he does not intend to disparage practical or applied knowledge.

Doubtless the larger and more serious responsibility in the educational system belongs not to the university but to the lower and professional schools. Citizenship is a larger and more substantial category than scholarship; and the furtherance of civilized life is a larger and more serious interest than the pursuit of knowledge for its own sake.⁸

The university should pursue the idle curiosity, because this is the manifest function of the university. It is not its function to train lawyers or teachers. It is not its function, continues Veblen, to serve as a correction house for delinquent and untamed boys and girls. When the university attempts to assume a multiplicity of presumably divergent functions, the consequence is that no function is adequately served. In particular, the pursuit of knowledge for its own sake is suppressed.

If the generality of men regard the pursuit of the idle curiosity as the sole manifest function of the university, why is that function not fulfilled? The answer is that business controls education. This which is conducive to good business is not conducive to the search for truth. Business and education do not mix. The business man is a calculator of the "main chance." He operates in the spirit of "quietism, caution, compromise, collusion, and chicanery."⁹

⁸Loc. cit., p. 15. As a matter of fact, the tone of Veblen's discussion on practical education does suggest disparagement.

⁹Loc. cit., p. 51.



Whereas the pursuit of knowledge involves an analysis of impersonal cause and effect, business operates in terms of the personal equation. Business is interested in knowledge which is narrowly expedient for the learner, in knowledge which is profitable, in knowledge which is useful for the purposes of coercion and manipulation.

Veblen notes that the control which business exercises is focused in the governing boards of the universities. Although these boards delegate a major share of responsibility to the "Captains of Erudition," they maintain a significant control through the budget. The captain selects a group of advisors who are in "sympathy with his own ambitions."¹⁰ This cabinet or "junta" carries out faithfully the directives of the captain. Deans, department heads, etc., are selected by the "chief" and his personal staff. Every individual in the hierarchy must meet the test of obedience and orthodoxy. Every dean and department head must be able to sense the direction in which the captain is about to move. Those who possess this kind of insight are destined for rapid advancement within the "corporation of learning."

Where does the faulty belong in this bureaucracy of learning? They are the captain's employees who are "hired to render certain services and turn out certain, scheduled

¹⁰Loc. cit., p. 67.



vendible results."¹¹ The chief administrator must have the power to "appoint and dismiss, and to reward and punish" members of his staff. The successful faculty member will obediently publicize the institution through numerous publications and personal appearances. The administration, guided by the canons of business, is more interested in the quantity rather than the quality of production. A university is a factory operating in terms of inputs, outputs, and turnover. Learning is graded, classified, and evaluated in quantitative terms. The successful teacher is one who is willing and able to "administer" to large groups of students. What transpires in the classroom seldom meets the public eye. The teacher, therefore, who desires advancement must be a good administrator and advertiser. The supreme virtue is an ability to be all things to all people.

So long as our culture is dominated by pecuniary values, education will continue to reflect business principles. A university president or a superintendent of schools is to a large extent a victim of circumstances. He may undertake his duties as a chief administrator with a dedicated spirit but soon learns the limits within which honesty is the best policy. In order to survive he must learn the fine art of hypocrisy. The functions of business and education do not mix. This is the theme of The Higher

¹¹Ibid.



Learning in America.

In the businesslike view of the captains of erudition, taken from the standpoint of the counting-house, learning and university instruction are a species of skilled labour, to be hired at competitive wages and to turn out the largest merchantable output that can be obtained by shrewd bargaining with their employe's; whereas, of course . . . the pursuit of learning is a species of leisure. . . . Its aim is not the increase or the utilization of the material means of life; nor can its spirit can employment be bought with a price.¹²

It is the faculty, continues Veblen, which is ultimately responsible for fulfilling the function of the university. It is the faculty, therefore, which should have a voice concerning the policies and operation of the university. The chief function of the administrative bureaucracy is to "cater to the needs and idiosyncrasies" of the community of scholars. Indeed, most administrative work in the higher learning could well be eliminated. Education has little interest in spectacular "sideshowes", in impressive enrollment figures, in salesmanship and publicity, in student dissipation, in pious and hypocritical public utterances, in building personal empires, in ostentatious buildings and grounds, or in sensational educational innovations. Such matters, however, are of very grave concern to the administrative "junta." A university is in competition with other corporations of learning. The goal is to capture as much of the trade as possible without offering a better product than the market demands. Advertising, entertainment, and

¹²Loc. cit., p. 85.



publicity play an important role in achieving this objective.

The Locus of Educational Authority

Having presented a brief exposition of Veblen's writings on education, we shall now examine the educational significance of the more pervasive elements in his social philosophy. It is impossible to evaluate his specific writings on education apart from a consideration of his more inclusive social philosophy. In a very real sense Veblen's social philosophy raises the issues which are of crucial concern to the educational philosopher. In particular, the crucial issues concern the proper relationships between the individual, the society, and education.

In The Theory of the Leisure Class Veblen points out that an educational system derives its authority from the society which it serves. "To the end that suitable habits of thought on certain heads may be conserved in the incoming generation, a scholastic discipline is sanctioned by the common sense of the community and incorporated into the accredited scheme of life."¹³ This is an important, even though obvious, truism. In every society, fascist or democratic, the functions of the school are finally determined by the society which it serves. An educational system never exists by its own authority. The school is, in the final

¹³The Theory of the Leisure Class, p. 363.



analysis, not free to determine its own ultimate goals.

A public school exists at the pleasure of the society or of those groups which control or represent the society. This is obvious when formal and informal education are contrasted. Veblen recognized the broad scope of education. He implicitly agreed with Dewey that education is life in all of its manifestations. Men are educated by what they do. Men are educated by the institutions under which they work and play. The school is only one among many institutions which is engaged in the educative process.

The school, however, has a unique function in the educative process. It is commissioned to inculcate certain habits of thought and action which are considered valuable by those who control the educational enterprise. The society, in other words, is unwilling to leave the acquisition of certain skills and values to mere chance. Public education is a conscious process by which the young are prepared to engage in the activities of the society. This is the basic function of education in every culture. Although Veblen bitterly attacked the higher learning, he was well aware that educational authority rested outside the confines of the university. He proposed to abolish university administrations and governing boards but did not seriously believe that this was possible so long as educational authority rested in the hands of business. He attacked the curriculum of higher education but observed that the "dominant practical



interests of the day will . . . govern the detail lines of academic policy, the range of instruction offered, and the character of the personnel. . . ."¹⁴

This argument concerning the authority of the educational enterprise is summarized in the assertion that every society utilizes its educational system for the purpose of establishing and maintaining consensus. Without some kind of consensus a collective life is impossible. Even the ancient civilizations recognized this function of education. Aristotle, for example, writes:

Now nobody would dispute that the education of the young requires the special attention of the lawgiver. Indeed the neglect of this in states is injurious to their constitutions; for education ought to be adapted to the particular form of constitution, since the particular character belonging to each constitution both guards the constitution generally and originally establishes it--for instance the democratic spirit promotes democracy and the oligarchic spirit oligarchy. . . .¹⁵

Whereas the goals of individuals and, hence, of societies change, the fundamental objective of education is conservative. It exists to fulfill whatever objectives are sanctioned by the society. An educational system, in other words, indoctrinates certain skills, values, and habits of thought. The term "indoctrinates" is used with

¹⁴The Higher Learning in America, p. 45.

¹⁵Aristotle, Politics, quoted in Three Thousand Years of Educational Wisdom, ed. Robert Ulich (Harvard: Cambridge, 1947), p. 65.



some hesitancy since there is a tendency to associate indoctrination with all of the sinister connotations which the term can convey. In point of fact, however, all education by its very nature involves a considerable element of indoctrination. The important problem for education does not involve indoctrination per se, but rather it involves the purposes on behalf of which indoctrination is undertaken.

While a public school never exists by its own authority, it is equally true that the school need not derive its authority from society taken as a whole. Veblen objects not only to the values and beliefs which individuals hold but also to the fact that a segment of society controls the institutions of the culture. Business controls education and industry. Education, therefore, does not serve a truly public function. Business represents a segment of the public interest to the exclusion of other legitimate interests. This problem leads into the more general question of the proper relationship between the society and education.

The School and Society

The relationship which exists between the school and the society will depend upon the values and ideals of the culture in which the school functions. It will reflect the values of the culture in respect to the proper relationship of the individual to the state. Although the school derives its authority from without, this does not specify the proper

relationship of the school to either the individual or the society. To assert that the ultimate function of the school is to serve the culture is not to define what in fact constitutes a fulfillment of that function.

A brief examination of four of the many possible relationships which can exist between the school and the social order will assist us in understanding and evaluating Veblen's position. The first or totalitarian position makes education entirely subservient to the interests, values, and objectives of the society. The school mirrors the culture. It is not an agency which is instrumental in social change but an instrument which conserves and perpetuates a professed consensus in the society concerning aims, values, and ideals. Since this position usually assumes that the society is the substantial reality, there is a tendency to treat the ends, values, and objectives of the society as fixed and eternal. Thus, the educational program similarly emphasizes the static aspects of reality.

While this position is not necessarily contrary to the tenets of a democratic ideology, it is not an appropriate philosophy for a culture in the process of rapid change. Such a position necessarily emphasizes the static and fixed rather than the dynamic and changing. It assumes that the aims and objectives of "society" can adequately express the multitude of aims, values, and objectives which individuals in a democratic society do in fact seek. In

other words, this concept of society assumes more consensus than a dynamic culture can realistically have.

In practice, this position has found its readiest application in totalitarian societies. The totalitarian state utilizes the educational system to achieve objectives which are desired by those power groups in control of the political institutions of the culture. The state, it is argued, has aims, values, and objectives which do not necessarily depend upon the aims and objectives of the governed. The society is an organism with a life history of its own. It transcends and necessarily dominates the individuals under its sway. The individual exists for the fulfillment of the destiny of the state rather than the reverse.

It is evident that this position need not be associated with totalitarian societies, for in one sense education is always a function of society. The danger in making education wholly the function of society is that it tends to invest society with a great deal more reality than it does in fact possess. This is particularly true in a rapidly changing democratic culture.

A second position, as exemplified by the educational Reconstructionists, would make society the outcome of education. Society is in the process of becoming; it has no being. The school, therefore, cannot look to society for its aims and objectives. What is called society is nothing more than a coalition of special interests within the



culture. Some of these interests promote the values inherent in the democratic ideology, whereas other groups attempt to destroy these values. The most extreme wing of this position argues that teachers have the responsibility of determining the proper ends and values of a democratic culture. The people of the culture have commissioned educators to locate and establish those values which are intrinsic to democracy.

Flora A. Philley, a member of the Chicago Federation of Teachers, has given the most uncompromising version of this position. She writes:

The preservation of democracy is in the hands of the teachers of America. No heavier statement was ever penned. It is imperative that the teachers of America recognize the foes of democracy. It is imperative that they meet those foes with boldness and courage, making no compromises, preserving no masks, accepting no palliatives.¹⁶

The foes of democracy are business interests. They oppose federal aid to education, increased taxes; they control state assemblies.

Big business binds and gags our school superintendents, controls our universities through their boards of trustees, dictates our educational policies. Big business wants a populace educated to spend, not save, to flounder, not think, to endure, not protest. . . .¹⁷

¹⁶Flora A. Philley, Teacher Help Yourself (American Federation of Teachers: Chicago, 1948), p. 145.

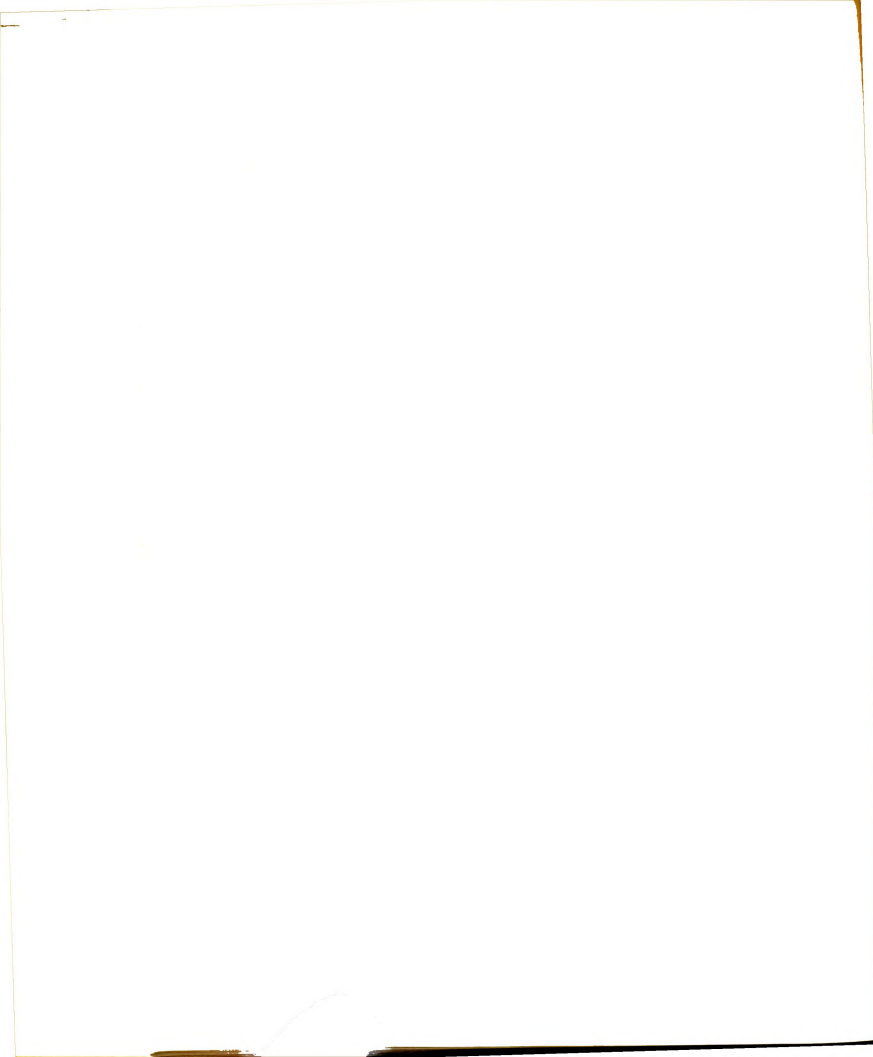
¹⁷Loc. cit., p. xviii.

