

By Robert L. Heilbroner

THE WORLDLY PHILOSOPHERS
BEHIND THE VEIL OF ECONOMICS
THE ESSENTIAL ADAM SMITH
THE NATURE AND LOGIC OF CAPITALISM
THE FUTURE AS HISTORY
MARXISM, FOR AND AGAINST
AN INQUIRY INTO THE HUMAN PROSPECT
THE GREAT ASCENT
BETWEEN CAPITALISM AND SOCIALISM
THE LIMITS OF AMERICAN CAPITALISM
THE ECONOMIC PROBLEM
(with James Galbraith)
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VISIONS OF THE FUTURE
TEACHINGS FROM THE WORLDLY PHILOSOPHY

THE WORLDLY PHILOSOPHERS

*The Lives, Times, and Ideas
of the Great Economic Thinkers*

REVISED SEVENTH EDITION

Robert L. Heilbroner

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But all that remains to be demonstrated. Let me conclude this very personal salutation by thanking my readers, especially students and instructors, who have been thoughtful enough to send me notes of correction, disagreement, or approval, all equally welcomed, and to express my hope that *The Worldly Philosophers* will continue to open the vista of economics to readers who go on to become lobster fishermen or publishers, as well as to those braver souls who decide to become economists.

ROBERT L. HEILBRONER
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unprepared for radical social change. It teaches us, in retrospect, that ideas, however heretical, cannot safely be ignored—least of all by those whose interests are, in the best sense of that misused word, conservative.

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The Savage Society of Thorstein Veblen

One hundred and twenty-five years had now passed since *The Wealth of Nations* appeared in 1776, and in that span of time it seemed as if the great economists had left no aspect of the world unexamined: its magnificence or its squalor, its naïveté or its sometimes sinister overtones, its grandiose achievements in technology or its often mean shortcomings in human values. But this many-sided world, with its dozens of differing interpretations, had nonetheless one common factor. It was European. For all its changing social complexion, this was still the Old World, and as such it insisted on a modicum of punctilio.

Thus it was not without significance that when Dick Arkwright, the barber's apprentice, made his fortune in the spinning jenny he metamorphosed into Sir Richard; the threat to England's traditional reign of gentlemanliness was nicely solved by inducting such parvenus wholesale into the fraternity of gentle blood and manners. The parvenus, it is true, brought with them a train of middle-class attitudes and even a strain of antiaristocratic sentiment, but they brought with them, as well, the sneaking knowledge that there was a higher social stratum than that attainable by wealth alone. As countless comedies of manners testified, there was a difference between the beer baron, with all his millions and his purchased crest, and the impoverished but hereditary baron

next door. The successful European money-maker might be rich as Croesus, but the savor of his riches was a trifle dulled by the recognition that this was only one—and by no means the final—step up the social ladder.

All this was vastly different in America. Not only had this country been founded by men who were deeply opposed to gradations of name and birth, but the spirit of individual independence and individual achievement had sunk deep into the national folklore. In America a man was as good as he proved himself, and his success needed no validation from a genealogist. Hence, while there was not too much to differentiate the dark and sweated mills of New England from the gloomy mills of old England, when one looked into the manners and behavior of their masters, the resemblance lessened. For while the European capitalist was still caught in the shadow of a feudal past, the American money-maker basked in the sun—there were no inhibitions on his drive to power or in the exuberant enjoyment of his wealth. In the bubbling last half of the nineteenth century, money was the stepping-stone to social recognition in the United States, and having acquired a passport of suitable wealth, the American millionaire needed no further visa for his entree into the upper classes.

And so the game of moneymaking in the New World was a rougher and less gentlemanly affair than the competitive struggle abroad. The stakes were higher and the chances for success were greater. The sportsmanship, accordingly, was somewhat less.

In the 1860s, for example, Cornelius Vanderbilt, a fabulous genius of shipping and commerce, found that his own business associates were threatening his interests—a not too uncommon occurrence. He wrote them a letter:

Gentlemen:

You have undertaken to ruin me. I will not sue you, for law takes too long. I will ruin you.

Sincerely,

CORNELIUS VAN DERBILT

And he did. "What do I care about the law? Hain't I got the power?" asked the Commodore. Later J. Pierpont Morgan was to voice much the same sentiment, if in a slightly more polished form. When his associate, Judge Gary, on a rare occasion ventured a legal caveat, Morgan exploded: "Well, I don't know as I want a lawyer to tell me what I cannot do. I hire him to tell me how to do what I want to do."

It was not only in their neglect of the fine processes of the law that the Americans outdid their European contemporaries; when they fought, they abandoned the gentleman's rapier for the roughneck's brass knuckles. An instance in point is the struggle for the control of the Albany-Susquehanna Railroad, a vital link in a system torn between Jim Fisk and the patrician Morgan. Morgan held one end of the line in his own hands, and the other terminal was a Fisk stronghold. The controversy was resolved by each side mounting a locomotive on its end of the track and running the two engines, like gigantic toys, into one another. And even then the losers did not give up, but retired as best they could, ripping up tracks and tearing down trestles as they went.

In this *mêlée* for industrial supremacy no quarter was asked and none given. Even dynamite had its uses, being employed to eliminate one particularly sticky competitor of the Standard Oil group, while less violent means, such as kidnapping, were remarkable more for their ingenuity than for their immorality. In 1881, when a great blizzard blew down the telegraph lines in New York, Jay Gould, the ruthless master of the money markets, was forced to send his orders to his broker by messenger. His enemies saw their chance and acted on it: they kidnapped the boy, substituted another of the same general physiognomy, and for several weeks Gould was dismayed to find that his moves were all somehow known to his adversaries in advance.

Needless to say, the pirates who thus forced one another to walk the plank could scarcely be expected to treat the public with reverence. Gulling and milking the investor were taken as a matter of course, and the stock market was regarded as a kind of private casino for the rich in which the

public laid the bets and the financial titans fixed the croupier's wheel. As to what would happen to the general run of bets under such an arrangement—well, that was the public's lookout, an attitude that might have been more commendable had not these same titans done everything in their power to entice the public to enter their preserves.

The public, be it noted, responded with a will; when the news "got around" that Gould or Rockefeller was buying rails or coppers or steels, the public rushed to get in for a free ride. The fact that it took a fleecing for every killing never affected its unbounded faith, and on the strength of this faith a virtual legerdemain of finance was made possible. A head-spinning example was the purchase of the Anaconda Copper Company by Henry Rogers and William Rockefeller without the expenditure of a single dollar of their own. This is how they did it:

1. Rogers and Rockefeller gave a check for \$39 million to Marcus Daly for the Anaconda properties, on the condition that he would deposit it in the National City Bank and leave it untouched for a specified period.
2. They then set up a paper organization known as the Amalgamated Copper Company, with their own clerks as dummy directors, and caused Amalgamated to buy Anaconda—not for cash, but for \$75 million in Amalgamated stock which was conveniently printed for the purpose.
3. From the National City Bank, Rogers and Rockefeller now borrowed \$39 million to cover the check they had given to Marcus Daly, and as collateral for this loan they used the \$75 million in Amalgamated stock.
4. They now sold the Amalgamated stock on the market (first having touted it through their brokers) for \$75 million.
5. With the proceeds, they retired the \$39-million loan from the National City Bank, and pocketed \$36 million as their own profit on the deal.

