

You are here: [ET-home](#) > [Historical context](#) > [The restoration that changed scholarship](#) > The Lessons from the Veblen Farm

Elegant Technology: economic prosperity through environmental renewal

ET

Current Insights

Elegant Technology defined

Historical context

About the author

The Lessons from the Veblen Farm: the Origins of Thorstein Veblen's Social Thought

We live in a very conservative age. This is not so much a triumph of the great conservative philosophers as the collapse of a meaningful alternative. From 1917 until 1989, the main opposition to global capitalism was organized by the most militant followers of Karl Marx. The fact that these people were murderous thugs, industrial bunglers, and environmental rapists meant that most people of good will cheered their demise.

The triumph of the Marxists was unfortunate in a host of ways for many of those who would criticize unfettered capitalism. Before 1917, there were dozens of theories of how to construct a meaningful alternative. But after the Bolsheviks shot their way into power, none of the others was treated seriously. Why should they have been? The Bolsheviks had succeeded where the others had failed so the natural tendency was to rally around the champion.

Big fat books have and will be written about why Marxism proved to be such a dismal failure. Essentially the failures of Marxism stem from two related and mutually reinforcing problems. 1) The nature of Marx's scholarship which was an almost pure example of what could be discovered by spending long hours in a library, and 2) The violent nature of many of Marx's followers. Any philosophy derived from secondary sources lacks the self-correcting discipline of experimentation so eventually becomes almost indistinguishable from theology.

Many of Marx's ideas were valuable and insightful, but some were just plain goofy. When such a theological philosophy eventually gets tested, the threat of violence from the true believers makes pointing out error a life-threatening exercise. So the Marxist attempts at governing were often tales of well-intentioned experiments that not only failed, but got people shot as counter-revolutionaries for having the temerity to point out the failures.

Flash forward to today. Capitalism--especially the finance-variety--has become again as ugly and exploitive as any of the 19th century examples. New critiques of this ugliness are vitally needed. It has become so bad that some folks are willing to dust off Marx's pet theories in spite of their murderous pasts. The thinking seems to be that Marx got enough right so that in the hands of more enlightened people, it just might work this time.

This proposition is highly doubtful. Insanity is best defined as "trying the same thing over and over with expectations of a different and better outcome." So since trying another variation on Marxism seems a losing game plan, the better approach would be looking into the alternate critiques of capitalism that were swept away in the euphoria surrounding the Bolshevik Revolution.

In the USA, the most significant non-Marxist critique of late 19th century capitalism was penned by Thorstein Veblen. Veblen's reputation over the years has been besmirched by defenders of the status quo from the FBI to the hacks of academe. He was called "the man from Mars" by his most famous biographer. In spite of the fact that there is not a scintilla of evidence from his writings, Veblen has even been called a "Marxist" by the clueless who assume that everyone who lived after Marx

and found something wrong with capitalism MUST have been influenced by him.

But organized character assassination will not make the writings of Veblen disappear. There is just too much of it that can be easily validated by looking out the window. Veblen describes something like "conspicuous consumption" and sure enough, there are dozens of examples on proud display on a two-block stroll to the corner market.



Even better, an historic preservation project to repair the boyhood home of Veblen in Minnesota, which was undertaken in the early 1990s, has uncovered enough new evidence to thoroughly demolish the lies of the character assassins. More importantly, the restoration partly explains why Veblen's ideas are still relevant even though more than 100 years old.



Veblen may have been a unique genius like no other, but he was also astonishing lucky to grow up where he did. While Marx was fashioning his worldview in the dusty corners of the British museum, Veblen had a front row seat to one of the most amazing human adventures of history. His childhood was spent watching folks attempt to survive and build a life out rocks, trees, water, and black dirt using the tools they could haul in a wagon. Most people who talk about “nation building” never actually get to see it happen. Veblen did. And because it happened in a place with an unusually harsh climate, ideas that did not work were quickly eliminated.

So Veblen’s ideas have an authority that can only be achieved by witnessing such economic experiments. His writings are a collection of what he learned from observation. He read voluminously yet almost never quoted anyone because he instinctively understood the scientific value of experimentation. So while his books and essays contain a few ideas we might find slightly silly with 100 years more

information, the methods he used are still valid and an astonishing fraction of his work reads as if written just yesterday.

Because Veblen's writings were a product of good scientific observation they have one other HUGE advantage over those of Marx's. No Veblenian zealot has ever been known to murder or imprison anyone. Better science and a spotless history--what's not to like about Veblen as the progressive model when a new critique of 21st century capitalism is organized?

Bah! footnotes

No matter why Thorstein Veblen wrote without footnotes, it has certainly been a reason for scholars to exercise their idle curiosity as they speculate on the possible sources for his seemingly unique ideas. Writing without footnotes is an academic sin (at some level) so Veblen's defenders often see a need to fill in the gaps. Besides, hypothesizing along these lines is great intellectual fun.

Quite naturally, an academic will look for an academic source for Veblen's ideas. And why not? Ideas are the currency of academic life and Veblen trafficked in ideas. He was one of them—a Ph.D. who spent his life teaching at the university level. It would be difficult to argue that someone could write a doctoral thesis on any subject and not have it affect the writer's thinking at SOME level.

The most obvious problem with this approach lies in the fact that if Veblen had been a more conventional academic, he would have written with formal footnotes. Veblen may have been a university professor, but in most ways he was the direct opposite of what he was trained to be.