Concludes Philley:

Ten years of teacher unionism has given me the courage to pen these lines. And so I say to the teachers of America, you have the preservation, yes, the restoration of democracy in your hands. Come out of your dingy, sequestered caves before it is too late. We can be the mightiest force the world has ever known.
 . . .¹⁸

In this extreme form this position is totally unacceptable in a democratic society. It makes the school a vested interest in the same category as the vested interests of labor, business, and religion. It assumes that the school has an autonomy which it neither has nor ought to have in this or any other society. The school is not free to establish the ends of education. Teachers do not have the legal or moral right to determine what ends the people of a democratic society ought to seek, yet this is the logical consequence of Philley's thesis. It is true, of course, that the school must appeal to the intrinsic values of the democratic ideology when it operates in areas where there is conflict rather than consensus. Nevertheless, it is the citizen who holds the veto power. The governed ultimately determine which interests in the society are to be considered democratic. It is not the function of the school to determine arbitrarily that the interests of business conflict with democratic philosophy and should, therefore, be repudiated in the school. Business interests are in fact a part of this culture and must be represented in the

¹⁸Loc. cit., p. 156.



school so long as these interests are not repudiated by the generality of men.

A third position denies that a democratic society can or ought to have objectives. Individuals have desires, values, aims, and objectives, but society has none. Society does not establish schools in order to achieve societal goals, as this statement is normally understood. Schools are established by the collective action of citizens in order to provide equal opportunity for the young. The goal of education is to cater to the needs, interests, values, and aspirations of individuals. Education is a process by which individual potential is released and nurtured. The objective of education is to prepare individuals for the competitive struggle by which the public interest is realized. The fruits of education are not public but private. It is the individual, through competition with other individuals, who is responsible for the achievement of a social good.

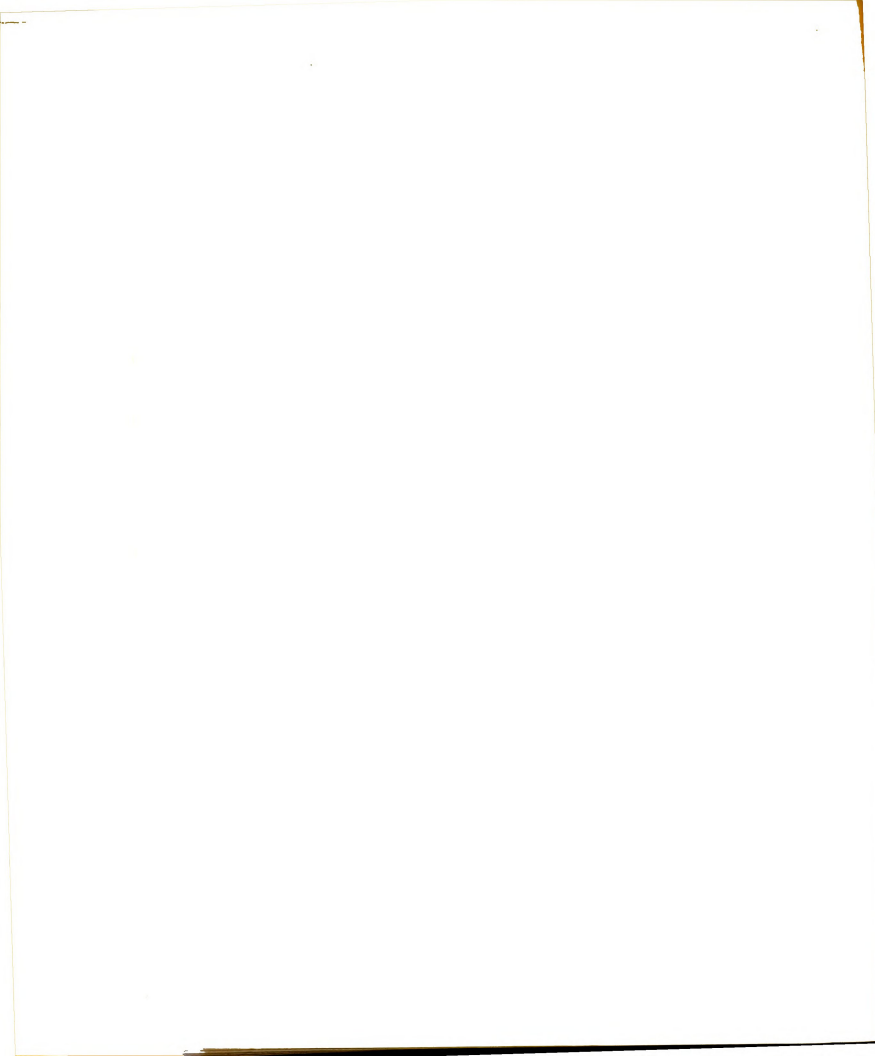
This is the laissez-faire approach to education. The educational program takes on the character of a cafeteria where individuals select whatever intellectual food suits their own purposes. Since the society has no objective, the school can have no social objective.

The weakness of this position is that it neglects the social nature of man. The individual is molded from without as well as from within. Furthermore, a society has a measure of reality of which the school must take cognizance.

A society is not adequately understood apart from an understanding of the multitude of human relationships which define it. Education, therefore, must be concerned both with the individual as a unique personality and with the individual as a social being.

What should be the proper relationship between the school and the society? The position which seems most adequate for a democratic society involves elements of the three previous positions. It is assumed that the school and the society both exist for the welfare of the individual. Individuals, moreover, determine what constitutes their welfare. All conceptions of society as a kind of mystical organism are rejected. The society has no objectives which conflict with the objectives of the generality of men.

It is assumed that the individual, the school, and the society are in constant interaction. The individual is not to be understood or adequately educated apart from his social relationships. Society, likewise, is not to be understood apart from the aims and aspirations of individuals. The school and the society have a reciprocal impact on one another. In one sense, education is a function of society in that both its authority and its objectives are established by the collective action of men. On the other hand, society is a function of education. In education rests the hope of the future. Education is a developmental project which should always attempt to transcend the present limitations



of the culture. For this reason, education never merely reflects a culture.

Where does Veblen's philosophy belong in this classification? It is evident that he would repudiate the laissez-faire position. He rejects its values, its psychology, its view of human nature, its theory of motivation, and its feasibility under the circumstances of modern industrial life. The details of this criticism need not be reviewed here. Veblen's attack on education, however, can be viewed as an attack on the laissez-faire philosophy. In practice this philosophy often resulted in the survival of the fittest. It often became a philosophy of might makes right. As Veblen suggests, it often resulted in the control of education by various special interest groups. Veblen was especially concerned with the control of education by business. While this control represented a corruption of the ideals of the laissez-faire philosophy, it represented to Veblen the usual outcome, especially under the circumstances of modern life.

Education, according to Veblen, has not been a function of the whole society but only of a segment of the society. Thus, he criticizes colleges of commerce which, in his view, serve the interests of business rather than the interests of the community.

A college of commerce is designed to serve an emulative purpose only--individual gain regardless of, or at the cost of, the community at large--and it is,



therefore, peculiarly incompatible with the collective cultural purpose of the university. It belongs in the corporation of learning no more than a department of athletics. Both alike give training that is of no use to the community,--except, perhaps, as a sentimental excitement.¹⁹

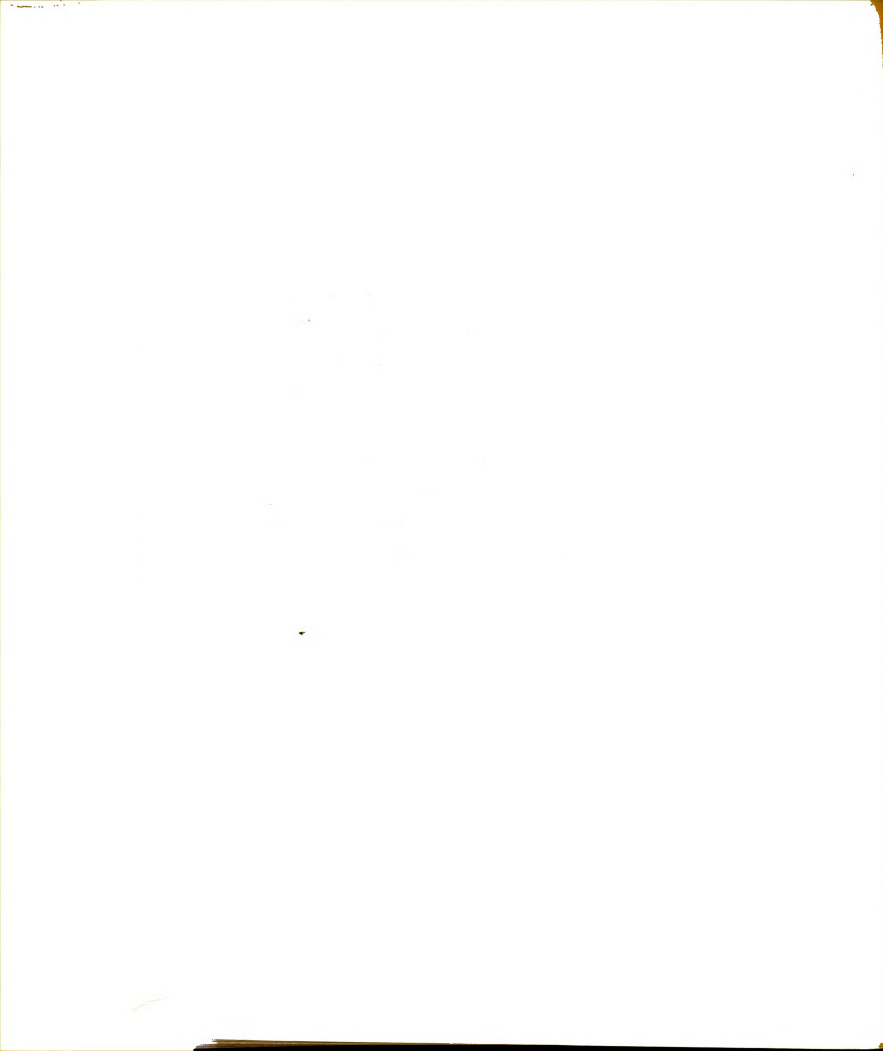
In this passage Veblen not only reveals his animosity toward business but also his characteristic frame of reference for evaluating the institutions of the culture. A college of commerce is repudiated, because it presumably does not serve the interests of the "community at large." Leisure class activities and institutions are parasitic, because they do not serve "society as a whole."

Leisure class activities are wasteful as seen from the viewpoint of the society. What does Veblen mean? He obviously does not mean that the members of the leisure class view their activities as parasitic or wasteful. Neither does he mean that the majority of men in the culture consider these activities wasteful. Witness the following statement he makes concerning the influence of business upon education:

The fact remains, the modern civilized community is reluctant to trust its serious interests to others than men of pecuniary substance, who have proved their fitness for the direction of academic affairs by acquiring . . . considerable wealth. . . . Business success is by common consent . . . taken to be conclusive evidence of wisdom even in matters that have no relation to business affairs.²⁰

¹⁹The Higher Learning in America, p. 154.

²⁰Loc. cit., p. 50.



The generality of men do look to business for guidance. The majority of men do in fact support activities which are wasteful from the "viewpoint of the society." The determination of waste, therefore, is not to be determined by the generality of men.