Of course this free-for-all involved staggering dishonesty. A. B. Stickney, president of the Chicago, St. Paul, and Kansas Railway, remarked that as gentlemen he would trust his brother railroad presidents anywhere, but that as rail presidents he wouldn't leave his watch out of sight with them for a moment. There was reason for his cynicism. At one meeting of railroad heads called to agree on a schedule of common freight rates that would rescue the roads from their constant suicidal game of undercutting one another, one railroad president slipped out during an intermission in the proceedings to wire the agreed schedule back to his office so that his line might be the first to undercut the rest. By chance his wire was intercepted, and when the meeting next convened it was faced with the proof positive of the impossibility of honor even among thieves.

It is an age that we are accustomed to look back upon with a blush. Certainly it was grotesque in its trappings (at some parties cigarettes were wrapped in hundred-dollar bills for the thrill of inhaling wealth), and almost medieval in its warrior spirit. But let us not misconstrue the spirit of the times. While the lords of wealth rode roughshod over the public, they trampled equally ruthlessly over each other, and their bold and unprincipled behavior was less a calculated meanness or a conscious flouting of Christian ideals than an unbridled energy that knew no barriers of conscience and nice usage. "I owe the public nothing," Morgan once said, and he meant that remark literally as a credo of his philosophy rather than as a callous *défi* of the world. Business, in this age of barony, was brutal business, and the price of morality was apt to be defeat.

And what did the economists make of all this?

Not very much. The American professionals had followed in the footsteps of their European teachers, and they forced the American world into a mold that was never made for it. The fantastic game of monetary cutthroat was described as the process of "thrift and accumulation"; the outright fraud as "enterprise"; the gilded extravagances of the age as colorless "consumption." Indeed, the world was so

scrubbed as to be unrecognizable. One might read such leading texts as John Bates Clark's *Distribution of Wealth* and never know that America was a land of millionaires; one might peruse F. H. Taussig's *Economics* and never come across a rigged stock market. If one looked into Professor Laughlin's articles in the *Atlantic Monthly* he would learn that "sacrifice, exertion, and skill" were responsible for the great fortunes, and he would be told that every man had a right "to enjoy the products of his exertion to the exclusion of everybody else"—presumably this included the right to buy legislatures as well as diamonds.

Official economics, in a word, was apologist and unperceptive; it turned its eye away from the excesses and exuberance that were the very essence of the American scene and painted instead a stereotype in formal lines and lusterless color. While it did not lack honesty or courage or intellectual competence, it suffered from what Malthus had once called "the insensible bias of situation and interest." The American economists were too much bound up in the current of these enthusiastic times to back away from their subject and view it coolly and clearly and at a distance.

What was needed was the eye of a stranger—someone like de Tocqueville or Bryce who could view the scene with the added clarity and perspective that comes of being foreign to it. In the person of Thorstein Bunde Veblen—an American by birth but a citizen of nowhere by nature—such an eye was found.

A very strange man, Thorstein Veblen. He was a peasant in looks, a Norwegian farmer. A photograph shows his hair, lank and flat, parted in the middle of a gnomelike head and falling in an inverted V over a low and sloping forehead. Peasant eyes, shrewd and speculative, peer out from behind a blunt nose. An unkempt mustache hides his mouth, and a short scraggly beard engulfs his chin. He is dressed in a thick unpressed suit and there is a large safety pin attached to his vest: it moors his watch. The photograph does not show two more safety pins hooked into his pants where they suspend his socks, and it gives us only a suggestion of a thin wiry frame, and a high-stepping, hunter-like, noiseless gait.

The strange appearance hid a yet stranger personality. Those piercing eyes might hint at an equally piercing mental scrutiny, and that rustic exterior might prepare one for a certain blunt quality of inquiry. But there was no external sign of the keynote to Veblen's life: his alienation from society.

Alienation is often a phenomenon of the sick, and by our standards Veblen must have been neurotic indeed. For he had a quality of nearly hermetic insulation. He walked through life as if he had descended from another world, and the goings-on that appeared so natural to the eyes of his contemporaries appeared to him as piquant, exotic, and curious as the rituals of a savage community to the eye of an anthropologist. Other economists—and this includes both Adam Smith and Karl Marx—were not only in their society, but they were *of* it; sometimes full of admiration for the world about them and sometimes filled with despair and rage at what they saw. Not Thorstein Veblen. In the bustling, boosting, gregarious community in which he lived, he stood apart: uninvolved, unentangled, remote, aloof, disinterested, a stranger.

Because he was a stranger, he was a nonconformist, but not a radical. The world to Veblen was uncomfortable and forbidding; he adapted to it as a missionary might to a land of primitives, refusing to go native, but preserving his integrity at the cost of frightful solitude. Many admired, even loved him, but he had no intimate friends: there was no man he called by his first name, and no woman he could wholly love.

As might be expected, he was a mass of eccentricities. He refused to have a telephone, kept his books stacked along the wall in their original packing cases, and saw no sense in daily making up the beds; the covers were thrown back in the morning and pulled up again at night. Lazy, he allowed the dishes to accumulate until the cupboard was bare and then washed the whole messy heap by turning the hose on them. Taciturn, he would sit for hours in silence when all his visitors were eager to hear his pronouncements. A flouter of convention, he gave all his students the same grade, regardless of their work, but when one student needed a higher mark to qualify for a scholarship, Veblen gladly changed a C to an A. An enfant terrible with an ax to grind for college ad-

ministrations, he would (when the authorities so decreed) call the roll with exaggerated care, carefully placing to one side the cards of the students who were absent, and then when the sheep were weeded from the goats, he would seemingly by accident mix the two piles together again. Curiously sadistic, he was capable of such meaningless practical jokes as borrowing a sack from a passing farmer and returning it to him with a hornet's nest inside. Rarely whimsical, he once told a little girl who inquired what his initials T. B. stood for that they meant Teddy Bear; she called him that but no one else dared. Enigmatic, he refused to commit himself on anything; typically, when someone once asked him his opinion of a certain sociologist's writing in a journal that Veblen edited, he replied: "The average number of words on a page is 400. Professor ——'s average 375." And perhaps strangest of all, this sardonic and unprepossessing man had the indefinable quality of being attractive to women. He was always engaged in one liaison or another, and not always of his own doing. "What are you to do if the woman moves in on you?" he once inquired.

A bewildering and complex personality, locked within itself and with only one avenue for expression: he wrote in razorlike English, in a style much like himself, involuted and laden with esoteric information and terminology, a kind of surgical style that left the world raw and exposed but perfectly bloodless, so fine-edged was his blade. He wrote of philanthropy and called it "essays in pragmatic romance"; of religion and characterized it as "the fabrication of vendible imponderables in the nth dimension." He wrote of the main ecclesiastical organizations as "chain stores" and of the individual church as a "retail outlet"—cruel but telling phrases. He described a walking stick as "an advertisement that the bearer's hands are employed otherwise than in useful effort," and he noted also that it was a weapon: "The handling of so tangible and primitive a means of offense is very comforting to anyone who is gifted with even a moderate share of ferocity." *Gifted* with ferocity! What a savage and yet curiously dry phrase.

