

1956

What Is Positive in Veblen?

David Hamilton

Follow this and additional works at: <https://digitalrepository.unm.edu/nmq>

Recommended Citation

Hamilton, David. "What Is Positive in Veblen?" *New Mexico Quarterly* 26, 2 (1956). <https://digitalrepository.unm.edu/nmq/vol26/iss2/4>

This Contents is brought to you for free and open access by the University of New Mexico Press at UNM Digital Repository. It has been accepted for inclusion in New Mexico Quarterly by an authorized editor of UNM Digital Repository. For more information, please contact disc@unm.edu.

David Hamilton

WHAT IS POSITIVE IN VEBLEN?

THORSTEIN VEBLEN was a controversial figure during his lifetime. Despite the fact that he has been dead now a little over twenty-five years, the controversy has not abated. Just within the past few years such diverse students as Lloyd Morris, Morton G. White, Henry Steele Commager, C. Wright Mills, and David Riesman have felt called upon to give new interpretations of Veblen and his work. From their expressions there seems to be no more agreement now than twenty-five years ago on just what Veblen did have to contribute to modern social thought.

In a new introduction written by C. Wright Mills for a Mentor edition of *The Theory of the Leisure Class*, Mr. Mills stated:

We must remember that we could not entertain, at least not so easily, such criticisms and speculations had Veblen not written. And that is his real and lasting value: he opens up our minds, he gets us "outside the whale," he makes us see through the official sham. Above all, he teaches us to be aware of the crackpot basis of the realism of those practical Men of affairs who would lead us to honorific destruction.

Mills suggests that Veblen's major contribution was an iconoclasm in viewing the economic-social structure that all of us would be well advised to take in at least moderate dosage. Although Mills does attribute to Veblen some positive contributions, a negative iconoclasm seems to him to be the major value. Morton G. White comes to about the same conclusion, that Veblen, along with Holmes, Robinson, Dewey, and Beard, represented a revolt against an earlier narrow formalism in social thought. They smashed the idols of nineteenth-century social thought on a wholesale basis. This skepticism was valuable, but

White is explicit in insisting that Veblen, along with the others, had little of a positive nature to contribute.

What is probably meant to be the most devastating criticism yet made of Veblen is that of David Riesman in his volume on Veblen in *The Twentieth Century Library*. The whole study was virtually a thinly disguised annihilation of Veblen by character assassination. Unfortunately Riesman went at his work in the fashion of a literary critic rather than of a social scientist. Literary criticism differs in character from objective examination of social ideas. Often in literary criticism the attempt is to locate the origin of the novel or other literary work in the background of the author's personal experience. This is a valid approach because the best literature is a mixture of fact and fancy — fact from the author's life experience and fancy from his imagination. Running down these threads is the fond endeavor of the literary critic. What is the peculiar psyche of the author? is the perennial unanswerable question of the literary critic. But this type of enterprise has little value in a positive analysis of social thought. It has about the same value as examining the inner yearnings of a physicist in order to understand his physics.

Ideas do have a reality and existence of their own in the cultural stream. We are, social scientist and all the rest of us, both cognitively as well as emotionally conditioned in that culture. The training of the social scientist is a part of his cognitive conditioning and it is in this process that he gets his ideas and roots of new ideas which he may contribute to the stream of social thought. Thus, it would appear legitimate to trace ideas to their forerunners to show how the new ideas are a combination of preceding independently existing ideas. But asking "What am I" and "Who was Veblen" questions, meaning not the flesh and blood Veblen and his very definitely stated ideas, but the mysterious and real Veblen in a dualistic Platonic sense is a question for metaphysics and not for science.

Unfortunately Mr. Riesman became so involved in an attempt

to locate all of Veblen's ideas in some personality-lack that he seems to have missed the coherent system of thought which Veblen did hold. This may account for his conclusion that Veblen's contribution was "his way of seeing," that the real contribution was "the intangible assets that have come down to us, his books and his personal style . . . the power of ideas and of personality." From the context of the complete study it is clear that Riesman sees as the greatest of these, personality, and a rather "black" one at that.

Not all of these recent examinations have been on the negative side, but those which have brought the most attention *have* been. Today, of course, valid criticisms can be made of Veblen in the light of the advance of social inquiry which has taken place since Veblen was studying the passing scene. No one can defend his use of a unilinear concept of social evolution, but such a savagery-barbarism-civilization classification was not yet discredited anthropology when Veblen was at work. Likewise his use of instinct, in a very vague manner it should be added, cannot be sustained today. But instinct psychology was still stylish as late as the nineteen-twenties. An economist can hardly be held responsible for not advancing the psychological front. Likewise Veblen's concept of the immediate and direct impact of machine technology on the habits of thought of those exposed to the machine process was off in detail, although Veblen is not as far off on this point as at first it might appear. Science and technology, in an insidious manner, seem to alter our whole pattern of habitual behavior, and as will be shown later, tend to erode barnacle-encrusted cultural habits, leaving a simpler, more direct cultural structure. Furthermore, his concept of the business cycle cannot be taken as it stands today. But at a time when the keepers of the received economic thought were not even concerned with such matters, his analysis stood out as an advance, bringing economic thought some distance closer to that reality for which it purports to be an explanation. However, no matter how valid

these criticisms, they are all recognized and admitted by students more favorably inclined toward Veblen and his work.