Since Veblen professes to make a scientific, impartial, objective, impersonal study of the culture, he cannot define waste in terms of his own preferences and biases. How, then, is waste to be defined? How does "society" determine a parasitic or wasteful activity or institution? In attempting to resolve this question, Veblen utilizes a distinction between latent and manifest functions. Every institution is to be evaluated in terms of the function it serves. If an institution fulfills its rational or manifest function, it thereby serves the welfare of the society. The manifest function of industry is to produce goods and services as efficiently as possible. The fulfillment of this function contributes to the organic unity and sustenance of the society. Any other function which industry serves is parasitic and wasteful from the standpoint of the society. Similarly, the manifest function of the university is to preserve and extend human knowledge. Any other activity in which the university engages is wasteful.

Although Veblen's distinction between a latent and a manifest function is a brilliant insight and a valuable tool of analysis, it does not resolve the question posed.

How does one determine the manifest function of an institution? How does the educator determine the proper function of the public school? Ostensibly, the rational function of an institution is determined through an analysis of the ends of life in relationship to the circumstances of life. An institution such as the school fulfills its proper function when it expedites man's adjustment to the exigencies of the environment, both physical and social. But how does one determine the proper ends of life?

This is the decisive question for the educator. It is also the vital question for Veblen's philosophy, for his entire analysis revolves around it. Clearly, the ends of life cannot be determined in the Veblenian analysis by the will of the people. The salient point of Veblen's argument is that the behavior of the generality of men is governed by institutions which are not fulfilling their manifest functions. The influence of business in modern life is not sustained by force but by consent. Leisure class activities are not scorned but are praised. Wasteful activities are endorsed by the population at large. Thus, the proper ends of life cannot, in the Veblenian analysis, be decided by a popular referendum.

We can now see the fundamental inadequacy of Veblen's social philosophy. It gives us little insight into either the content or the determination of the ends of life. Veblen was aware of the necessity for a determination of ends,

for he attempts to derive them from a study of human nature. The instincts of man set the ends of life. The educator or the social planner must analyze human nature if he hopes to evaluate the institutions of the culture. Veblen's theory of human nature does not, however, establish an adequate ground for a determination of ends. In general, his view of human nature emphasizes the plasticity of man. It emphasizes man's ability to seek purposes and to adapt to a wide range of environmental circumstances. While the instincts set certain limits to human action, man enjoys a great measure of freedom within these limits. Moreover, Veblen's theory of instincts contains important normative elements. The educator must be concerned with only those aspects of human nature which are "generically human." The educator must develop the "constructive" side of human nature. Finally, the ends which Veblen derives from his study of human nature are totally inadequate. He suggests at times that survival is the ultimate end of life. This does not do justice to man's nature, for there is no evidence that men have ever been ultimately concerned with sheer physical survival.

We can now return to the original question concerning the proper relationship of the school and the society. The logical consequence of Veblen's position is to make education a function of society. Only the society can determine the proper ends of life and, thus, the manifest function of education. But note that Veblen's philosophy must necessarily



invest society with the substantial reality of the life process. Society has aims, values, and objectives which transcend and conflict with the values and objectives of individuals. The society, in other words, is an organism with a destiny of its own. In short, society is autonomous. While this is the logical consequence of Veblen's philosophy, he did not in fact develop such a conception. As one who hated restraint, he could not accept this Fascist solution to his dilemma. Society remains an undefined term in the Veblenian philosophy. He seems to use this concept as a screen for his own value assumptions. Of course, Fascists must also use the concept for similar purposes. Society is a concept invested with those particular values which those in control of the state desire to seek.

Veblen's philosophy has been examined in respect to two possible relationships between the school and the society. Whereas he rejects the laissez-faire approach, he appears to endorse the position that education is a function of society. This would not preclude the possibility, however, that society is also a function of education. Veblen's emphasis upon change and evolution would seem to support this position. Although his concept of the idle curiosity would seem to support this latter position, the general implication of his social philosophy rejects it. His lack of faith in human intelligence prevented him from viewing education as a developmental process.



Thorstein Veblen is among those social philosophers who discount the educative influence of the school. A contemporary exponent of this position is Reinhold Niebuhr who writes in Moral Man and Immoral Society:

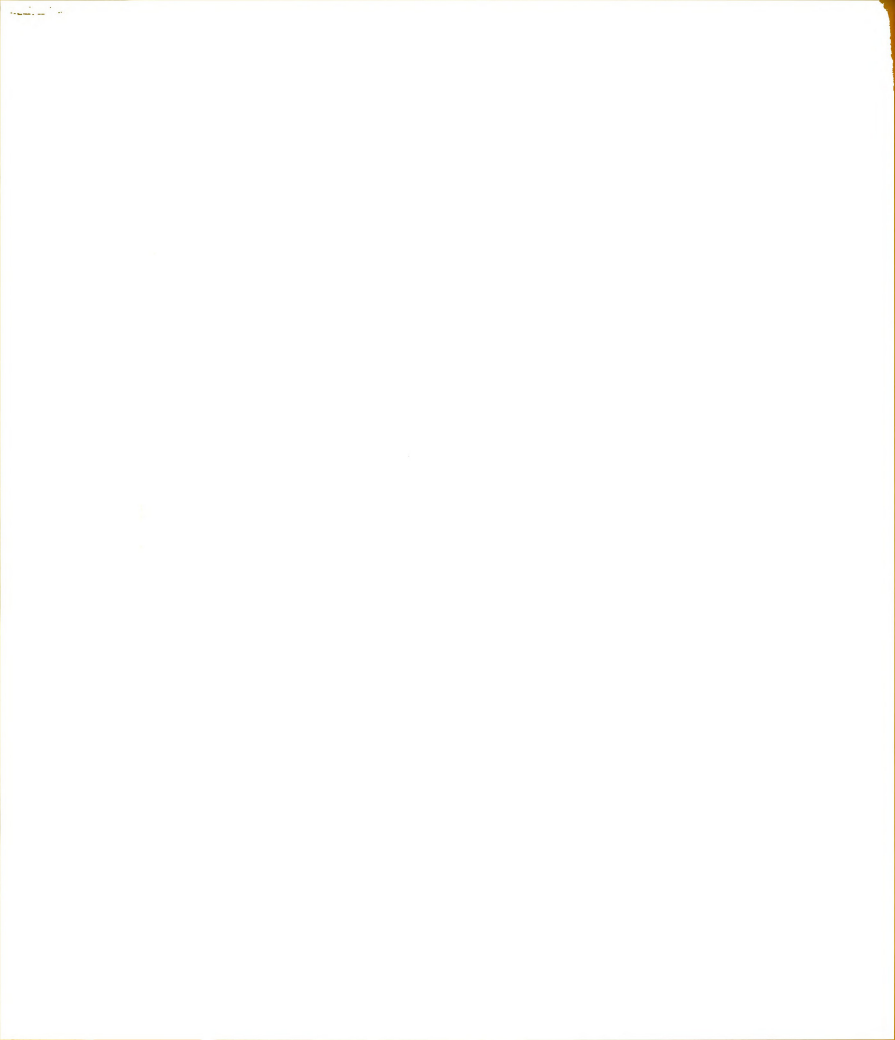
Since reason is always, to some degree, the servant of interest in a social situation, social injustice cannot be resolved by moral and rational suasion alone, as the educator and social scientist usually believes. Conflict is inevitable, and in this conflict power must be challenged by power. That fact is not recognized by most of the educators. . . .

Modern educators are, like rationalists of all the ages, too enamored of the function of reason in life. The world of history, particularly in man's collective behavior, will never be conquered by reason, unless reason uses tools, and is itself driven by forces which are not rational.²¹

Dr. Niebuhr's statement stands unqualified as a concise summary of the Veblenian position. For this reason, Veblen has little faith in the possibility that the good or efficient society can be the outcome of education. Cultural change cannot be expedited through the school. The proper functions of institutions cannot be realized through the educational program. The school, in other words, is not an effective agency or instrument of reform.

Men according to Veblen, are by nature conservative. They act by impulse and custom but rarely by reflection. Men do not readily change their habits of thought unless a change is forced upon them by the circumstances of life.

²¹Reinhold Niebuhr, Moral Man and Immoral Society: A Study in Ethics and Politics (Scribner's: New York, 1936) pp. xiv-xvi.



To make society the outcome of education is to place a great measure of faith in the rationality of men. Society is not fixed, but it is in the process of becoming. What society will, in fact, become is dependent upon the collective action of the rational men who compose the society. Veblen rejects this approach, because there is no reason to believe that the proper ends of life would be fulfilled. Since men are currently enslaved by irrational institutions, it is naive to suppose that significant change can be instigated through a direct appeal to human intelligence. Reason is, indeed, a slave of the social situation in which it is expressed.²² Religion is among those institutions which Veblen would reform. Religion, according to Veblen, promotes irrationality and thus prevents man from adjusting to the circumstances of life. Yet, the mass of men cannot reform religion, because their habits of thought are controlled by it.

What is the consequence of this view for education?

In the first place, it severely restricts the scope and function of the educative process. The school is not the

²²Thus, in respect to religion Veblen asserts: "The propaganda of the Faith is quite the largest, oldest, most magnificent, most unabashed, and most lucrative enterprise in sales-publicity in all Christendom. . . . None other have achieved that pitch of unabated assurance which has enabled the publicity-agents of the Faith to debar human reason from scrutinising their pronouncements." Absentee Ownership and Business Enterprise in Recent Times: The Case of America (Viking: New York, 1923), pp. 319-320.



primary instrument for social amelioration. Reform must be instigated in those institutions which directly control human behavior. The school program must complement institutional reform by providing information, teaching certain skills, and inculcating appropriate habits of thought. The important point is that the school would not appeal directly to human intelligence but would work by indirection. The minds of students would be manipulated through a systematic control of the school environment. The objective would be to instill certain responses to given stimuli. All education, of course, involves the inculcation of certain habits of thought. A democratic education, however, inculcates the habit of rational, critical, or reflective thought. This is precisely the habit of thought which Veblen de-emphasizes.

Veblen's position in respect to the relationship between the school and the society is incompatible with the ideals and values of a democratic culture. This, perhaps, must always be the consequence of any social philosophy which assumes that the generality of mankind are incapable of self-government.

Education and the Individual

In the senses in which individualism and socialism have gained currency, both are mythological distortions of the underlying facts of community life: the processes of individuation and socialization. In actuality, these terms are alternatives only in the sense that north and south are alternatives. They indicate directions of motion, without giving



any descriptive reference to the goal to be reached. No human society is conceivable in which, to some degree, both tendencies did not play an active part.²³

Similarly, the question of the proper relationship between the school and society cannot be divorced from the question of the proper relationship between the individual and the school. Both of these questions in turn rest upon the more fundamental question concerning the proper relationship between the individual and the society.

In summarizing the four major philosophies of American education, Professor Brubacher concludes that "respect for personality is the democratic theory of education."²⁴ A democratic education is, in the final analysis, concerned with individuals and their values, goals, and aspirations. The individual personality is the focal point toward which the educative process is directed. An individual, however, is not an isolated datum. In the words of John Donne:

No man is an Iland, intire of itselfe; every man
is a peece of the Continent, a part of the maine;
if a Clod bee washed away by the Sea, Europe is
the lesse, as well as if a Promontorie were. as
well as if a Mannor of thy friends or of thine owne

²³Lewis Mumford, The Human Prospect, eds. Harry T. Moore and Karl W. Deutsch (Beacon: Boston, 1955), p. 284.