But what had this to do with economics? Nothing, in the

conventional sense of the word. Economics for Veblen had no relation to the mannerly and precise game of the Victorians in which the ways of the world were justified by the differential calculus, and it bore little kinship with the efforts of earlier economists to explain how things worked themselves out. Veblen wanted to know something else: why things were as they were in the first place. Hence his inquiry began not with the economic play, but with the players; not with the plot, but with the whole set of customs and mores which resulted in that particular kind of play called "the business system." In a word, he delved into the nature of economic man and his economic rites and rituals, and in this almost anthropological approach it was as important for him to notice that gentlemen carried walking sticks and went to church as that landlords received something that society called rent. He was seeking to penetrate to the true nature of the society in which he lived, and in that search through a maze of deceptions and conventions he would have to take hints and evidences wherever they revealed themselves: in dress, manners, speech, or polite usage. Like the psychoanalyst he often fastened on the smallest of trivia when he believed it to be the projecting handle of some important but buried reality, and again like the psychoanalyst he sought for meanings that were often strange and even repugnant to common sense.

His examination of society, as we shall see, is merciless. But its biting quality comes not so much from a wish to disparage as from the peculiar coldness with which our fondest notions are appraised. It is as if nothing were familiar to Veblen, nothing too commonplace to merit his attention, and therefore nothing beyond judgment. Only a singularly detached mind, after all, would see in a walking stick both a disguised advertisement of leisure and a barbaric weapon.

The detachment seems to have been with him always. Veblen was born in 1857, a farm boy on the frontier, the fourth son and sixth child of an immigrant Norwegian family. His father, Thomas Veblen, was an aloof and distant person, slow-thinking and independent; Veblen later described him as the finest mind he ever met. His mother, Kari, was warm,

quick, and passionate; it was she who taught Thorstein the Icelandic lore and Norwegian sagas that fascinated him all his life. But from the beginning he was a queer child, lazy, addicted to reading in the attic instead of doing his chores, given to inventing nicknames that stuck, and precociously bright. A younger brother remarked: "From my earliest recollection I thought he knew everything. I could ask him any question and he would tell me all about it in detail. I have found out since that a good deal he told me was made of whole cloth, but even his lies were good."

To whatever makes an unusual personality was added an upbringing that drove a wedge between himself and the world as a place to be taken at face value. He had a pioneer childhood; simple, austere, sparse. Clothes were homemade, woolens unknown, overcoats fashioned from calfskin. Coffee and sugar were luxuries; so was such a simple garment as an undershirt. But more important, it was a foreign—a stranger's—boyhood. The Norwegians in America formed their own tight-knit and separate communities where Norwegian was the common tongue and Norway the true fatherland. Veblen had to learn English as a foreign tongue, not perfecting it until he went to college, and it is typical of that patriarchal self-enclosed community that the first inkling Veblen had that he was going to college was when he was called in from the fields to find his bags packed and placed waiting in the carriage.

He was then seventeen, and the college of his family's choice was Carleton College Academy, a small outpost of East Coast culture and enlightenment near the Minnesota township where the Veblens farmed. Thorstein had been sent with an eye to his entering the Lutheran ministry, and he found Carleton religious to the core. But there was no hope of taming this already active and iconoclastic intellect or fitting it into a pious atmosphere. At the weekly declamation, rather than a conventional discourse on the necessity of converting the heathen, Veblen threw the faculty into an uproar with "A Plea for Cannibalism" and "An Apology for a Topper." When asked if he was defending these instances of depravity, Veblen blandly replied that he was merely en-

gaged in scientific observations. The faculty recognized his genius but was a bit afraid of him. John Bates Clark, his teacher (who was to become one of the outstanding academic economists in the country), liked him but thought him a "misfit."

This odd and gifted misfit found the unlikeliest of opportunities at Carleton. A romance sprang up between Veblen and the niece of the president of the college, Ellen Rolfe. She was an intellectual and a brilliant personality on her own account, and the two drifted together under a natural gravitation. Veblen read Spencer to Ellen, converted her to agnosticism, and persuaded himself that she was descended from the first Viking hero, Gange Rolfe.

They were married in 1888, but the relationship was to be full of ups and downs. This isolated man who had but little love to bestow seems to have needed the care of a woman, and with few exceptions (one beauty pronounced him a "chimpanzee") he found it in abundance. But the particular woman did not seem so much to matter; Veblen was hardly faithful to Ellen and she was to leave him again and again, sometimes for his indiscretions, sometimes for the cruelty with which he treated her, sometimes out of the sheer frustration of trying to read an inscrutable and walled-off mind. For many years, however, Veblen himself would seek a rapprochement, coming to her house in the woods unannounced, with a black stocking dangling from his hand and inquiring, "Does this garment belong to you, Madam?"

When Veblen left Carleton he had determined on an academic career. There began instead the long, never-ending cumulation of frustrations that would mark his professional life. He was certainly unaggressive about his interests, and yet a kind of ill luck seemed to dog his footsteps: for example, once he was to ask a former student to investigate for him a position with a civic welfare organization in New York, and the student was to comply—only to take the job for himself. But that was to be many years later. Now Veblen obtained a post at tiny Monona Academy in Wisconsin, and then, when Monona closed its doors permanently after a year, he went to Johns Hopkins, hoping for a scholarship to study philosophy.

The scholarship, despite flowery recommendations, failed to materialize. Veblen transferred to Yale, and in 1884 he graduated with a Ph.D. and a broad *a*, but with no future and no prospects.

He returned home, sick from malaria he had contracted in Baltimore and needing a special diet. But he was anything but a grateful invalid. He pestered his family by taking the horse and buggy when they were most needed, and told them they were all tubercular and that they would never be successful because they were not dishonest enough. And he lay around and loafed. "He was lucky enough," wrote a brother, "to come out of a race and family who made of family loyalty and solidarity a religion. . . . Thorstein was the only loafer in a highly respectable community. . . . He read and loafed, and the next day he loafed and read."

Certainly he read everything: political tracts, economics, sociology, Lutheran hymn books, treatises in anthropology. But his idleness aggravated his isolation from society and made it more bitter and still more ingrown. He did occasional odd jobs, pattered with fruitless inventions, commented wryly on the gaudy events of the day, botanized, talked with his father, wrote a few articles, and looked for a job. None came. He had no divinity degree and hence was unacceptable to religious colleges; he lacked the polish and air that might have commended him to others. When he married Ellen, much to the dismay of her family, it was at least partly to find a livelihood; it was hoped that he would secure a position as economist for the Atchison, Topeka, and Santa Fe Railway of which her uncle was president.

But his capricious bad luck intervened. The railway became involved in financial difficulties and was taken over by a committee of bankers, and the position disappeared. Another opened up with the University of Iowa; with his Ph.D., his letters of recommendation, his wife's connections, the appointment seemed sure. It fell through—his lack of forcefulness and his agnosticism counted heavily against him—and then another at St. Olaf's was refused at the eleventh hour. It was as if the fates were conspiring against him, forcing him to remain in his isolation.

The isolation lasted seven years, and in those seven years Veblen did virtually nothing except read. Finally a family council was held. After all, he was thirty-four now and he had never held a respectable position. It was determined that he should take up his graduate studies again and make another attempt to enter the academic world.