If so, it might well be asked, is there anything worth while in Veblen? Did he have anything positive to offer to social thought? Surely there must have been something worthwhile in the mass of effort put forth, other than his personality, or his iconoclasm, or his literary attainments. The fact that his work has attracted and continues to attract so much attention indicates that there must also be something positive in his contributions. An ironic style and a passion for the florid phrase would be insufficient alone to sustain the interest of the social scientist through all of these years. There would seem to be much evidence that Veblen was the most unique and original social thinker American culture has contributed to the world stream of social thought. Among American economists, Veblen is one of the few who have attracted the attention of the trade outside the American continent. In two comparatively recent English studies of the development of economic thought, Veblen along with J. B. Clark is singled out for major treatment.

AS POINTED OUT by C. E. Ayres, Veblen was a systematic thinker, but not a systematic writer. He at no time set down in one place what might be called, for want of something better, a *Principles of Institutional Economics*. Yet running throughout his work is one major theme — the distinction he made between workmanship and exploit. The first chapter of his first book, *The Theory of the Leisure Class*, sets out to make this distinction. In *The Instinct of Workmanship* he traces this dichotomy throughout the cultural history of mankind.

In *The Theory of the Leisure Class*, Veblen made his famous distinction between serviceable employments and exploit: Exploit is honorific while serviceable employments are equated with drudgery and low status. On this foundation he constructed the whole theme of the leisure class. The men who deal with

the occult forces with which a community sees fit to contend are rewarded with a large share of the wealth resulting from the efforts of the community at large. Labor carried out with close attention to matter-of-fact detail and which involves a minimum of spiritual intimidation, is rewarded at a rather low rate.

The man of exploit must place his gains in evidence — conspicuous consumption — testimony to his prowess in contending with the animistic forces which stand over the community. This theme is carried out in great detail, and Veblen traces its multitudinous cultural ramifications.

In *The Instinct of Workmanship* Veblen traces the interworking of these two forces from a primitive, rather peaceful, culture to the present pecuniary culture characteristic of the western communities. In *The Theory of Business Enterprise* he makes the distinction between business and industry, the form that this cultural dichotomy takes in the pecuniary culture. He contends that at the same time that tools were used to produce goods, they were through ownership made the basis of a whole system of status in which reward was in accordance with the status position held by the individual.

In short, tools serve two purposes, they are matter-of-fact instruments of production in a technologically structured system of organization and they are also the basis of ownership claims in a power-oriented system of graded men. The latter at best might permit production to proceed unobstructed, but by its very nature could in no way be the genesis of production. At worst, the power structure might incapacitate the full utilization of the technologically organized structure. If profit margins became so low that they threatened the solvency of the status structure as found in a corporation, the industrial wheels might be sabotaged to maintain corporate profits and the corporate hierarchy.

This dichotomy which Veblen stressed so much is his grand theme. Not the literary histrionics, the irony, the bitterness, the

neuroticism, or the many other things that Mr. Riesman and others of his bent seem to think they find in Veblen. He was, after all, an economist and not a literary man or a sociologist or a student of character. His central concern was with the cultural forces which shape and bend and direct economic development. As C. E. Ayres has contended, "Veblen got hold of an idea which may yet prove to be as fundamental for economics (and perhaps for the social sciences generally) as the idea of elemental substances was for chemistry. This is the idea of the presence in all culture of two quite different tendencies: that of 'workmanship' and that of 'ceremonialism.' "

Mr. Riesman views this dichotomy, however, as the result of some unconscious urge which is traceable to the influence of Veblen's supposedly overbearing father and sympathetic and indulgent mother. Thus, the implication is that it was a kind of whim peculiar to the personality of Veblen. But this isn't so. This dichotomy came from Veblen's study of other cultures as found in the work of the anthropologists. He frequently wrote without citation, as noted by Riesman, but the citation is sufficient to leave the origin of his ideas quite clear. Veblen was a student of the work of Spencer and Gillen, Frazer, Tylor, Boas, as well as many others. A short perusal of only the notes to Chapter II of *The Instinct of Workmanship* will make this clear. The technology-ceremonial distinction which Veblen used is implicit in the works of these men. The anthropologist readily separates that part of the culture which is ceremonial from the work-day affairs of the primitive community. Of course, the community makes no such separation and these two aspects of culture exist side by side in what Veblen called a "cultural symbiosis."