²⁴John S. Brubacher, "Comparative Philosophy of Education," Philosophies of Education, Forty-first Yearbook of the National Society for the Study of Education. Part I, The Forty-first Yearbook of the National Society for the Study of Education (Public School Publishing: Bloomington, Ill., 1942), p. 316.



were; any man's death diminishes me, because I am involved in Mankind; And therefore never send to know for whom the bell tolls; It tolls for thee.²⁵

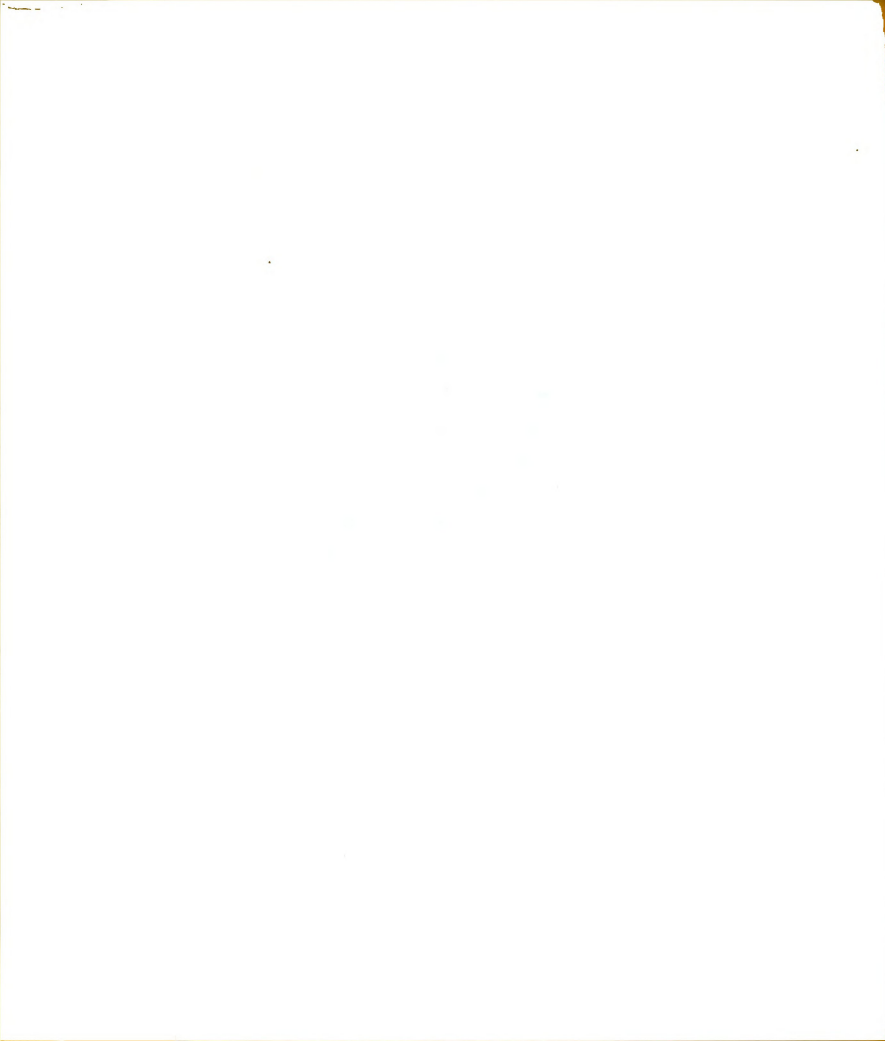
An individual achieves many of his objectives through collective action. His personality and values are in part derived through his interaction with other individuals. The school, therefore, must view personality and individuality as in part the outcomes of a socialization process. Nevertheless, the claims of individuals must take precedence over the claims of the state or society.

Democracy can be viewed both as a political system and a way of life. These standpoints are not necessarily mutually exclusive. As a political system, democracy is a process wherein a majority of the electorate determine who is to rule and, broadly, to what ends.²⁶ While it is not assumed that public opinion is always right, it is assumed that the majority are more likely in the long run to be right. As a way of life, democracy is a system in which every individual has both the right and the responsibility to participate in the formulation of the values under which individuals must live.²⁷ Individuals, taken collectively,

²⁵John Donne, "Devotions," The Complete Poetry and Selected Prose of John Donne and the Complete Poetry of William Blake (Modern Library: New York, 1941), p. 332.

²⁶R. M. MacIver, The Web of Government (Macmillan: New York, 1947), pp. 198-199.

²⁷John Dewey, Intelligence in the Modern World, p. 400.



establish the rules and regulations by which they agree to conduct themselves. These rules reflect the values held by the citizens of the culture. Both of these conceptions place a large measure of faith in the capabilities of the average man. It is assumed that the generality of men will make such decisions as will enhance both their own welfare and the welfare of the larger community. It is assumed that the average man is capable of a self-discipline which will permit him to manage his own affairs and guide his own destiny.

What is Veblen's view of the proper relationship between the individual and the school, between the individual and the society? As we have seen, he appears to make the community the primary datum. He would deny, however, that he is unconcerned with the individual. His entire social philosophy, he would argue, is directed toward the fuller realization of man's nature. The society exists for the welfare of the individual.

Granted that Veblen is a humanist, his philosophy, nevertheless, represents a narrow and seemingly truncated form of humanism. It is not the kind of humanism which is associated with a democratic society. Veblen is concerned with the welfare of man. He desires to release the potentiality of human nature so that the child can blossom forth into full manhood. This objective can be achieved only through a reform of institutions. An institution should serve man

by expediting the adjustment of human nature to the circumstances of life. Many institutions, however, thwart and hinder man's growth and development. Men become enslaved to institutions which were initially designed to serve them.

Although Veblen is concerned with man, he has no respect for the individual as such. The Veblenian individual is completely socialized. He has no independent being. He is an abstraction from the reality of the society. Thus, when Veblen writes of the individual, he is in fact writing of the community since in his terms the community and the individual are but correlative ways of looking at society.

Veblen's position rests upon the assumption that within the limits prescribed by human nature, man's personality, individuality, and selfhood are social phenomena. Man has no being apart from his social interactions. This standpoint was a needed reaction against the atomistic conception of man. Man is not an isolated, self-sufficient individual whose behavior is unconditioned by his social environment. Like so many reactions, however, Veblen's conception of a social individual overstates the case. Selfhood does originate in a social context, but this does not necessarily imply that selfhood cannot transcend its social nature. The community is a necessary condition for selfhood but does not thereby define the nature of selfhood.

The school in a democratic society is necessarily concerned with the social nature of man. It also assumes, however, that an individual is something more than a summation of its social interactions. The individual is assumed to have a measure of being which cannot be adequately defined in terms of social intercourse. The emphasis which democracy places upon individuality, rationality, and personality reflects a faith that the individual can in some degree transcend the limitations of his social and natural environment. The school has both an obligation to the individual as a social phenomenon and to the individual as an independent center of conscious experience. It is this latter function of education which Veblen's philosophy neglects. Veblen appears to have believed that the average individual can never transcend his environment. Selfhood not only arises in a social context but remains a slave to it.

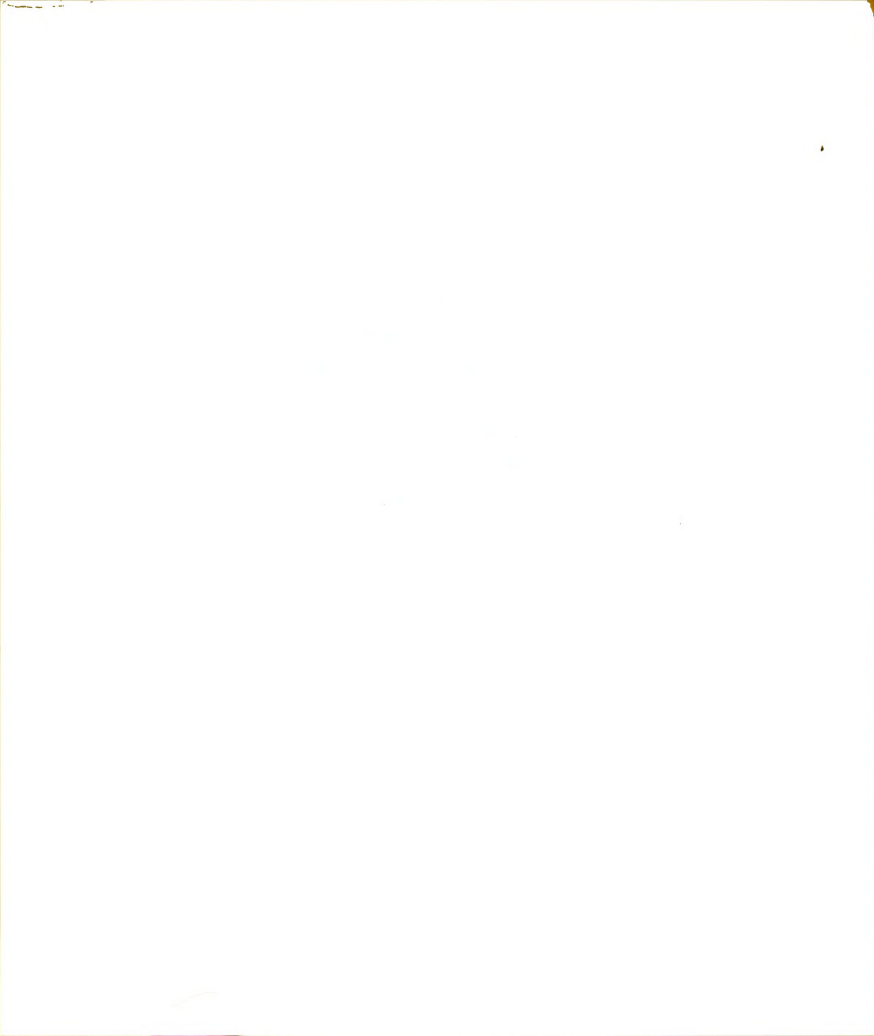
What is the proper balance between the claims of the individual and the claims of the society? This is the standing problem of education in a democratic culture. Veblen provides us with a good deal of insight into man as a social phenomenon but tells us little about man as a unique personality. American education has increasingly emphasized the social nature of man. In this respect it has tended to follow Veblen's lead. We profess, however, to be concerned also with the individual as a unique personality. It is this claim that needs to be examined.



The current emphasis upon individual differences, needs, interests, and so forth indicates that American education has a conception of the individual which is largely foreign to Veblen. Unlike Veblen, we do assume that the majority of individuals are capable of self-government. We do assume that every individual is to be treated as an end. We assume, therefore, that the basic function of education is to develop fully the potentiality of each individual. Since the Veblenian individual is an abstraction, he has no theory of individual uniqueness.

In one respect, however, American education may be in danger of committing the same error of which Veblen was guilty. Our current conception of the individual seems to have two sources. On the one hand, child growth and development studies have indicated the importance of heredity in the constitution of individuality. On the other hand, we have increasingly emphasized selfhood as a social phenomenon. Thus, individuality, selfhood, and personality are seen as products of heredity and social interaction. The danger lies in confusing the conditions of selfhood with selfhood itself.

An individual appears to have some measure of independent being arising out of a synthesis of his heredity and environment. This is the miracle of life. The whole man is never fully comprehended until he is viewed as a center of conscious experience. An individual is capable of an



intellectual freedom which transcends the limitations of his environment. He is capable of reflecting upon his own existence. He is capable of synthesizing the entire universe to his own life process.

This view of selfhood or personality or individuality has an important bearing upon the educative process. It suggests that we ought to be much more concerned with the problems of individual existence. It is the individual who ultimately faces the problem of death. This problem concerns man's relationship to the universe and to himself rather than his relationship to society. It is the individual who must make his peace with the universe. It is the individual who creates or discovers value. It is the individual who must make the final decision when faced with alternative plans of life. It is the individual, in short, who must ultimately discover whatever meaning and value life does or can possess. Such matters as these cannot be restricted to a religious education, for they lie at the very center of any adequate educational program. Society has a legitimate concern and interest in such matters, for ultimately this kind of education will have a profound effect upon the quality of social life.

This view of education does not in any sense diminish the importance of the school's relationship to the society. On the contrary, education continues to lag behind the realities of our collective existence. What it does suggest

is that a philosophy of education must be based upon some view of the nature of man. What does it mean to be a person? What does it mean to have being? What is the nature of value? How does the individual determine, in the final analysis, what he ought to do? These are the kinds of questions which Veblen avoids but which must concern the educator, for these are the questions which ultimately concern the individual.

Democracy, it would seem, must assume that individuals as such are capable of guiding their own destinies. This is the sacred right of the individual. Individual liberties are restricted but only so that the freedom of others can be increased. Society justifies its existence through this activity. The final objective is to maximize the total amount of freedom for individuals. In placing its faith in the individual, democracy assumes that the individual will not only behave rationally, in a narrow sense of that word, but will manifest self-discipline and wisdom. It is assumed that the individual will relate himself effectively to all aspects of his environment. He will be the master rather than the slave of his emotions. He will commit nothing in excess. Although he be a specialist, he will not be a slave to his specialty. He will forever aspire to synthesize as well to analyze. In short, he will attempt to be a perfect individual in harmony with all facets of existence.



What is the value of Veblen in respect to the proper relationship between the individual, the school, and the society? In the first place, Veblen is not entirely unsympathetic to the views which have been expressed. He is not fundamentally a Fascist in his basic outlook on life, although his philosophy frequently points in that direction. Veblen had a great compassion for the common man. He believed, however, that much of the faith which democracy places in the educative process is unjustified by the current circumstances of life. It is this realism in Veblen which is valuable for the educator. It tempers the excessive sentimentalism which educators sometimes manifest concerning the power of education.

Although Veblen seldom discussed the democratic ideology, his social philosophy implies that democracy is caught in a great dilemma. On the one hand, democracy views itself as an ideal to be achieved. Democracy is in a process of becoming. Veblen's analysis of institutions substantiates this point. Many of our institutions enslave man. These institutions contradict the democratic ideology. On the other hand, democracy views itself as an accomplished fact. Thus, it is assumed that education should appeal directly to the individual's presumed rationality. Our great faith in the intelligence of the average man reflects our belief in democracy as an accomplished ideal. Veblen argues implicitly that these points of view are inconsistent and



incompatible.

Veblen agrees that man is potentially capable of rational behavior. Under the present circumstances of life, however, man is incapable of developing this potentiality. Man's behavior is controlled by institutions which promote irrationality. It is futile, therefore, for the school to appeal directly to the intelligence of man without at the same time creating the conditions for rationality within the culture. A democratic society can be achieved only through a reconstruction of undemocratic institutions. It is only in this way that the potential rationality of men can be realized. But the institutions of the culture cannot be reformed within the democratic process itself. The majority of men do not view themselves as enslaved by their institutions. They regard their institutions as good and worthy. They therefore have no desire to reform their institutions. Veblen argues that this is necessarily the case since men's minds are in fact controlled by the very institutions in need of reform. This is the dilemma of the democratic ideology.