He chose Cornell, and in 1891 he walked into the office of J. Laurence Laughlin to announce, "I am Thorstein Veblen." Laughlin, a pillar of conservative economics, must have been taken aback; the speaker wore a coonskin cap and corduroy trousers. But something about him impressed the older man. He went to the president of the university and secured a special grant to take on Veblen as a fellow, and the next year, when the University of Chicago opened its doors and took on Laughlin as the head of its economics department, he brought Veblen along at a salary of \$520 a year. It might be added that on Laughlin's death, his principal contribution to economics was adjudged to be that he had secured Veblen for Chicago.

The University of Chicago was not only Veblen's first job—at age thirty-five—but it was an institution that peculiarly mirrored the society he was to dissect. Rockefeller had founded the university, and a popular student jingle went:

John D. Rockefeller,
Wonderful man is he.
Gives all his spare change
To the U. of C.

The university was not, as might have been expected, tied to a policy of unremitting conservatism. Rather, it was the incarnation, in educational circles, of the empire building that had given it birth in the business world. Its president was William Rainey Harper, an ambitious man of only thirty-six, who was admiringly described by Walter Hines Page as a type of captain of industry. He was an entrepreneur college president, who did not hesitate to rob other colleges of their best men by dangling pay before them, and like the Standard Oil group, which was its father, the U. of C. succeeded, by

sheer bulk of financial strength, in cornering a large section of the American intellectual capital. All this was later to be caustically described by Veblen's pen, but at the same time it provided him with an adequate milieu of intellectuals. There was Albert Michelson, who was to determine the speed of light with hitherto unknown precision; Jacques Loeb, the physiologist; Lloyd Morgan in sociology; there was a huge library, and a new journal of economics to edit.

Veblen began to be noticed. His immense learning earned him a reputation. "There goes Dr. Veblen who speaks twenty-six languages," said a student. James Hayden Tufts, a noted scholar, came upon him in an examination room and tells, "When I entered the room, the examination had begun and someone I did not know was asking questions. I thought his speech the slowest I had ever heard—it was difficult for me to keep the beginning of the question in mind until the end was reached. But after a while I began to see that here was a subtle mind penetrating to fundamental issues without disclosing its own views except the one determination to get to the bottom of things."

But his isolated personality was impenetrable. No one knew what he thought about anything. People would ask his wife if he was really a Socialist; she had to tell them she herself did not know. He was never without his armor; a polite, controlled objectivity that stripped the world of its emotional content and kept those who would most have liked to pierce his personal shield at arm's length. "Tell me, Professor Veblen," a student once asked him, "do you take anything seriously?" "Yes," he replied in a conspiratorial whisper, "but don't tell anyone."

In class—this borrows from his later life, but it serves to illumine the man—he would come in gaunt and haggard from a long night over his books and, dropping a bulky German volume on the desk, would begin to turn the pages with nervous fingers yellowed from his sole vanity—a penchant for expensive cigarettes. The Reverend Howard Woolston, a one-time student, has described it thus: "In a low creaking tone, he began a recital of village economy among the early Germans. Presently he came upon some unjust legal fiction

imposed by rising nobles and sanctioned by the clergy. A sardonic smile twisted his lips; blue devils leaped to his eyes. With mordant sarcasm, he dissected the torturous assumption that the wish of the aristocrats is the will of God. He showed similar implications in modern institutions. He chuckled quietly. Then returning to history, he continued the exposition."

But not everyone appreciated his teaching methods. His frank feeling about students was the fewer the better, and he made no attempt to liven the discussion; indeed, he delighted in driving his students away. He once asked a religious student the value of her church to her in kegs of beer, and to another who sedulously copied his words and who wanted a sentence repeated, he said he thought it not worth repeating. He mumbled, he rambled, he digressed. His classes dwindled; one ended up with but one student, and later at another university a door card that originally read: "Thorstein Veblen, 10 to 11, Mondays, Wednesdays, and Fridays" was changed by slow degrees to read: "Mondays: 10 to 10:05."

But for the few who listened carefully to that bored droning voice, the idiosyncrasies were worth the reward. One student brought along a guest who later said, "Why, it was creepy. It might have been a dead man's voice slowly speaking on, and if the light had gone out behind those dropped eyelids, would it have made any difference? Bnt," the student added, "we who listened day after day found the unusual manner nicely fitted to convey the detached and slightly sardonic intellect that was moving over the face of things. His detached, free-ranging intellect attracted, and yet it seemed a mutilated personality. The scholarliness of his mind was amazing and delightful. He held in memory detail that would have overwhelmed most minds and become an end in itself, and never lost the magnificent charting of large design. . . . The quiet voice might in one minute make the most adroit use of a bit of current slang or popular doggerel to point out an opinion, and the next might be quoting stanza after stanza of a medieval Latin hymn."

His domestic economy was as tangled as the political

economy that he sought to unravel. He was living at Chicago with his wife, Ellen, but that did not prevent him from carrying on notoriously, to the displeasure of President Harper. When he went so far as to go abroad with another woman, his position on the campus became intolerable. He began casting around for another post.

He had spent fourteen years at Chicago, reaching the magnificent salary of one thousand dollars in 1903. But the years were far from wasted, for his insatiably inquisitive, voraciously acquisitive mind had finally begun to bear fruit. In a series of brilliant essays and two remarkable books he established a national reputation—although more perhaps for oddity than for anything else.

His first book was written when Veblen was forty-two. He was still a lowly instructor, and that year he had gone to President Harper and asked him for the customary few hundred dollars' raise. Harper replied that he did not sufficiently advertise the university, and Veblen replied that he had no intention of doing so. But for the intercession of Laughlin, Veblen would have left; if he had, President Harper would have missed a most signal advertisement. For Veblen was about to publish *The Theory of the Leisure Class*. There is no indication that he expected it to make an especial impression; he had read it to some of his students, dryly remarking that they would find it polysyllabic, and he had had to rewrite it several times before the publishers would accept it. But unexpectedly, it was a sensation. William Dean Howells devoted two long reviews to it, and overnight the book became the *vade mecum* of the intelligentsia of the day: as an eminent sociologist told Veblen, "It fluttered the dovescotes of the East."

No wonder it excited attention, for never was a book of sober analysis written with such pungency. One picked it up at random to chuckle over its wicked insights, its barbed phrases, and its corrosive view of society in which elements of ridiculousness, cruelty, and barbarousness nestled in close juxtaposition with things taken for granted and worn smooth with custom and careless handling. The effect was electric,

grotesque, shocking, and amusing, and the choice of words was nothing less than exquisite. A small sample quote:

... A certain king of France ... is said to have lost his life through an excess of moral stamina in the observance of good form. In the absence of the functionary whose office it was to shift his master's seat, the king sat uncomplaining before the fire and suffered his royal person to be toasted beyond recovery. But in so doing, he saved his Most Christian Majesty from menial contamination.

For most people the book appeared to be nothing more than just such a satire on the ways of the aristocratic class, and a telling attack on the follies and foibles of the rich. And so, on the surface, it appeared to be. Veblen, in his brocaded prose, embroidered the thesis that the leisure class advertised its superiority through conspicuous expenditure—blatant or subtle—and that its own hallmark—leisure itself—was also enjoyed the more fully by being dangled before the eyes of the public. In a thousand examples it held up to acid examination the attitude that "more expensive" necessarily meant "better." Thus, for example:

We all feel, sincerely and without misgiving, that we are the more lifted up in spirit for having, even in the privacy of our own household, eaten our daily meal by the help of handwrought silver utensils, from hand-painted china (often of dubious artistic value) laid on high-priced table linen. Any retrogression from the standard of living which we are accustomed to regard as worthy in this respect is felt to be a grievous violation of our human dignity.