All of this is very clear in the work of Malinowski, with some of which Veblen was familiar. As Malinowski has stressed, for example, the Trobriand Islander was extremely proficient in a multitude of activities. He made a careful selection of seed taro, he distinguished between soils, literally he cultivated with grub-

bing care, he paid due heed to the seasons, knew the value of rain, and the necessity for strong fencing against bush pigs. The whole community was organized instrumentally in line with these activities. But such organization was evidently not enough to the Trobriander. The technological activity was punctuated throughout by magic ceremonies, placating the ancestral spirits with which the Trobriander felt he had to contend. In this activity only certain individuals, and then only on being duly certified by virtue of possession of mystic powers, participated. Status and vestiture of rank decided who performed the magic. The same considerations governed distribution of wealth. The chief of the village of Omarakana took the largest single portion of the taro crop.

This differential grading was symbolized by the marked difference in the sizes of the yam houses in the village. So it was with all activities. In the trading activity known as the *kula*, from the construction of a canoe through the conduct of a successful journey to Dobu, there was a mixture of magic and matter-of-fact, or exploit and workmanship. Likewise there was a differential grading of the individual participants downwards from a near 100 per cent ritual purity to an almost, but not quite, absence of such mysterious force. To be entirely without would mean to lack membership in Trobriand society.

Not only Malinowski has called attention to these two diverse but simultaneous aspects of culture. The distinction can be found among the Arunta, the Mandan, the Coorgs of India, the Tikopia, and all other observed cultures. Evidently here is a universal characteristic of culture, and Veblen clearly saw its significance for a better understanding of our own economy.

What is significant in Veblen is the meaning implicit in this dichotomy for human well-being. As Veblen well understood, the status hierarchy by its very nature must remain static. Marriage must be solemnized over and over again by the same ceremonial, performed in the same fashion by the same ceremonially

adequate master of ceremonies, said in the identical ceremonial words. It cannot be carried out in a perfunctory manner, slipping a few cogs in the process. If this should occur the marriage would not be adequate ceremonially—the couple subject to the rite would not acquire those mysterious properties that make them man and wife. For such reasons ceremonial is self-preserving.

Not so technology or workmanship. As the anthropologist well understands, cultures grow through invention and diffusion. Those aspects of culture which we call technological are peculiarly susceptible to combination. By combining tools in new ways, the sum total of technology is expanded, and by just such a process culture grows. This process led from a primitive paleolithic age of flint and stone to the atomic age. The future well-being of mankind must be uniquely related to the unfettered continuation of this process. Veblen focused a large measure of attention on this process and contended that if these ways of organizing the human enterprise were extended to all activities, to the detriment of the mass of earlier ceremonialism still clinging to the cultural wheel, welfare would be advanced. But, he said, we have no assurance that our society will make such an advance. He expresses this clearly at the end of *The Theory of Business Enterprise*. "Which of the two antagonistic factors may prove the stronger in the long run is something of a blind guess; but the calculable future seems to belong to one or the other."

Veblen has this positive contribution: As science and technology advance and encompass all of human activity, or rather, intrude themselves into those areas still reserved for ceremony, the human enterprise will flourish.

The things which separate the world at present are differences over systems of status and differential grading. No one is quibbling over the most effective means of organization to produce steel. Within the western world this has meant renewed faith in the virtue of pecuniary activity. For a good many centuries the western world has been familiar with capitalism as a system of

differential status. Oddly, all societies seem to place their faith in those mysterious tribal forces, belief in which evidently is generated by the social structure itself—the peculiar force of the mores. The so-called religious revival in western culture can be considered an intensification of tribal worship, which seems always to occur when tribal ceremonialism is threatened from without. Evidently the same kind of phenomenon has taken place within the communist orbit. Or so the glass-enclosed mausoleums in the Kremlin would indicate.

But it is just not true that, as Joseph Schumpeter put it, “the victories . . . in the offing . . . over cancer, syphilis, and tuberculosis will be as much capitalist achievements as motorcars or pipe lines or Bessemer steel have been.” Neither capitalism, nor socialism, nor communism, nor any other system of organized belief in the peculiar superiority and efficacy of some system of status is the key to human progress. Mankind from time immemorial has ascribed all progress to the mysterious qualities of the “tribal ways.” But if we survive it will not be because of the ceremonial tribal ways but because we continue and enlarge the long parade of cultural history which we call science and technology and which Veblen called workmanship. Recognition of this social fact is the positive contribution of Veblen.