Few educators are as pessimistic as Veblen. This should not prevent us, however, from giving serious thought to Veblen's position. We have not yet proved him wrong. Democracy is still a relatively recent development in the history of civilization. In many cultures democracy has failed for reasons not unlike those suggested by Veblen. It

is sometimes said that these nations were not yet ready for democracy. Veblen should not be represented as repudiating democracy. Instead, he wants us to distinguish our faith in democracy from the actual reality. Faith, he implies, has never saved a culture from destruction. Democracy requires not only faith but a conscious and deliberate reconstruction of archaic institutions. A culture must always distinguish what it would like to find in its institutions from what in reality exists in those institutions. This is the value of Veblenism.

The Idle Curiosity

Although this concept has an important bearing upon the preceding discussion, its examination has been intentionally postponed. In some respects it represents an extraneous element in Veblen's philosophy, although it is one of the most interesting and challenging elements of his educational theory. To some extent, this discussion will qualify our analysis of Veblen's views concerning the proper relationship between the individual, the society, and the school.

Idle curiosity prompts the individual to seek knowledge. Whatever creativity emerges in the culture can be traced to this instinct. Mythology as well as science ultimately rests upon man's instinctive quest for the truth. Although men seek knowledge for its own sake, such



knowledge will be turned to account by society. Since men work under the prevailing canons of truth and reality, their idle speculations will have useful applications.

The habits of thought induced by workday life impose themselves as ruling principles that govern the quest of knowledge; it will therefore be the habits of thought enforced by the current technological scheme that will have most . . . to say in the current systemization of facts. The working logic of the current state of the industrial arts will necessarily insinuate itself as the logical scheme which must, of course, effectually govern the interpretation and generalizations of fact in all their commonplace relations.²⁸

The instinct of the idle curiosity creates the intellectual capital of the culture. This intellectual capital is as essential to cultural growth and development as economic capital is to economic development. The idle curiosity is not directed to the fulfillment of particular objectives. Its relationship to the practical concerns of the culture is similar to the relationship which basic industrial development has to the production of particular goods and services.

In developing this concept of the idle curiosity Veblen is in fact conceding that some men at least can transcend the limitations of their environment. Some men are capable of rational thought. Furthermore, he implicitly concedes that society is and ought to be a function of education in some degree. Unfortunately, Veblen believes that

²⁸The Higher Learning in America, p. 4.



only a small percentage of men can pursue their idle curiosities. The circumstances of life prevent the mass of men from realizing this potentiality of human nature.

The university has the unique function of nurturing the idle curiosity. It is in the interest of the society that this instinct is cultivated. Without a continually fresh supply of intellectual capital a society would soon become static and inert. Although Veblen admired the engineer, he recognized that even the engineer is dependent upon new ideas. It is the manifest function of the university to provide these new ideas. Veblen argues that this objective can be achieved only if the university is divorced from the practical concerns of the culture. For this reason the Veblenian university would have no undergraduate or professional students. It would have no engineers, journalists, or educators.

Veblen has given a magnificent defense of intellectual freedom. Moreover, he has convincingly argued the necessity and value of intellectual detachment. Professional education needs more men who would be willing to detach themselves from the immediate and pressing problems of the profession. Veblen, nevertheless, has grossly overstated his case. He has made an unrealistically sharp division between pure and applied knowledge. This rigid distinction between the theoretical and the practical rests in part upon the questionable assumption that the pursuit of knowledge



for its own sake is natural to man and hence of a different order than practical knowledge. C. I. Lewis's comment upon this point is worth quoting at length. He observes that

interest in truth for its own sake--the pure and undistracted purpose to know--is not the characteristic final purpose of knowing. Knowledge for its own sake, and the contemplative life, represent an esthetic or near-esthetic ideal rather than one normally attributable to cognition. It is merely a professional fallacy of the scholar to impute his own peculiar interest in finding out the truth to human cognizing in general. . . . He who is disinterestedly interested in finding out and knowing; who subordinates the desires and interests of action to discovery of the truth, and to contemplation of it; likewise divests knowledge of its natural and pragmatic significance. By the same token, the ideal of the contemplative life is mildly abnormal, however valid and indubitable the values to which it is addressed. The ivory tower is characteristically the refuge of the practically defeated and of those who become disillusioned of the utilities of action.²⁹

Veblen has assumed that the difference between theoretical and practical knowledge is a difference in kind rather than degree.³⁰ It is for this reason that the practical studies are to be excluded from the university. Many professional educators accept Veblen's assumption but draw the opposite conclusion; namely, that the theoretical should be suppressed on behalf of the practical. Neither position is satisfactory. Although there is a legitimate distinction between pure and applied knowledge, it would seem to be a

²⁹Clarence Irving Lewis, An Analysis of Knowledge and Valuation (Open Court: LaSalle, Ill., 1945), p. 442.

³⁰The Higher Learning in America, p. 14.



difference in degree. Knowledge sought for the sake of further knowledge is clearly theoretical, but this does not imply that such knowledge is inherently different from practical knowledge. It only indicates that such knowledge has an application more general than the problem which instigated its pursuit.

It could still be maintained that a sensible division of labor requires that the university be concerned exclusively with the more theoretical knowledge. This is indeed one of the arguments by which Veblen defends his position. While this position has merit, it also has a basic and fundamental weakness. Rarely is knowledge either wholly practical or theoretical. Furthermore, the theoretical and the practical are in constant interaction, each contributing to the development of the other. No adequate education is exclusively concerned with either. Although John Dewey was not a devotee of idle speculation, he nevertheless writes:

Man must at least have enough interest in thinking for the sake of thinking to escape the limitations of routine and custom. Interest in knowledge for the sake of knowledge, in thinking for the sake of the free play of thought, is necessary to the emancipation of practical life. . . .

The outcome, the abstract to which education is to proceed, is an interest in intellectual matters for their own sake, a delight in thinking for the sake of thinking.³¹

³¹John Dewey, How We Think (Heath: New York, 1933), pp. 224, 226.



Similarly, rarely is the theoretical oblivious to the practical. The idle curiosity is not, in fact, idle, although Veblen sometimes writes as if it were. He states for example that "in aim and animus the technical and professional schools are 'practical,' in the most thoroughgoing manner; while the pursuit of knowledge . . . is not 'practical' in the slightest degree."³² This is surely a false dichotomy. The scholar is always oriented in his work by particular problems to be solved. His speculations are never idle in any accepted sense of that word. In a real sense all knowledge is practical in that it is at last directed at the resolution of particular problems.

Veblen's theory of the idle curiosity was not a product of idle speculation. He seems to have had a very practical purpose in mind. He is concerned with the intrusion of business principles and interests into the higher learning. He attempts to mitigate this evil by advocating the divorce of the university from the practical concerns of the society. This, however, is no solution. It perpetuates the very evil which Veblen is attempting to cure. The university is the logical agency to liberalize business. This is one of the important functions of the university. We need to make the practical more theoretical and the

³²The Higher Learning in America, p. 19.

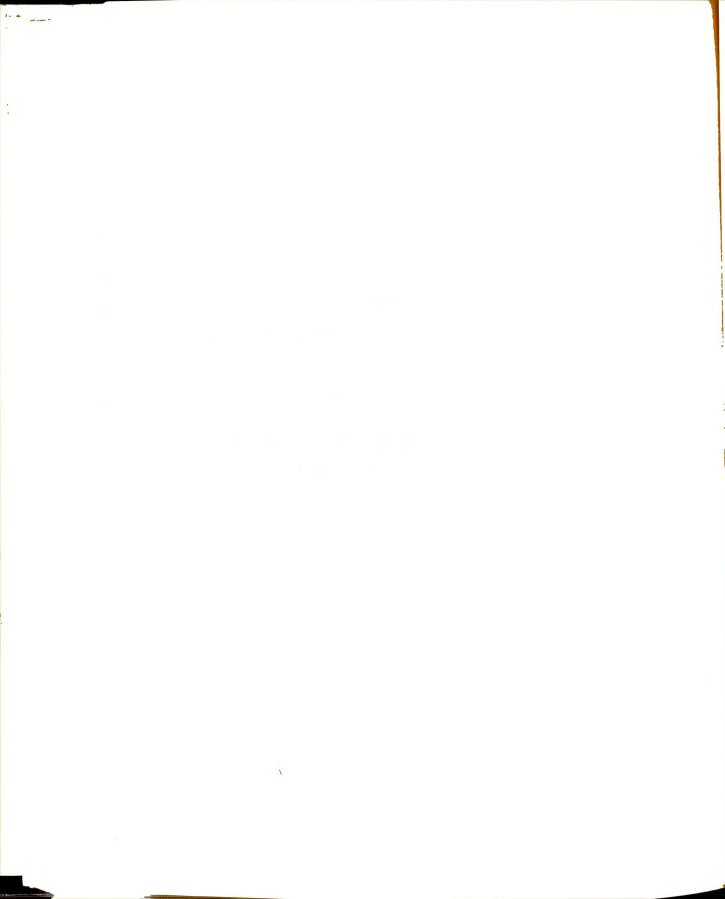


theoretical more practical. Each should liberalize the other.

Veblen would exclude professional education from the university, because the training of teachers is too practical. It corrupts the proper function of the university. Veblen, however, would not argue that the training of teachers ought to be narrowly practical. Nevertheless, his exclusion of the teacher from the university would tend to cultivate a narrowness of outlook of which Veblen's philosophy is vehemently critical.

Education and Institutionalism

Professional education relies upon the various disciplines as sources from which its own principles are derived. Traditionally, the educator has looked to the psychologist, the sociologist, and the philosopher for the sources of a theory of education. Apparently, education and economics have had little in common. It has been the opinion of the educator that both the methodology and the principles of economics are only remotely related to the educational enterprise. Even today there is a conspicuous lack of communication between the educator and the economist. So long as economics was preoccupied with a formal study of market behavior, there was perhaps little basis for reciprocity between the areas. Modern economics, however, is no longer primarily concerned with the market mechanism and



its related problems. Modern economics, especially Institutional Economics, can make a significant contribution to the philosophy of education.

Thorstein Veblen inspired the development of Institutionalism. In many respects, however, Veblen, was not an Institutional economist. His pessimistic and negative frame of mind prevented him from appreciating the full significance of his own social philosophy. This is particularly true in respect to education. The close relationship between Institutionalism and education largely escaped Veblen. Nevertheless, there is an Institutionalist conception of education clearly implied in the social philosophies of Veblen and his disciples. It is this conception of education which needs to be examined.

It has been suggested that many of the tenets of Institutionalism are best exemplified in such developmental projects as undertaken by the Tennessee Valley Authority. The nature and scope of such undertakings is described in the following passage:

River developments . . . are at the beginning of civilization. . . . For civilization is the gradual organic growth of tradition; yet the ravages of the rivers, the vagaries of the climate, and the niggardliness of the soil exposed to them make a settled life and organic tradition impossible.
 . . .

This is borne out by the swift penalty of decay which attends man's negligence in regard to rivers (and forests). It is easy for a short-sighted generation to neglect them. . . . It does not take long before the soil is washed into the ocean; the

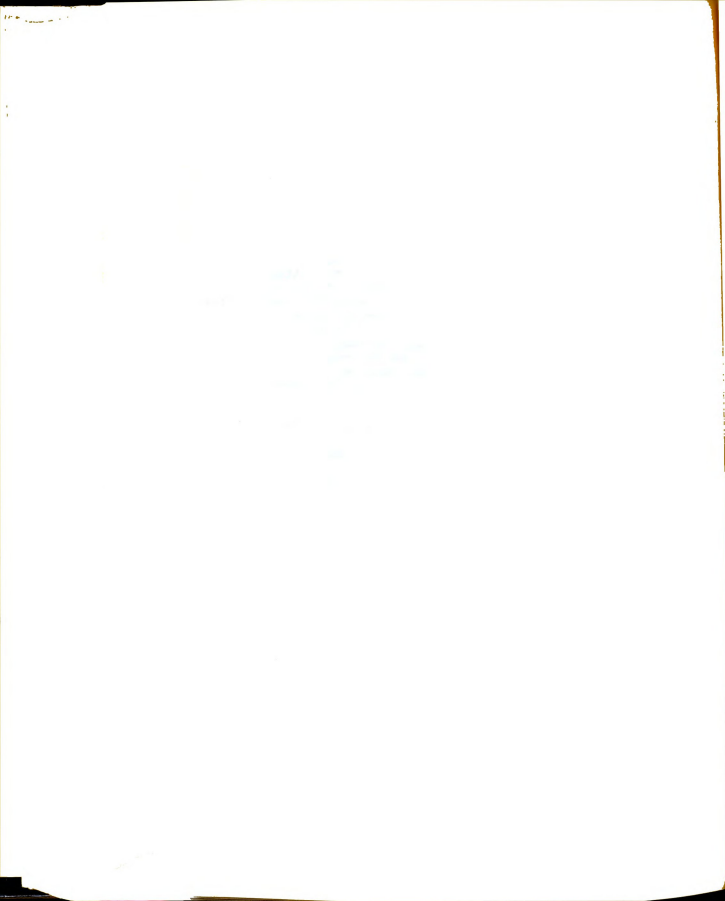


land becomes a desert. . . . Among all the ravages of human and natural wealth which the short-sighted greed of capitalism has brought with it, none is so merciless and ignominious as this. . . .