Much of the book was concerned with such a scrutiny of the economic psychopathology of our daily lives: the canons of monetary propriety were spelled out as completely and in as quaint a light as if they were a recently exhumed archaeological find. That much of the book was savored with relish by everyone; in a land of advertisement and keeping up with

the Joneses, it was impossible to do otherwise than shake one's head and ruefully admire the unmistakable self-portrait.

But the descriptions of our penchant for display, however amusing or to the point, were no more than the illustrative material of the book. For as the title made clear, this was an inquiry into the *theory* of the leisure class. Although Veblen might stop along the route to comment on the more striking local scenery, his interest lay at the terminus of his journey, in such questions as What is the nature of economic man? How does it happen that he so builds his community that it will have a leisure class? What is the economic meaning of leisure itself?

To the classical economists such questions would have been answerable in terms of common sense. They saw the world in terms of individuals who rationally sought to better their own self-interest. Sometimes, as with Malthus's hopelessly multiplying laboring classes, brute human nature got the upper hand, but by and large mankind was depicted as a collection of reasoning beings. In the competitive struggle some rose to the top and some staved at the bottom, and those who were fortunate or sagacious enough to prosper quite naturally took advantage of their fortune to minimize their labors. It was all very simple and quite reasonable.

But such a view of mankind made little sense to Veblen. He was not at all sure that the force that bound society together was the interplay of rationally calculated "self-interest," and he was not even wholly convinced that leisure was in and of itself preferable to work. His readings had introduced him to the ways of little-noticed peoples: the American Indians and the Ainus of Japan, the Todas of the Nilgiri hills and the bushmen of Australia. And these people, in their own simple economies, seemed to lack a leisure class entirely. Even more striking, in such communities where the price of survival was labor, everyone worked, whatever his task, without feeling demeaned by his toil. It was not considerations of profit and loss that provided the positive drive of these economies, but a natural pride of workmanship and a parental feeling of concern for the future generations. Men

strove to outdo each other in the performance of their daily stints, and if abstinence from labor—leisure—was condoned at all, it was certainly not respected.

But another kind of community also opened itself to Veblen's gaze. The Polynesians and the ancient Icelanders and the shogunates of feudal Japan were a different kind of preindustrial society: they had well-defined leisure classes. These classes, be it noted, were not idlers. On the contrary, they were among the busiest members of the community. But their "work" was all predatory; they *seized* their riches by force or cunning and took no part in the actual production of wealth by sweat or skill.

But although the leisure classes took without rendering any productive service in return, they did so with the full approval of the community. For these societies were not only rich enough to be able to afford a nonproductive class, but aggressive enough to admire them; far from being regarded as wasters or spoilers, those who rose to the leisured ranks were looked up to as the strong and the able.

As a consequence, a fundamental change in attitudes toward work took place. The activities of the leisure class—the winning of wealth by force—came to be regarded as honorable and dignified. Hence, by contrast, pure labor became tainted with indignity. The irksomeness of work, which the classical economists thought to be inherent in the nature of man himself, Veblen saw as the degradation of a once honored way of life under the impact of a predatory spirit; a community that admires and elevates force and brute prowess cannot beatify human toil.

But what had all this to do with America or Europe? A great deal. For modern man, in Veblen's eyes, was only a shade removed from his barbarian forebears. Poor Edgeworth would have shuddered at the view, for it entailed nothing less than the substitution of warriors, chieftains, medicine men, braves, and an underlying population of humble awestruck common folk in the place of his pleasure machines. "The discipline of savage life," wrote Veblen in a later essay, "has been by far the most protracted and probably the most exacting of any phase of culture in all the life-history of

the race; so that by heredity human nature still is, and must indefinitely continue to be, savage human nature."

And so in modern life Veblen saw the heritage of the past. The leisure class had changed its occupation, it had refined its methods, but its aim was still the same—the predatory seizure of goods without work. It did not, of course, any longer seek for booty or women; *that* barbaric it was no more. But it sought for money, and the accumulation of money and its lavish or subtle display became the modern-day counterpart of scalps hanging on one's tepee. Not only was the leisure class still following the old predatory pattern, but it was upheld by the old attitudes of admiration for personal strength. In the eyes of society, the members of the leisure class were still the more warlike and more fearsome members of society and, accordingly, the underlying common folk sought to ape their betters. Everyone, workman and middle-class citizen as well as capitalist, sought through the conspicuous expenditure of money—indeed through its conspicuous waste—to demonstrate his predatory prowess. "In order to stand well in the eyes of the community," explained Veblen, "it is necessary to come up to a certain, somewhat indefinite conventional standard of wealth; just as in the earlier predatory stage it is necessary for the barbarian man to come up to his tribe's standard of physical endurance, cunning, and skill at arms." And similarly, in modern society not only did everyone vie for fierce excellence in the eyes of his fellow man, but as part of the same process, everyone "instinctively" felt the indignity that attached to nonpredatory means of livelihood, such as work.

Does this sound farfetched? We are not accustomed to thinking of ourselves as barbarians, and we writhe under the comparison or scoff at it. But for all its strangeness, there is a core of truth in Veblen's observations. There is a social derogation of physical toil as opposed to the more genteel pursuits of office employment. There is the fact that the accumulation of wealth typically proceeds—at least in the case of a successful executive—well beyond the point of rational wants and needs. We need not accept Veblen's anthropological explanation (some of which, such as the supposed "discipline" of "savage life," is weak in the light of contempo-

rary research into primitive communities) to profit by his principal insight—that the motives of economic behavior can be far better understood in terms of deep-buried irrationalities than in terms of the nineteenth-century prettification of behavior into reasonableness and common sense.

Just what these irrationalities are—psychological or anthropological—need not detain us here. Suffice it that when we trace our actions to their source, we find ourselves in a substratum buried far below the nice explanations of sweet reasonability. In their classic study of *Middletown*, for example, Robert and Helen Lynd found that during the Great Depression all but the poorest section of the working class retrenched on food and clothing before it would cut certain "necessary" luxuries; while in contemporary middle- and upper-class behavior, the standard of display for display's sake is amply testified to on the advertising pages of any magazine. No one is exempt from the virus of competitive emulation, and if only in a literary way, the attitudes of Veblen's predatory barbarians help us to understand our own.

And there is still a final conclusion to be drawn. The notion of man as a thinly civilized barbarian does more than explain the presence of a leisure class and the acceptance of display as the norm of expenditure. It gives a clue to the nature of social cohesion itself: For the earlier economists were not too successful in explaining what bound society together in the face of the powerful divergent interests of its component classes. If Marx's view was right, for example, and the proletariat was irreconcilably and diametrically opposed to the capitalist, what prevented the revolution from breaking out at once? Veblen provides an answer. The lower classes are not at swords' points with the upper; they are bound up with them by the intangible but steely bonds of common attitudes. The workers do not seek to displace their managers; they seek to *emulate* them. They themselves acquiesce in the general judgment that the work they do is somehow less "dignified" than the work of their masters, and their goal is not to rid themselves of a superior class but to climb up to it. In the theory of the leisure class lies the kernel of a theory of social stability.

