

FOREWORD

THORSTEIN VEBLEN was one of my idols as a young man. When a new book of his was published I secured it at once and read it many times. After a few years I began to meet him at conferences of organizations formed by his admirers, but I had little chance to talk to him and could hardly claim to know him personally. When my first book was published I made bold to send him a copy. A few weeks later I received a note informing me that Dr. Veblen would be pleased if I would dine with him at his apartment.

The great man was living very simply. He had a gray suit, a gray beard and a gray face. He said almost nothing throughout the meal. He looked very tired and old. I talked of this and I talked of that with a growing sense that I was boring him. Occasionally the gray head would nod, but mostly he looked at me as impassively as a stone Buddha. Finally I too became silent, my rush of small talk, small comment, small philosophizing ended. For some minutes not a word was spoken. Should I go? Had I made a dreadful fool of myself? Why had one of the wisest Americans of his generation elected to discomfit me in this fashion? I began to get a little angry. If he was too tired to speak out loud, why had he not postponed or cancelled the invitation? So passed ten of the most uncomfortable minutes I had ever experienced.

The gray lips stirred. "Your book," he said, "is too

simple, too logical. Man is not a logical animal, particularly in his economic activity. But you have gathered some interesting facts. You have documented the conception of economic waste more thoroughly than it has been done before." My heart bounded. "But," he continued, a gleam of animation in the gray face, "do not expect any attention to be paid to it. Work of this nature, excellent as it may be, does not command attention, at least not yet. Some day, perhaps. I wanted to tell you that I appreciate your references to me, and that I think your work, while oversimplified, is a contribution to that kind of economic thought in which we both are interested. You have a feeling for facts. Hold to them. . . . I am very tired. You will forgive me." He held out his hand, and I left, my earlier resentment replaced with a deep glow of sympathy and encouragement.

In those few words, the sense of which rather than the exact phrasing I remember, Thorstein Veblen had not only bidden an impetuous neophyte hew to the line, but he had exposed for an instant his own heart. For thirty years he had been formulating new ideas and writing books about them, to which nobody paid much attention. His colleagues in the economics faculties had been forced to recognize his ability, but he was regarded as an outlander, an iconoclast, more than a little mad. The general public never knew of his work, with one exception; his style was held to be forbidding. While his books invariably found a publisher, most of them enjoyed a very modest circulation.

The one exception was *The Theory of the Leisure Class*. Originally published in 1899, it was reprinted four times and revised in 1912. Since then the sale has been steady, and the book has become a classic of economic and social

literature. The phrase "conspicuous consumption," to describe expenditures made not for comfort or use, but for purely honorific purposes, is now common coin, entering into all discussions where the problems of the consumer and of standards of living are broadly considered. So far as the public knew the name of Thorstein Veblen up to 1933, this book was primarily responsible. Its influence has been slow, but it has steadily advanced.

Other conceptions, other books, remained for a generation in obscurity. Whether their author valued them more than the *Leisure Class* it is impossible to tell. Certainly it hurt him that they were not appreciated. He died before the thesis of *The Engineers and the Price System*, written in 1919, was shouted around the world in headlines about Technocracy. He died before Messrs. Berle and Means, in their *Modern Corporation and Private Property*, restated with many concrete examples the thesis of *The Theory of Business Enterprise*, first published in 1904; and before Ferdinand Pecora, in his investigations of high finance, supported with unlimited case material the trend Veblen had indicated with such uncanny perspicacity many years earlier.

Veblen was human; he could not see everything; he guessed wrong now and again, but by and large the history which we have been living through since the War, the curve of inanimate energy, technological unemployment, the prodigious boom, and the resounding smash, were all on Veblen's charts before Charles Mitchell and the Middle West Utilities were ever heard of. He was like an astronomer constructing orbits for future generations. At the turn of the century he gathered his facts, synthesized them in one of the boldest interpretations in the history of eco-

nomics, and foretold the mold into which that history must fall for decades to come. Today the world is beginning to recognize his stature. The attention which was so largely denied him during his life is now building a monument to his memory.

The Theory of the Leisure Class will probably remain Veblen's most popular book. The thesis is simple. People above the line of bare subsistence, in this age and all earlier ages, do not use the surplus, which society has given them, primarily for useful purposes. They do not seek to expand their own lives, to live more wisely, intelligently, understandingly, but to impress other people with the fact that they have a surplus. Ways and means for creating that impression are called by Veblen *conspicuous consumption*. They consist in spending money, time and effort quite uselessly in the pleasurable business of inflating the ego. An extreme example, which entailed much actual suffering on the part of one section of the leisure class, was the binding of the feet of Chinese noblewomen. This agony was willingly accepted as a badge of complete inability to perform any variety of useful work, and it placed the victim and her class far above vulgarians who must plow and spin. Another extreme example is that "afforded by a certain king of France, who 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."

The motor car has provided perhaps the most obvious

example of conspicuous consumption in modern times. Cars are selected not primarily for use, comfort or transportation, but to maintain one's position in the community. The make, the model, the gadgets, the upholstery, are what count. Many families have gone without milk for the children in order to buy gasoline for the car.

The theory of the leisure class is double-barreled. Superior people lord it over their pecuniary inferiors by wasteful expenditures, whereupon the inferiors move heaven and earth to improve their status by spending to the limit themselves. In recent years purchasing on the installment plan has provided an unparalleled opportunity to gratify their ambitions.

This thesis, so obvious when brought to our attention. Veblen develops with many uproarious examples, from earliest times to the beginning of the power age. His style, like some wine, is strange, if not distasteful, to the beginner, but once familiar, it is heady, bitter and delightful. Or so I find it. His ideas, so far in advance of their time, must meet the test of history, but for many of them I do not doubt the outcome. I only wish that he were alive today to interpret in his sardonic way, the world of 1934.

STUART CHASE.