From such considerations the economic nature of really dynamic works can be seen: they bring change. . . . If the works are on a sufficiently large scale, the change includes the scale of valuation in which it is measured itself, and the framework of values into which it is to be fitted. As one ponders the extreme example, that of the works on the Nile and the Euphrates, what strikes him is the utter impossibility of figuring in advance the effects of the planned structures. They built countries and civilizations. . . . While innumerable infinitesimally small, and some perceptible, affects must follow from the introduction of any new magnitude into a system of strictly interdependent magnitudes such as an economic system, what we have here is a change in relative magnitudes so decisive as to amount to a change in principle.³³

This passage emphasizes change, growth, and development. Whereas the traditional economist and social scientist tended to treat human wants, resources, and institutions as "givens", the Institutionalist is precisely concerned with their change and development. A TVA project seeks to lay the basis for a change in the quality and quantity of human wants and resources. It seeks to lay the basis for a change in institutions and men's habits of thought. A TVA project cannot be evaluated in terms of conventional analysis, for a developmental project seeks to change the very criteria of valuation. The TVA in other words cannot be fully

³³Eduard Heimann, "Developmental Schemes, Planning, and Full Employment," Planning and Paying for Full Employment, pp. 107-108.



evaluated until it has worked itself out in the future.

Education is a kind of vast TVA developmental project.³⁴ Like the TVA, education is concerned with the quality of human behavior. Education seeks to lay the basis for a change in the quality and quantity of human wants and resources. Like the TVA, or the St. Lawrence Seaway, education is a projection into the future. It seeks to release and cultivate a potential. Neither the TVA nor education specifies the ends which their developmental projects will serve. Instead, they seek to expedite the fulfillment of whatever ends men do in fact pursue. In a real sense, however, a given generation can never know the final outcome of its developmental projects. As a release of potential, the Aswan Dam may come to serve ends undreamed of by the present generation. This is as it should be. This is what is meant in calling education and the TVA dynamic processes. The changes which they instigate are so grandiose as to make feasible the accomplishment of new human ends by future generations.

Education and the TVA are developmental undertakings. As such they cannot be adequately evaluated in terms of

³⁴Education is compared to the TVA only for illustrative purposes. Other examples such as the river developments of ancient times, the Aswan Dam, or the St. Lawrence Seaway would have served as well. Furthermore, it is not suggested that developmental projects such as the TVA are more fundamental than education. Indeed, the reverse is clearly the case.



conventional economic analysis. This is obvious in the case of the TVA. What is the economic value of land conservation which, in the short run, is an irreplaceable resource? What is the economic value of flood control, electric power development, reforestation, improved navigation, and land fertilization? As a developmental project, the TVA is in the process of changing the very data which the economic analyst would like to hold constant. A developmental project cannot be fully assessed in terms of its economic value until the current process of change has worked itself out in the future.

When other consequences of an economic development project are considered, the problems of analysis are compounded. What is the value of the increased dignity which results from full employment and economic security? What is the value of increased leisure and recreation opportunities? What is the value of improved health, increased beauty, stabilized community life, and pride in work which has a social significance? While such consequences have an economic value, this represents only a small fraction of their total significance. It is perhaps a misnomer to refer to the TVA as a program of economic development, although this it surely is. Economic development, however, is only a proximate goal of such undertakings. The ultimate objective is cultural growth and development. A developmental project is concerned with the quality of human life. While



it does not specify or guarantee final outcomes, it does release a potential. It does provide the means by which a people can achieve its objectives. Therefore, the TVA has as much interest for the sociologist, the educator, and the philosopher as it has for the economist. It has implications for every department of human life.

The problems of economic and social valuation are essentially the same in education as they are in other developmental undertakings. Like the TVA, education cannot be valued in terms of static concepts since education changes the very data with which the analyst works. Indeed, education defies the conventional concepts of economic analysis. Society, nevertheless, must make decisions concerning education which must be based in part upon economic considerations. What can and ought a society to spend on education in order to insure economic well-being? What is the economic value of increased literacy? What is the economic value of an increase in the period of compulsory education? Where is the point of diminishing returns? Obviously, the current data on national income are not sufficient criteria, for education promises to change these data. A given expenditure on education today may result in a multiple increment in national income in the future.

Like the TVA, education is a projection into the future. Education creates, modifies, and develops human wants, values, and resources. Although education has profound



economic consequences, these consequences represent only a segment of the total significance of the educational endeavor. Education has an impact in every sector of life. The full bearing of this impact can be assessed only in the future. Society, then, is in some degree an outcome of education and other developmental projects. In education lies the society's hope for improvement. In a democratic society neither a TVA nor education can specify the nature of this improvement. A developmental project can only provide the means. It can develop and release a potential but cannot predetermine the ultimate purposes which this potential will serve. In a democratic society the future belongs to the future and not to the present or the past.

The TVA and education have been discussed as analagous programs. In reality, however, they are complementary undertakings. The interests of the educator and the social planner must ultimately interact, for the success of a TVA project is largely dependent upon the skills, values, understandings, and information of a people. As Veblen so brilliantly argued, the most valuable assets of a culture are its intangible assets. The irreplaceable wealth of a society consists in its accumulated knowledge. All else could be destroyed, yet the society would still have the means by which to recover rapidly. It is for this reason that nations which have suffered the ravages of war are able to make such a rapid reclamation. The TVA can only provide an opportunity.



It is through education that people develop the skills and values necessary for the realization and fulfillment of this opportunity. Education is an organic element in any program of economic or cultural development.

The philosophical issues which were raised in connection with Veblen's social philosophy are relevant to the present discussion. Economic and social planning have not enjoyed the enthusiastic support of this society. Many social critics have argued that planning inevitably leads to totalitarianism. F. A. Hayek, a prominent economist, asserts that every restriction of free enterprise brings us one step closer to serfdom.³⁵ Walter Lippmann fears the same outcome.³⁶ Who will control the planners, he asks. These men are representative of an entire school of thought which takes a pessimistic view of any extension of collective action. Perhaps the major assumption of these prophets of doom is that social planning must destroy consumer sovereignty. The educator has a vital concern in the nature and validity of this assumption. Like the social planner, the educator must answer to the charges of Hayek, Lippmann, and others. To the extent that education adopts a social philosophy, it is involved in planning. Education is a form

³⁵F. A. von Hayek, The Road to Serfdom (University of Chicago: Chicago, 1945).

³⁶Walter Lippmann, An Inquiry into the Principles of the Good Society (Beacon: Boston, 1937).



of collective action which restricts free enterprise. Lippmann might well ask, who will control the educationists?

Consumer sovereignty is the crucial issue, for without it democracy becomes a sham. Does it follow, however, that economic, social, and educational planning must destroy the sovereignty of the consumer? Certainly, it is not logically necessary as some critics have implied. The citizens of this society have always engaged in various forms of cooperative action through their government. The objective of this collective action has been to increase rather than to diminish freedom. The public school is, perhaps, the outstanding example of this kind of cooperative action. Even the most vociferous critics are not prepared to argue that public education eventuates in serfdom.

Others have taken the position that collective action is likely to restrict freedom. While planning does not logically entail serfdom, it makes this outcome dangerously probable. These critics argue that planning cannot tolerate the vagaries of public opinion which characterize a democratic society. Planning involves a projection into the future. The probable future needs, values, and wants of the people must be calculated before a developmental program is initiated. If these calculations are in error or if the wants and values of the people change, the planning which has been undertaken is largely worthless. To resolve this difficulty the planner must be given a considerable measure of authority.



When a TVA project is initiated, it must be completed. The people of the society cannot suddenly decide that the TVA is ill conceived.

Miscalculation and inflexibility are perhaps the chief dangers in large scale planning. The educational system misinterprets the educational wants of the consumer. The TVA cannot readily adjust to a change in consumer demand. Granted that social planning has these tendencies, what is the alternative? Hayek and Lippmann would have us place our faith in the free market of a laissez-faire economy. Democracy is possible only under the conditions of a competitive market. Free enterprise, it is argued, can achieve most of the objectives which the social planner professes to seek. This position rests upon the assumption that the free market is unbiased, that there are no qualitative differences. This, however, is clearly not true. Agricultural production does not respond to the free market in the same way as does industrial production. Developmental projects lie completely outside the forces of the free market. It makes little sense to speak of a market demand for economic development.

Social and educational planners are chastised for making miscalculations. But errors in judgment occur under any social system. Fruits and vegetables spoil when grocers miscalculate consumer demand. Industrial production is frequently misdirected through a misinterpretation of the

market demand for particular goods and services. There is no reason to believe that a system of free enterprise is superior in respect to the anticipation of the economic or social wants of the consumer.

The consumer is sovereign. This is the fundamental concept in a democratic society. It is not the function of the educator or the economic planner to determine what the consumer must seek. The educator, as a specialist in the area of means, informs the public concerning the feasibility of given ends. He legitimately proposes visions of the future. He properly defends those ends which seem most consistent with the welfare of the entire society. Ultimately, however, the consumers, taken collectively, must render the decision; for they are sovereign.

Unfortunately, the educator seldom has a clear mandate from the public. Although democracy is characterized by the rule of the majority, this majority is composed of a coalition of minority interest groups. Each of these groups seeks to influence educational policy. Thus the educator is faced with a multitude of conflicting demands. How can he determine the proper end to be pursued? Traditionally, educational policy has been viewed as emerging from the conflict of private interests. The public interest is the resultant of those forces which impinge upon the school. Veblen recognized the weakness in this position. In practice, it often resulted in a philosophy of might makes right.



Thus Veblen believed that business dominated education in part through its might in the society.

Education in a democratic society must serve the whole society. It serves the interests of labor as well as of business. It serves the poor as well as the rich. In formulating educational policy the educator must appeal to values held by the society as a whole. Nevertheless, the consumer has the right to accept or reject the pleadings of the educator. The consumer is ultimately sovereign.

Veblenism and Consumer Sovereignty

To support the Ins when things are going well; to support the Outs when they seem to be going badly, this, in spite of all that has been said about tweedledum and tweedledee, is the essence of popular government. . . . A community where there is no choice does not have popular government. It is subject to some form of dictatorship or it is ruled by the intrigues of the politicians in the lobbies.
 . . .³⁷

Although the language is Walter Lippmann's, the thought is Veblenian. Unlike the Institutionalists who have followed him, Veblen denies the sovereignty of the consumer. He argues that the consumer has never been and never can be sovereign under the existing institutions of this culture. The consumer regards himself as free, but in reality he is manipulated, coerced, and propagandized by those powerful

³⁷Walter Lippmann, The Phantom Public (Harcourt, Brace: New York, 1925), p. 126.



forces which lurk behind the market. The choices to which the consumer responds are determined by interest groups over which he has little control.

These are not the confused mutterings of a disillusioned old man. Veblen was poignantly aware of the problem of a democratic society. A good society is not only the outcome of democracy but represents a condition for the very establishment of democracy. In Veblenian terms a good society is one in which each institution serves its manifest or rational function. It is only in this kind of society that man's potential for sovereignty can be achieved.

This position is implicit in Veblen's analysis of the higher learning. Business controls education. Since the consumers acquiesce in this control, it cannot be called undemocratic, at least in one meaning of that concept. Nevertheless, this control threatens to undermine the very integrity of the democratic ideology. Whereas business represents the interests of a segment of the society, the university is committed to serve the interests of the whole society. Moreover, the principles of business organization are inherently autocratic, whereas education in a democratic society ought to manifest a democratic organization.

Although Veblen has grossly exaggerated the influence of business in education, his thesis concerning the autocratic administration of education has received substantial verification. One study, for example, concludes



with this finding:

In 1940, the typical college or university was one that had no definite system for facilitating exchange of opinion between the faculty and trustees or regents, that did not provide a definite procedure whereby the faculty might consult the board of control in the choice of a president, a dean, or departmental chairman. . . . The teachers colleges, in general, were more autocratic in their administrative procedures.³⁸

Veblen would have appreciated the full significance of this finding. He would have argued that a university is something more than curricula, books, laboratories, students, and buildings. The integrity of a university or of any other institution is defined by a complex set of relationships which exist between men and their environment, both human and non-human. The integrity of a society is defined by the relationships which exist between institutions. What transpires in the university, therefore, has important consequences in every department of life.