After the *Leisure Class* appeared in 1899, Veblen had a reputation—although more as a satirist than as an economist. The radicals and intellectuals adored him, but he despised their praise. His fellow economists still questioned whether he was a Socialist, and wondered whether to take him seriously or not. They were justifiably bewildered: he praised Marx in one sentence and criticized him in the next, and his most serious social judgments were often cloaked in a kind of intellectual drollery that might be taken as morbid humor or as a perfectly straightforward sentiment.

But meanwhile, Veblen was working on another book—his own definition of the business system. "The book, I am creditably told," he wrote to an acquaintance, Mrs. Gregory, "is still more 'beyond' or as my friends who have seen it say, beside the point. Its name is *The Theory of Business Enterprise*—a topic on which I am free to theorize with all the abandon that comes of immunity to the facts."

The new book came out in 1904. Factual or not, it was even more coruscating and still more curious than his first. For the point of view that it advocated seemed to fly in the face of common sense itself. Every economist from the days of Adam Smith had made of the capitalist the driving figure in the economic tableau; whether for better or worse, he was generally assumed to be the central generator of economic progress. But with Veblen all this was turned topsy-turvy. The businessman was still the central figure, but no longer the motor force. Now he was portrayed as the *saboteur* of the system!

Needless to say, it was a strange perspective on society that could produce so disconcerting a view. Veblen did not begin, as Ricardo or Marx or the Victorians, with the clash of human interests; he began at a stage below, in the non-human substratum of technology. What fascinated him was the machine. He saw society as dominated by the machine, caught up in its standardization, timed to its regular cycle of performance, geared to its insistence on accuracy and precision. More than that, he envisaged the economic process itself as being basically mechanical in character. Economics meant production, and production meant the machinelike

meshing of society as it turned out goods. Such a social machine would need tenders, of course—technicians and engineers to make whatever adjustments were necessary to ensure the most efficient cooperation of the parts. But from an overall view, society could best be pictured as a gigantic but purely matter-of-fact mechanism, a highly specialized, highly coordinated human clockwork.

But where would the businessman fit into such a scheme? For the businessman was interested in making money, whereas the machine and its engineer masters knew no end except making goods. If the machine functioned well and fitted together smoothly, where would there be a place for a man whose only aim was profit?

Ideally, there would be none. The machine was not concerned with values and profits; it ground out goods. Hence the businessman would have no function to perform—unless he turned engineer. But as a member of the leisure class he was not interested in engineering; he wanted to accumulate. And this was something the machine was not set up to do at all. So the businessman achieved his end, not by working within the framework of the social machine, but by conspiring against it! His function was not to help make goods, but to cause breakdowns in the regular flow of output so that values would fluctuate and he could capitalize on the confusion to reap a profit. And so, on top of the machinelike dependability of the actual production apparatus in the world, the businessman built a superstructure of credit, loans, and make-believe capitalizations. Below, society turned over in its mechanical routine; above, the structure of finance swayed and shifted. And as the financial counterpart to the real world teetered, opportunities for profit constantly appeared, disappeared, and reappeared. But the price of this profit seeking was high; it was the constant disturbing, undoing, even conscious misdirecting of the efforts of society to provision itself.

It is at first blush a rather shocking thesis. That businessmen should work *against* the interests of production seems worse than heretical. It sounds foolish.

But before we dismiss the theory as the product of a

strangely warped and bitter mind, let us look again at the scene from which Veblen drew his subject. This was, let us remember, the age of American industry that Matthew Josephson has aptly called the time of the robber barons. We have already seen examples of the arrogance, the unaccountable, guiltless power the business titans wielded like so many barbarian chiefs, and we know the bizarre lengths to which they went in the achievement of their often predatory goals. But while all this is grist for Veblen's mill, it does not quite justify his contention of sabotage. For that we must look at one further shortcoming of the robber barons: *these men were uninterested in producing goods.*

We might illustrate with an incident from 1868. At that time Jay Gould was fighting Vanderbilt for control of the Erie Railroad, in a lusty footnote to industrial history in which Gould and his men were forced to flee across the Hudson River in a rowboat, and barricaded themselves in a New Jersey hotel. But it is not their primitive combat that we now stop to remark, but their total unconcern for the actual railroad itself. For while he was fighting Vanderbilt, Gould had a letter from a superintendent telling him:

The iron rails have broken and laminated and worn out beyond all precedent until there is scarcely a mile of your road, between Jersey City and Salamanca or Buffalo, where it is safe to run a train at the ordinary passenger or train speed, and many portions of the road can only be traversed safely by reducing the speed of all trains to 10 or 15 miles per hour.

When accidents piled up, one vice president of the line said, "The public can take care of itself. It is as much as I can do to take care of the railroad"—by which he meant frantically shoring up its crumbling financial embankments.

And Gould was no exception. Very few of the heroes of the Golden Age of American finance had much interest in the solid realities of what underlay their structure of stocks and bonds and credits. Later on, a Henry Ford might introduce an era of intensely production-minded captains of

industry, but the Harrimans, Morgans, Fricks, and Rockefellers were far more interested in the manipulation of huge masses of intangible wealth than in the humdrum business of turning out goods. Henry Villard, for example, was widely heralded in 1883 as a business hero; in that year he hammered in the Gold Spike that connected his great transcontinental Northern Pacific line. Thousands cheered; Chief Sitting Bull (who was specially let out of jail for the purpose) formally ceded the hunting lands of his Sioux tribe to the railroad; and the economists declared that Villard's financial peccadilloes were as nothing compared with his organizing genius. His admirers might have felt differently had they known of a letter written by James Hill, a rival railroad man. He had surveyed the Villard empire with a less enthusiastic glance and declared: ". . . the lines are located in good country, some of it rich and producing a large tonnage; but the capitalization is far ahead of what it should be for what there is to show and the selection of routes and grades is abominable. *Practically it would have to be built over.*"

Or a final example: the founding of the United States Steel Corporation in 1901. Viewed through Veblen's eyes, the steel combine was a vast social machine for producing steel, an assemblage of plants, furnaces, rail lines, and mines under a common management for their more efficient coordination. But this was only a minor consideration in the eyes of the men who "made" U.S. Steel. The eventual monster company had real assets of some \$682 million, but against this had been sold \$303 million of bonds, \$510 million of preferred stock, and \$508 million of common stock. The financial company, in other words, was twice as "big" as the real one, and nothing more lay behind its common stock than the intangible essence of "good will." In the process of creating these intangibles, however, J. P. Morgan and Company had earned a fee of \$12.5 million, and subscription profits to underlying promoters had come to \$50 million. Altogether, it cost \$150 million to float the venture. All this might have been condoned had the new monopoly been used for the purpose Veblen had in mind—as an enormously efficient machine for the provision of steel. It was not. For thirteen

years steel rails were quoted at \$28 a ton, whereas it cost less than half of that to make them. In other words, the whole gain in technological unification was subverted to the end of maintaining a structure of make-believe finance.

In the light of the times, Veblen's theory does not seem so farfetched. It stung because it described, almost in the terms of a savage ritual, practices that were recognized as the ultimate of sophistication. But his essential thesis was all too well documented by the facts: the function of the great barons of business was indeed very different from the functions of the men who actually ran the productive mechanism. The bold game of financial chicanery certainly served as much to disturb the flow of goods as to promote it.

Oddly enough, the book created less of a furor than *The Theory of the Leisure Class*. *Business Enterprise* never leaped the bounds of professional readership to take the country's intelligentsia by storm, as its predecessor had done. It was more difficult; more technical; it even included a few formulas, perhaps to prove to the academicians that he *could* write "technical" economics if he wanted to. But underlying the aloof, unimpassioned prose was an animus impossible to miss. To Veblen, businessmen were essentially predators, however much they or their apologists might drape their activities in the elaborate rationale of supply and demand or marginal utility. Later, in an essay on "The Captain of Industry," Veblen described the businessman as he really saw him; the following passage explains what is meant by the phrase "watchful waiting," which had been used to describe the entrepreneurial function:

Doubtless this form of words, "watchful waiting" will have been employed in the first place to describe the frame of mind of a toad who has reached years of discretion and has found his appointed place along some frequented run where many flies and spiders pass and re-pass on their way to complete that destiny to which it has pleased an all-seeing and merciful Providence to call them; but by an easy turn of speech it has also been found suitable to describe that mature order of captains

of industry who are governed by sound business principles. There is a certain bland sufficiency spread across the face of a toad so circumstanced, while his comely bulk gives assurance of a pyramidal stability of principles.

But *The Theory of Business Enterprise* eschewed such rhetoric, for Veblen had a serious purpose in mind—to present a theory of social change. More precisely, it was a theory of the eventual decline of the businessman and of the system that sustained him. Veblen believed that the days of the business leaders were numbered, that despite their power, there was ranged against them a formidable adversary. It was not the proletariat (for the *Leisure Class* had shown how the underlying population looked up to its leaders), but a still more implacable foe: the machine.

For the machine, thought Veblen, "throws out anthropomorphic habits of thought." It forced men to think in terms of matter of fact, in terms precise, measurable, and devoid of superstition and animism. Hence those who came into contact with the machine process found it increasingly difficult to swallow the presumptions of "natural law" and social differentiation which surround the leisure class. And so society divided; not poor against rich, but technician versus businessman, mechanic against war lord, scientist opposed to ritualist.

In a later series of books, principally *The Engineers and the Price System* and *Absentee Ownership and Business Enterprise*, he spelled out the "revolution" in greater detail. Eventually a corps of engineers would be recruited from society to take over the chaos of the business system. Already they held the real power of production in their hands, but they were as yet unaware of the incompatibility of the business system with a system of true industry. But one day they would take counsel among themselves, dispense with the "lieutenants of absentee ownership," and run the economy along the principles of a huge, well-ordered production machine. And if they did not? Then business would increase in predatoriness until it eventually degenerated into a system of naked force, undisguised prerogative, and arbitrary command in which the businessman would give way to a re-

crudescence of the old warlord. We would call such a system fascism.

But to Veblen, writing in 1921, it was all a long way off. The last sentence of his *Engineers and the Price System* read: "There is nothing in the situation that should reasonably flutter the sensibilities of the Guardians or of that massive body of well-to-do citizens who make up the rank-and-file of absentee owners, just yet." That "just yet" is typical of the man. Despite the studied impersonality of his style, an animus bristles through his writing. And yet, it is not a personal animus, not the rancor of one who is privately affronted, but the amused and ironical detachment of a man apart, a man who sees that all this is transient, and that the ritual and make-believe will in time give way to something else.

This is not the time to make an appraisal of what he said; that will come later. But we might note a curious comparison. Veblen's general approach reminds us of a most un-Veblenesque figure—that strange half-mad Utopian Socialist, Count Henri de Saint-Simon. Remember that Saint-Simon also extolled the producer and mocked the ornamental functionary. Perhaps it will serve to temper our judgment of Veblen's scorn of the business overlord if we reflect that at one time Saint-Simon's jibes at "M. the brother to the King" must have similarly shocked public sentiment.

The year 1906 was Veblen's last at Chicago. He was beginning to be famous abroad; he had attended a banquet at which the King of Norway was present and in an unusual display of sentiment had sent the menu to his mother, who was deeply moved that her son had met a king. But at home things were not so good. His philanderings had gone too far, and despite his books and his newly won rank of assistant professor, his conduct was not such as to advertise the university in the manner advocated by President Harper.

He sought a new position. But his fame was closer to notoriety than repute, and he had much difficulty in finding another post. Eventually he went to Stanford. His reputation had preceded him: his fearsome scholarship, his personal un-

touchability, his extramarital proclivities. All were amply vindicated. He impressed those few of his colleagues who could endure his maddening refusal to commit himself on anything, and he became known as "the last man who knew everything." But his home economics were unchanged: on one occasion, hoping to be tactful, a friend referred to a young lady staying at his house as his niece. "That was not my niece," said Veblen. And that disposed of that.

His wife divorced him in 1911. He must have been an impossible husband (he would leave the letters from his admirers in his pockets, where she would be sure to find them), and yet, rather pathetically, it was she who hoped that the marriage would eventually right itself. It never did, more than temporarily; once when Ellen thought that she was pregnant, Veblen sent her home in a panic. He considered himself totally unfit to be a father and rationalized his fears with anthropological arguments on the unimportance of the male in the household. Finally a divorce became an inescapable necessity. "Mr. Veblen," wrote Ellen at the end of a long letter of self-commiseration, "though his part of the bargain is to furnish me with \$25 a month—probably will not do it." She was right.

The year of his divorce he moved on again, this time to the University of Missouri. He stayed in the house of his friend Davenport, a well-known economist—a lonely and idiosyncratic man writing in the cellar. Yet it was a period of great productivity for Veblen. He looked back on the days at Chicago and summed up the perversion of centers of learning into centers of high-powered public relations and football in the most stinging commentary ever penned on the American university: *The Higher Learning in America*. While it was still in composition Veblen said, half-seriously, that it would be subtitled "A Study in Total Depravity."

But more important, he turned his eyes to Europe, where the threat of war was imminent, and he wrote about Germany, comparing her dynastic and warlike state to a tapeworm, in these vitriolic words: ". . . the tapeworm's relation to his host is not something easy to beautify in words, or even to authenticate in such convincing fashion as will ensure his

affectionate retention on grounds of use and wont." The book on *Imperial Germany* suffered an unusual fate; although the propaganda office of the government wanted to use it for war purposes, the Post Office found in it so many remarks uncomplimentary to Britain and the United States that they barred it from the mails.

When war finally came, he offered his services to Washington: this man, to whom patriotism was only another symptom of a barbaric culture, was not devoid of it himself. But in Washington he was juggled about like a hot potato; everybody had heard of him, but no one wanted him. Finally they shelved him in an unimportant post in the Food Administration. There he behaved like himself: he wrote memoranda on how best to get in the crops—but since his suggestions involved a wholesale reorganization of rural social and business ways, they were called "interesting" and ignored. He proposed a steep tax on the employers of domestic servants in order to release manpower; that too was overlooked. It was a typical Veblen proposal: butlers and footmen, he said, "are typically and eminently an able-bodied sort, who will readily qualify as stevedores and freighthandlers as soon as the day's work has somewhat hardened their muscles and reduced their bulk."