Education is committed to the democratic ideology, but the institutional form of education is autocratic. Form does not follow function. Since education, like every institution, influences behavior, this autocratic spirit is cultivated in those who will assume leadership roles in the future. The university educates the future teachers, administrators, engineers, doctors, and public servants of all

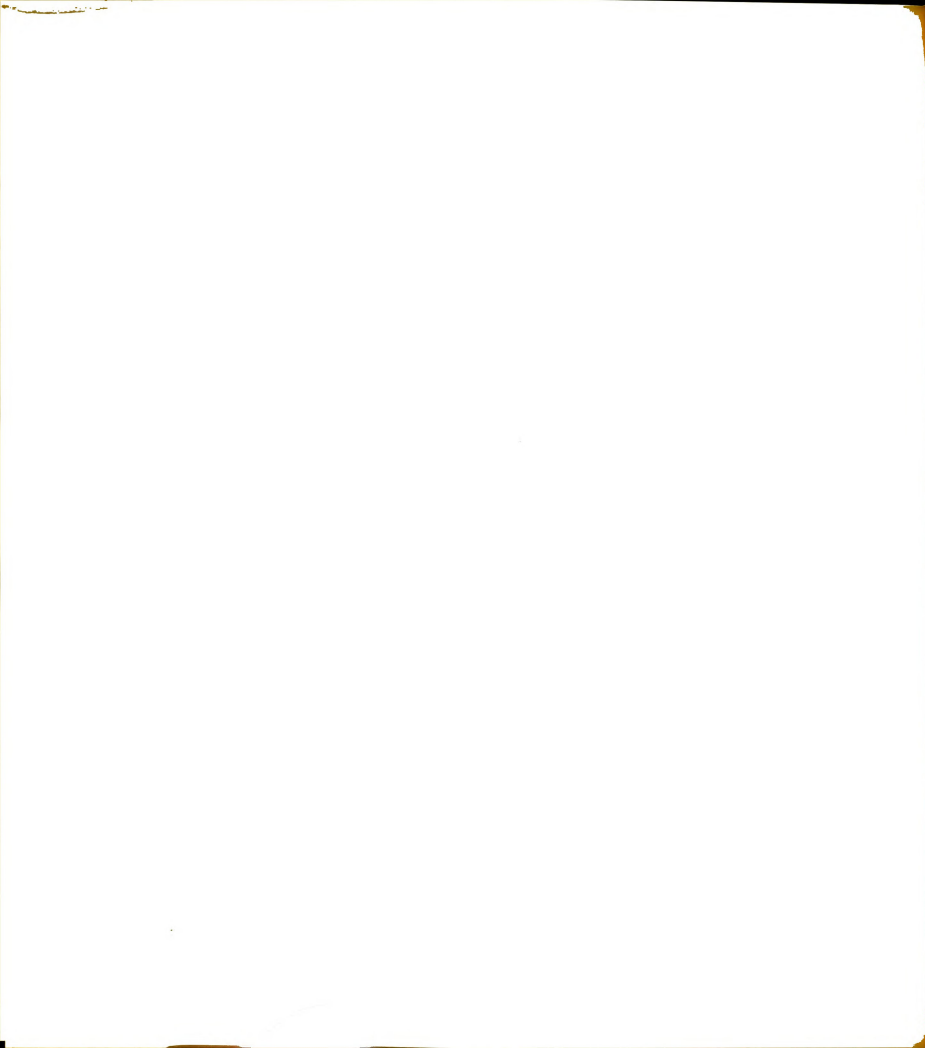
³⁸Richard Hofstadter and Walter P. Metzger, The Development of Academic Freedom in the United States (Columbia University: New York, 1955), pp. 455-456.



kinds. We preach that teachers and administrators ought to be more democratic, but we continue to educate them in an environment which is autocratic in spirit. A university ought to manifest the finest principles of democratic action, for this is one of its most important educational responsibilities. If a university cannot be a living example of the democratic ideal, then democracy is impossible in the society at large.

Veblen denies the sovereignty of the consumer, for it is the consumer who allows business to corrupt the proper function of education. If democracy is to be either achieved or maintained, the university must cultivate the ideology of freedom. Education must be dedicated to the search for truth. It must embody the democratic ethos in all of its activities and functions. In reality, the consumer is now not free, for his behavior is controlled by evil institutions. Until these institutions can be revitalized, the sovereignty of the consumer must be denied.

The inadequacy of Veblen's position has already been noted. In denying the sovereignty of the people he is in fact denying democratic action. The facts, however, would not seem to warrant such a pessimistic outlook. Veblen has grossly exaggerated the influence of business in the American culture. He has almost entirely neglected the countervailing power of such groups as organized labor. Veblen exaggerated the inability of the consumer to engage in rational



action. Democracy can apparently tolerate a considerable measure of irrational behavior. This is indeed one of the great virtues of the democratic ideology. Democracy can probably never achieve the degree of efficiency which characterizes the totalitarian societies. It sacrifices a measure of efficiency in the realm of means in order to maximize freedom in the realm of ends. This is the point that Veblen does not fully appreciate.

In spite of this criticism Veblen remains one of those few social scientists who has raised and examined the significant problems facing a democratic society. He is one of those rare philosophers who had the ability to raise the right questions. Although he seemingly provides us with the wrong answers, even these answers are instructive.



CHAPTER VI

EVALUATION AND CONCLUSION

"In Veblen we have at least two men. There is the economist, and there is the artist, a most unusual combination. Generally the two do not mix."¹ This statement is important in two respects. In the first place, this study has not been primarily concerned with Veblen as either an artist or as an economist. Indeed, it is misleading to identify Veblen as an economist, for all of his writings suggest that he was primarily a social philosopher, albeit writing from the perspective of economics. Veblen was a social scientist who studied the impact of the economic interest upon cultural evolution.

Secondly, although we are not ultimately concerned with Veblen as an artist, this aspect of his writings cannot be entirely neglected. It is difficult, indeed impossible, to separate Veblen the artist from Veblen the social philosopher. Any final evaluation of his philosophy is, therefore, necessarily speculative and tentative. Is Veblen serious?

¹Joseph Dorfman, "The Source and Impact of Veblen's Thought," Thorstein Veblen: A Critical Reappraisal, p. 2.



This is the question which the student of Veblen must continually ask. The contradictory interpretations of Veblen's philosophy suggest that this question cannot be answered with any substantial degree of finality. One can be reasonably certain, however, that Veblen was serious in respect to certain salient points of view. This evaluation will be restricted to a consideration of these prominent and prevailing themes in the Veblenian philosophy.

Strengths of Veblen's Philosophy

The Veblenian philosophy stresses change, process, and development. A social theory, according to Veblen, must develop a theory of process if it is to have any significance for life. Change and development are facts of man's existence which cannot be explained away by the social philosopher. Veblen has been frequently criticized for his preoccupation with an economic interpretation of cultural evolution. While this criticism is justified, it tends to obscure the important contribution which he makes; namely, that change is a significant aspect of social reality. Veblen urges the social scientist to study empirically those forces in the culture which are generating change. The social philosopher cannot assume that the future will resemble either the past or the present. Still, the future will grow out of the present through a process of cumulative causation. The dynamic forces of the present will generate



the future. A social theory, therefore, is relevant to life only to the extent that it can take account of cumulative causation.

Veblen has been called one of America's first social psychologists. This is perhaps an exaggerated estimate of his contribution, but it does serve to indicate the importance of the studies which he instigated in the area of social behavior. Veblen's theory seems commonplace today, for it has received general acceptance. He argues that behavior, like other aspects of reality, is in a process of constant change. These changes in behavior cannot be understood or explained in terms of a priori principles, either psychological or philosophical. In order to understand man, he must be studied in his natural and social environments. The details of human activity must be carefully examined.

Veblen's position is in direct contrast to the view of man as an autonomous, isolated, self-sufficient individual whose behavior can be accurately predicted in terms of a presumed rationality. According to Veblen, behavior is in part a product of social interaction. This was an important insight during a time when social scientists frequently engaged in armchair theorizing concerning human behavior.

An organic element of Veblen's social psychology is his theory of institutions. This theory attempts to explain the process of cultural evolution and its bearing upon man's



behavior. An institution is a prevailing habit of thought or action in the culture. Ideally, an institution expedites the adjustment of man to the changing circumstances of life. Although institutions are constantly changing, they nevertheless frequently lag behind the realities of life. Veblen was one of the first social scientists to recognize that institutions can enslave as well as serve mankind.

As a prevailing habit of thought, an institution is a major determinant of behavior. Man is not an isolated, autonomous individual who makes rational choices when confronted with alternative plans of action. Human behavior, according to Veblen, is largely controlled by the prevailing habits of thought in the community. The responses which the individual makes to his environment are in large part determined by the institutions under which he works and plays. If these institutions are not fulfilling their manifest functions, then the responses which these institutions elicit will not expedite man's adjustment to the circumstances of his environment.

The evolution of a culture is an evolution of its institutions. To understand an institution is to study that institution in relationship to the life process. There is no substitute for an empirical examination of man and his institutions.



Strengths of Veblen's Philosophy for Education

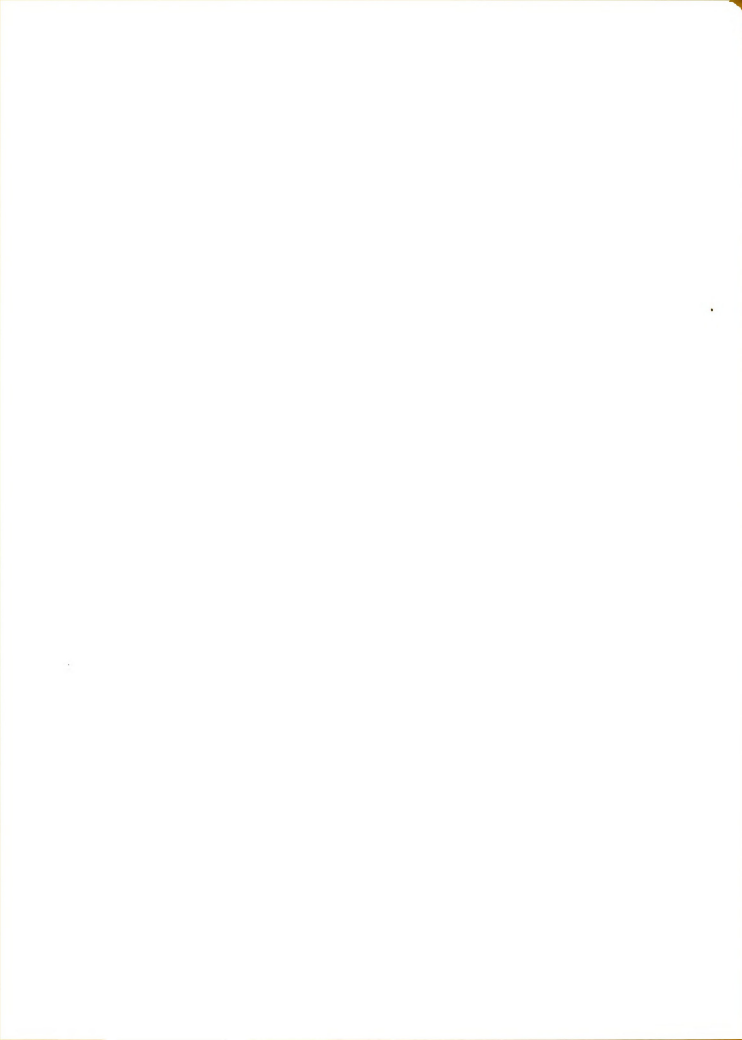
"Education," writes Joseph K. Hart, "goes on whether school keeps or not."² Although the educational function of the school is unique, every institution is educative to some degree. Every institution, argues Veblen, controls some aspect of behavior. The program of formal education must, therefore, be integrally related to the informal education of institutions. This position gives added meaning to Dewey's dictum that education is life. The behavior which an individual manifests reflects in part the institutions under which the activities of life are carried on. An individual, implies Veblen, learns what he lives.

"The contours of education," writes Professor Stanley, "are inevitably molded by the culture which it serves."³ Education is not only a moral and intellectual enterprise, but it is also a social and political affair. Professor Stanley continues:

The public school is a social institution not only in the sense that it is supported and maintained by the state but also in the more forcible sense that the moral and intellectual choices inherent in education are inevitably social choices which necessarily entail significant social and political consequences.

²Hart, op. cit., p. 4.

³William O. Stanley, Education and Social Inegration (Columbia University: New York, 1953), p. 22.



. . . All education . . . implies some social philosophy, and promotes in effect . . . one political ideal rather than another. . . .

Consequently, no society will be . . . indifferent about the underlying and controlling conceptions which determine the education of its children. The definition of the final objectives of education in any society, therefore, is not, and will not be, left to the exclusive determination of professional educators.⁴

This conception of education is clearly implied in Veblen's social philosophy. The school is a social institution in constant interaction with the other institutions of the culture. Although all institutions are educative, the school has no other function but the educative. It seeks to instill in the young certain habits of thought and action which are not appropriately acquired elsewhere in the culture.

An educational theory, therefore, is inescapably a system of applied philosophy. An educational program must reflect the ideals and values of the culture which it serves. Only in this way can the school serve its manifest function. Veblen argued that the economist must be first and always a social philosopher. He must be a student of the culture which he serves. Likewise, the educator must be a student of the culture. The decisions which the educator makes have important consequences for the values and ideals of

⁴Loc. cit., p. 23.

The first part of the paper discusses the importance of understanding the local context in which the intervention is being implemented. This includes a thorough understanding of the community's culture, values, and beliefs, as well as the local health system and the role of traditional healers. It is essential to engage with the community from the outset to ensure that the intervention is culturally appropriate and acceptable.

The second part of the paper describes the design of the intervention, which is based on a combination of traditional and modern health practices. The intervention aims to improve the health and well-being of the community by addressing the underlying causes of the health problem, as well as providing practical advice and support. The intervention is delivered through a series of community meetings and individual consultations, with the goal of reaching as many people as possible.

The third part of the paper presents the results of the intervention, which show a significant improvement in the health and well-being of the community. This is measured in terms of the number of people who have adopted the recommended health practices, the number of people who have sought treatment from the local health system, and the number of people who have reported an improvement in their health. The results also show that the intervention has been well-received by the community, with many people expressing their appreciation for the support and advice provided.

The final part of the paper discusses the implications of the findings for future research and practice. It highlights the importance of conducting thorough assessments of the local context before implementing an intervention, and the need to engage with the community throughout the process. It also emphasizes the importance of monitoring and evaluating the impact of the intervention, and of adapting the intervention to the needs of the community as they change.

the society. Since both the authority and the basic ends of education are derived from the culture, the educator is necessarily first and always a social philosopher.

The basic question confronting the social philosopher and hence the educator concerns the proper relationship between the individual and the society. This is the question with which much of Veblen's philosophy is concerned. His detailed examination of this problem constitutes one of the chief values of his philosophy for the professional educator.

Weaknesses of Veblen's Philosophy

Although Veblen anticipates many of the theories of contemporary psychology, he is guilty of emphasizing certain aspects of human behavior to the neglect of others. His view of human nature is unnecessarily pessimistic. Specifically, he has little faith in human reason in so far as the majority of men are concerned. In his view, the mass of men are slaves to customs, habits, and institutions. The masses of men are incurably conservative. Veblen's position is strikingly similar to that of his teacher, William Graham Sumner, who wrote:

The mores come down to us from the past. Each individual is born into them as he is born into the atmosphere, and he does not reflect on them, or criticize them any more than a baby analyzes the atmosphere before he begins to breath it. Each one is subjected to the influence of the mores, and formed by them, before he is capable of reasoning about them. . . . The masses oppose a deaf ear to



every argument against the mores. . . . We learn the mores as unconsciously as we learn to walk and eat and breathe. The masses never learn how to walk, and eat, and breathe, and they never know any reason why the mores are what they are. . . . The mores contain embodied in them notions, doctrines, and maxims, but they are facts. They are in the present tense. They have nothing to do with ought to be, will be, may be, or once was, if it is not now.⁵

The behavior of men cannot be changed except by coercion or prolonged conditioning. This presents a bleak outlook for the social reformer. The implication is strikingly evident. If significant reforms are to be achieved, the human material must be ruthlessly manipulated, coerced, and molded by the social engineer. Such a view of human nature is inconsistent with the democratic ideology.

Traditionally, Western civilization has stressed the free, rational, autonomous individual. If such a conception neglected the claims of the culture, Veblen's philosophy goes to the opposite extreme. He makes society the primary datum. The individual as such has no substantial reality. The society is ultimately real, whereas the individual is an abstraction from this reality. This view of the individual contradicts the democratic faith which assumes that the society exists for the sake of the individual rather than the reverse.

⁵ Folkways, quoted in Ethics. A Source Book, pp. 467-468.



Most of the important limitations of Veblen's philosophy can be traced to his inadequate theory of value. As Professor Dobriansky has commented, Veblen's theory is primarily in the area of "means to the exclusion of the ends of human life."⁶ When Veblen does write of the ends of life, he seems to be primarily concerned with mere physical survival. Such a conception of life restricts human activity to the achievement of economic efficiency. Veblen is to be criticized for tending to neglect the wide range of human interests which are not primarily economic in nature.

The inadequacy of Veblen's theory of value is evident in his writings on technology. One of the proposals in these writings is that the engineers should have a significant role in the determination of ends as well as means. The engineer would not only tell us "how to build" but also "what to build." It is implied that the rationality of the engineer in respect to the utilization of means is equally valuable in respect to the determination of ends. The physicist, Philip Morrison, has pointed out the serious defect in such a proposal:

But there is a flaw in the argument. Veblen writes: "The mechanical technology is dispassionate and impersonal, and its end is very simply to serve human needs." Here is the rub. Veblen's humanity enriched the dispassionate, impersonal, "unbusiness-like" nature of the ideology with a human value. But in this impersonality, in this analytic rationality,

⁶Dobriansky, op. cit., p. 279.

there is no guarantee of human value. Man is complex enough to build great machines, not only for the venal goal of profit, but for the mortal crime of murder in million-fold example. The differential analysis, the goal of effective use, does not necessarily imply a commitment to the constructive operation of the well-designed mechanism, however much the instincts of craftsman or philosopher suggest it.⁷

Weaknesses of Veblen's Philosophy for Education

Veblen's social philosophy does not provide an adequate basis for a theory of education in a democratic culture. His psychological assumptions, his conception of the individual, and his theory of value are none of them adequate for an educational philosophy. This is particularly evident when one attempts to derive educational objectives from the Veblenian philosophy.

Veblen's social philosophy implies that the individual is to be educated for the society. The aim of society is to insure the survival of the largest possible aggregate of human beings. Education, therefore, must be primarily concerned with production and economic efficiency. It must be concerned with the education of the efficient workman rather than with man as a free personality. In the Veblenian school there would be little emphasis upon leisure, fine arts, music, literature, and so forth. Veblen has no adequate

⁷Philip Morrison, "The Ideology of the Engineers," Thorstein Veblen: A Critical Reappraisal, p. 243.



theory of personality, individuality, or self-enjoyment. He is a man obsessed with the notion of sheer physical survival. Any activity which does not enhance the attainment of this end is wasteful and thus cannot be a legitimate concern of the school.

The emphasis in Veblen's philosophy is upon science, the machine technology, and collective behavior. He stresses the reality of the social organism at the expense of the individual personality. In terms of the period in which he wrote this emphasis was perhaps justified. The problems of the contemporary world, however, do not appear to have arisen from a neglect of either the machine technology or society.

As Lewis Mumford writes:

The disease that threatens us is an organic one: it is no localized infection that can be lanced, cleaned, bandaged; on the contrary, it requires a reorientation of our whole life . . .: fundamentally, a change in religion, our total sense of the world and life and time. . . . To make use of our vitalities and energies . . . we must reassert once more the primacy of the person.

The obstacle to renewal does not merely lie in the fact that in so many parts of society the agents of destruction have gained the upper hand. . . . Worse than that: organization has become in itself destructive of human values: everywhere the machine holds the center and the personality has been pushed to the periphery. . . . The only way to renew the forces of life is to begin once again with the repressed and displaced elements: to dismantle a large part of the physical structure, to loosen up the automatisms of habit, to challenge even successful forms of routine. . . .⁸

⁸The Condition of Man, pp. 393-394.

Although Mumford has been greatly influenced by Veblen's writings, he nevertheless presents a point of view which is almost entirely foreign to Veblen's philosophy. The values which Veblen emphasizes are survival, technological efficiency, and the satisfaction of idle curiosity. These values, however, are not adequate for a democratic education in the contemporary world.

Education needs to re-examine its conceptions of individuality, personality, and self-hood. We must induce youth to examine the basic questions concerning the meaning and value of existence. The most important educational objective seems to be the development of personality. It is man's ability to reflect upon his own existence which is ultimately significant for the educator. Education fails to the extent that students are not induced to make commitments concerning their own destinies and the destinies of others.

Veblen suggests that salvation can be achieved, if at all, through technology and a reorganization of institutions. Education, he implies, should not be concerned with individual personality as such. The school should not appeal directly to human intelligence. Instead, education should work by indirection. Its objectives are to be achieved through institutional reform. A careful manipulation of institutions will produce a human personality which is in harmony with the circumstances of life. It is the function



of education to develop or "engineer" a personality which the exigencies of life demand. This is a view of education which this thesis has rejected as basically incompatible with the democratic faith.

The Value of Veblenism

It is just Veblen's irreverence which we stand in need of in a day when total commitment is being asked of everyone. . . . I would be willing to welcome a great deal of Bohemian irresponsibility among professors if that were the price of genuine detachment and unengagement. Increasingly, the conscience of academic people is hooked on to some social concern, some good cause or other. . . . Whatever the theoretical shortcomings of his concept of idle curiosity, or of Science, and whatever the practical shortcomings of the model-T professor, I am not sure that we have found a better concept or a better model.⁹

Veblen was the living example of the efficacy of the "idle curiosity." Who but Veblen would have seriously studied walking canes, women's shoes, and esoteric forms of leisure? It is this heightened sense of curiosity which constitutes Veblen's chief value. One ought not to read Veblen for the particular panaceas which he defends, although these are in themselves often enlightening. Veblen is much more instructive in the questions he raises than in the answers he offers. These questions involve man's relationship to his environment. What is the proper relationship between man, society, and education? This is of chief concern not only

⁹Riesman, op. cit., p. 113.



to the educator but to the philosopher, the sociologist, the political scientist, and the economist. The questions which Veblen raises transcend particular subject matter fields. It is precisely this quality which gives these questions their crucial importance.

Every field needs its Thorstein Veblens. It needs those who will transcend the preconceptions of their own discipline. It needs those who will speculate and examine those problems which are of common concern to all areas of knowledge. It is just this quality of Veblen's thought which attracts the reader. Veblen never viewed these fundamental questions from the standpoint of a mere economist or a mere sociologist or a mere educator. He attempted to examine these questions from the viewpoint of knowledge taken in its entirety.

Veblen had a heightened sense of curiosity. At the same time he was able to detach himself from the immediate concerns of the time. These are the qualities which made Veblen a great teacher in spite of his grossly inadequate pedagogical techniques. This fact is in itself instructive, especially for the professional educator. A teacher can make his mark in a variety of ways. Veblen's great virtue was his ability to arouse the intellectual curiosity of his students. Few teachers have had a more profound effect upon their disciples.

Veblen regarded Wesley Claire Mitchell as his



outstanding student. Mitchell, on the other hand, regarded his teacher as a "giant" among economists. This, however, is not what most impressed Mitchell.

What drew me to him was his artistic side. I had a weakness for paradoxes--Hell set up by the God of Love. But Veblen was a master developing beautiful subtleties, while I was a tyro emphasizing the obvious. . . . There was a man who really could play with ideas. If one wanted to indulge in the game of spinning theories who could match his skill and humor?¹⁰

One should not conclude, however, that Veblen was an intellectual dilettante. As we have seen, his contributions have been many. Nevertheless, it would appear that Veblen should not be read for the particular solutions which he presents. This was not Veblen's forte. His writings are far more significant for the problems which they raise. As one student of Veblen has recently observed:

The greatest contributions of Veblen--as of Marx--lie not in the answers he gained, but in the questions he posed, and in the approach he utilized to gain his answers--answers often correct, often incorrect, often equivocal, but almost always standing in sharp contrast with those of his contemporaries.¹¹

¹⁰Lucy Sprague Mitchell, "A Personal Sketch," Wesley Claire Mitchell. The Economic Scientist, ed. Arthur F. Burns (National Bureau of Economic Research: New York, 1952), p. 95.

¹¹Douglas Dowd, ed., Thorstein Veblen: A Critical Re-appraisal, pp. vii-viii.



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The second part of the paper explores the challenges of implementing a project in a resource-poor environment. Limited financial resources, lack of infrastructure, and limited access to services can all pose significant barriers to success. However, these challenges can be overcome through creative problem-solving and the use of local resources. For example, involving local people in the project can help to reduce costs and ensure that the project is more sustainable in the long run.

The third part of the paper discusses the importance of monitoring and evaluation. This involves setting clear objectives and indicators at the beginning of the project and then regularly measuring progress against these. This allows the project team to identify any problems early on and make adjustments as needed. Monitoring and evaluation also provide valuable information about the impact of the project, which can be used to inform future projects.

The final part of the paper discusses the importance of sustainability. A project should be designed in such a way that it can continue to benefit the community long after the project team has left. This can be achieved by building local capacity, transferring knowledge and skills, and ensuring that the project is financially self-sufficient. Sustainability is a key goal of any community-based project, and it is essential to plan for it from the very beginning.

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the first of these is the fact that the
 system is not self-sufficient. It
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