In 1918 he came to New York to write for the *Dial*, a liberal magazine. He had recently published *An Inquiry into the Nature of the Peace* in which he boldly stated that the alternatives facing Europe were a perpetuation of the old order with all its barbarous incentives to war or the abandonment of the business system itself. The program was at first talked about and then lost its fashion; Veblen touted it in the *Dial*, but with every issue the circulation dropped. He was asked to lecture at the newly formed New School for Social Research with a bevy of stars: John Dewey, Charles A. Beard, Dean Roscoe Pound. But even that turned sour; he was still a mumbler in the classroom, and his lectures, which were filled to overflowing at first, were reduced to a handful in short order.

It was a strange mixture of fame and failure. H. L. Mencken has written that "Veblenism was shining in full bril-

liance. There were Veblenists, Veblen Clubs, Veblen remedies for all the sorrows of the world. There were, in Chicago, Veblen Girls—perhaps Gibson Girls grown middle-aged and despairing." But for the man himself there was nothing. A bust of himself in the lobby of the New School caused him such acute embarrassment that it was finally less prominently displayed in the library. Personally, he was nearly helpless, nurse-aided through the everyday problems of living by a few devoted former students including Wesley Mitchell and Isadore Lubin, already important economists in their own right. For a while he watched eagerly for a sign of a new world to come: an age of engineers and technicians, and he hoped that the Russian Revolution might usher in such an era. But he was disappointed in what he saw, and as Horace Kallen of the New School has written, "When the thing failed to come off, he gave signs of a certain relaxation of will and interest, of a kind of turning toward death. . . ."

Belatedly he was offered the presidency of the American Economic Association. He turned it down with the comment, "They didn't offer it to me when I needed it." Finally he went back to California. Joseph Dorfman, in a definitive biography, tells of his arriving at his small cabin in the West and thinking that someone had unjustly seized his plot of land. "He took a hatchet and methodically broke the windows, going at the matter with a dull intensity that was like madness, the intensity of a physically lazy person roused into sudden activity by anger." It was all a misunderstanding, and he settled there, in home-built rustic furniture that must have reminded him of his boyhood, in coarse workmen's clothes purchased by mail from Sears, Roebuck, disturbing nothing of nature, not even a weed, and allowing the rats and skunks to brush by his legs and explore his cabin as he sat immobile, wrapped in unhappy distant thoughts.

It was neither a happy nor a successful life on which to look back. A second wife, whom he had married in 1914, had had delusions of persecution and had been institutionalized; his friends were far away; his work had been captured by the dilettantes and was largely disregarded by the economists and unknown to the engineers.

He was seventy now and he wrote no more. "I have decided not to break the Sabbath," he declared. "It is such a nice Sabbath." His students came to see him and found him more distant than ever. He was subjected to adulation and received letters from self-appointed disciples. "Can you tell me in what house in Chicago it was that you did your early writings and if possible what room?" inquired one. Another, having finished *The Theory of Business Enterprise*, wrote to him asking his advice on how to make money.

In 1929, a few months before the great crash, he died. He left behind a will and this unsigned penciled injunction: "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 any 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 kind or nature, be set up in my memory or name at 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."

As is always the case, his request was ignored: he was cremated and his ashes strewn out over the Pacific, but his memorialization by the written word began immediately.

What are we to think of this strange figure?

It is hardly necessary to point out that he went to extremes. His characterization of the leisure class, for example, was a masterpiece of portraiture on one page but a caricature on the next. When he picks out the silent component of wealth in our accepted canons of beauty, when he slyly mentions that "the high gloss of a gentleman's hat or of a patent-leather shoe has no more intrinsic beauty than a similarly high gloss on a threadbare sleeve," he is on sound ground and we must meekly accept the judgment of snobbery that has been passed on our taste. But when he writes, "The vulgar suggestion of thrift, which is nearly inseparable from the cow, is a standing objection to the decorative use of the animal," he shades off into the absurd. The irrepressible Mencken

picked him up on that one: "Has the genial professor, pondering his great problems, ever taken a walk in the country? And has he, in the course of that walk, ever crossed a pasture inhabited by a cow? And has he, in making that crossing, ever passed astern of the cow herself? And has he, thus passing astern, ever stepped carelessly aud—?"

Much the same criticism can be brought against Veblen's characterization of the businessman, or for that matter, the leisure class itself. That the financial titan of the halcyon days of American capitalism was a robber baron there is no doubt, and Veblen's portrait of him, savage though it is, is uncomfortably close to the truth. But, like Marx, Veblen did not seriously inquire into the extent that the institution of business, much as the monarchy of England, might adapt itself to a vastly altered world. More to the point—because it is closer to Veblen's own approach—he did not see that the machine, that wholesale rearranger of life, would change the nature of the entrepreneurial function just as much as it would alter the thought processes of the workman, and that the businessman himself would be forced into a more bureaucratic mold by virtue of his duties as a manager of a vast, ongoing machine.

It is true that Veblen's infatuation with the machine leaves us a little wary; it is a jarring note in a philosopher otherwise so devoid of lyricism. It may be that machines make us think matter-of-factly—but about what? Charlie Chaplin in *Modern Times* was not a happy or well-adjusted man. A corps of engineers might well run our society more efficiently, but whether they would run it more humanely is another question.

Yet Veblen did put his finger on a central process of change, a process that loomed larger than any other in his time and that had been strangely overlooked in all the investigations of his contemporary economists. *That process was the emergence of technology and science as the leading forces of social change in modern times—indeed, as the institutional force whose advent en masse was the identifying element of modern times.* It was thus in many ways a historic vision as much as an economic one. Veblen saw that the watershed of

the technological age was as great as any in history and that the introduction of machinery into the finest interstices and over the largest spans of life was accomplishing a revolution comparable with that in which men learned to domesticate animals or to live in cities. Like every great discoverer of that which is obvious but has been unseen, Veblen was far too impatient; processes that would take generations, even centuries, he expected to mature in decades or even years. Yet it is to his credit that he perceived the machine as the primary fact of economic life in his time, and for this single brilliant insight he must be placed in the gallery of the worldly philosophers.

And then, too, he gave economics a new pair of eyes with which to see the world. After Veblen's savage description of the mores of daily life, the neoclassical picture of society as a well-mannered tea party became increasingly difficult to maintain. His scorn of the Victorian school was bitingly expressed when he once wrote: "A gang of Aleutian Islanders, slushing about in the wrack and surf with rakes and magical incantations for the capture of shellfish, are held . . . to be engaged on a feat of hedonistic equilibration in rent, wages, and interest"; and just as he ridiculed the classical attempt to resolve the primitive human struggle by fitting it into a fleshless and bloodless framework, so he highlighted the emptiness of trying to understand the actions of modern man in terms that derived from an incomplete and outmoded set of preconceptions. Man, said Veblen, is not to be comprehended in terms of sophisticated "economic laws" in which both his innate ferocity and creativity are smothered under a cloak of rationalization. He is better dealt with in the less flattering but more fundamental vocabulary of the anthropologist or the psychologist: a creature of strong and irrational drives, credulous, untutored, ritualistic. Leave aside flattering fictions, he asked of the economists, and find out why man actually behaves as he does.

His pupil, Wesley Clair Mitchell, a great economic investigator in his own right, summed him up this way: "There was the disturbing influence of Thorstein Veblen—that visitor from another world who dissected the current common-

places which the student had unconsciously acquired, as if the most familiar of his daily thoughts were the 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."