The evidence is overwhelming. He learns Classical economics from John Bates Clark and then spends his academic and writing career devoted to a systematic destruction of that form of thought. He studies Social Darwinism under Graham Sumner at Yale, yet pens arguably the finest refutations of Social Darwinism ever written. He was employed at some of USA's most prestigious universities, yet writes *The Higher Learning*—hardly a bouquet to advanced education.

About the only conclusion that can be meaningfully drawn from such a list is that the main effect of higher education on Veblen was to stimulate a lifetime of opposition to virtually everything it stood for. So if Thorstein Veblen showed up at the school door with a mind that was anything BUT a blank slate, the question logically becomes, where DID those ideas of his come from?

We actually know quite a lot about Veblen's formative years—largely from accounts written by his siblings. It was childhood filled with more than its share of hazards including a brutal climate that sees the temperature range from -40°C to +40°C, complete isolation from established medical care, and dense woods where even adults could easily get lost. All this was in addition to the large and barely-domesticated animals, the dangerous tools, and the other hazards of pre-industrial rural life.

Yet in spite of the hazards and unrelenting hard work, the Veblen house was by reliable accounts very happy and incredibly intellectually stimulating. We know that his sister Emily wrote [\[PDF\]](#) about her childhood as an endlessly fascinating adventure—interesting playmates, caring schoolteachers, a poetry-loving mother who was considered a skilled health-care provider, and an extraordinarily hardworking father who not only built three farms from virgin land, but involved himself in community decisions and assisted others in getting started. He was one of those "progressive" parents who was known in the community for never striking his children, and in the face of disapproval by many of the neighbors, sent Emily to

Carleton where she became the first woman in the Norwegian-American settlement to graduate from a 4-year liberal arts college.

We learn from brother Andrew [\[PDF\]](#) that settling uncharted territory required a dizzying array of skills and that Thomas excelled at many. He was highly skilled at construction and at one point figured out how to move a barn using just men and horses. He was a skilled ax man—to the point where he was able to dramatically increase his cash position by selling his own specially designed ax handles that he and Haldor carved on those long winter nights. Thomas was inventive enough to create a horse-driven mill that was perfectly scaled to the operational size of his—and his neighbor's—farms. He was a skilled breeder who managed to cross Spanish Merinos so that Kari could weave with high quality Merino wool grown on sheep sufficiently hardy to survive a northern winter. And while he didn't have the precision capability necessary to fabricate a spinning wheel for Kari, he did build an efficient, collapsible loom which, given his tools at the edge of civilization, was an amazing accomplishment.

In some unknown Marxian universe, rural life may have been "idiotic," but that description certainly did not apply to a farm run by Thomas and Kari Veblen.

The effects of this childhood are all over Thorstein Veblen's writings. One can easily imagine TBV at Yale. By the standards of Nerstrand Minnesota and even Norway, Thomas Veblen was a rich man and TBV was a rich kid. By the standards of Yale, he was a peasant. So TBV looks around at what the fathers of these super-rich kids actually do—manage real estate holdings, play the markets and other forms of financial maneuver, or nothing at all—and comes to the conclusion that compared to his father, these guys are bums. They clearly do not work as hard nor do they have as many skills. (Of course, compared to TBV's father, most of the human males who have ever walked planet earth are bums.)

Yet some were undeniably richer. Obviously, the skills necessary to become rich at the edge of a prairie under conditions so inhospitable, no one had tried agriculture there before in history, and the skills necessary to get rich on Wall Street or in banking were two VERY different kinds of skills.

From this realization would have come Veblen's famous distinction between business and industry. Of course, Veblen could have come to the conclusion that most Americans eventually reach—i.e. that the richer a person was, the smarter. But this simplistic idea was obviously FAR too primitive for a mind like TBV's. Besides, how does one meaningfully compare the skills necessary to pull off a stock swindle with those necessary to make a wheel spin smoothly at high rotational speeds using only hand tools? The answer is to look at the characteristic all humans have to some degree—the ability to use tools.

In rural Minnesota (America) tool-handling skills are critically valuable (imagine the worth of a person who can repair a harvesting machine in the face of an oncoming storm.) Where TBV came from, skills with tools defined a man's value to himself, his family and his community. Thomas was rich because he was valuable. These other guys were rich in spite of the fact that they were useless and spent great efforts to put their uselessness on display. For TBV, this must have seemed like a journey to another planet. It may have taken some years before Veblen would refine his realization of the distinction between business and industry into a written theory, but the facts had to be painfully obvious from the sociology of the Yale student body.

Veblen would keep his rural Minnesota skills-with-tools perspective throughout his whole career. Tellingly, he considered *Instinct of Workmanship and the State of the Industrial Arts* his masterpiece. It is logical that this is so because all around him in

the American Midwest, those farmers with the greatest technological skills, or their sons, were leaving agriculture to create the American industrial revolution. Henry Ford was the most famous example of a farm-kid tool genius but the Midwest had so many of these people that as late as 1962, reliable estimates showed this region had more industry than the rest of the planet combined. It is fitting that Veblen's most misunderstood work was *The Engineers and the Price System*. The tool elites had their spokesman—a philosopher who taught that it was wrong to underestimate the value of sophisticated tool handling. Just remember, only engineers ever considered Veblen a revolutionary.

But if Veblen is to be considered a philosopher for the tool elites, it is important to evaluate his technological literacy.

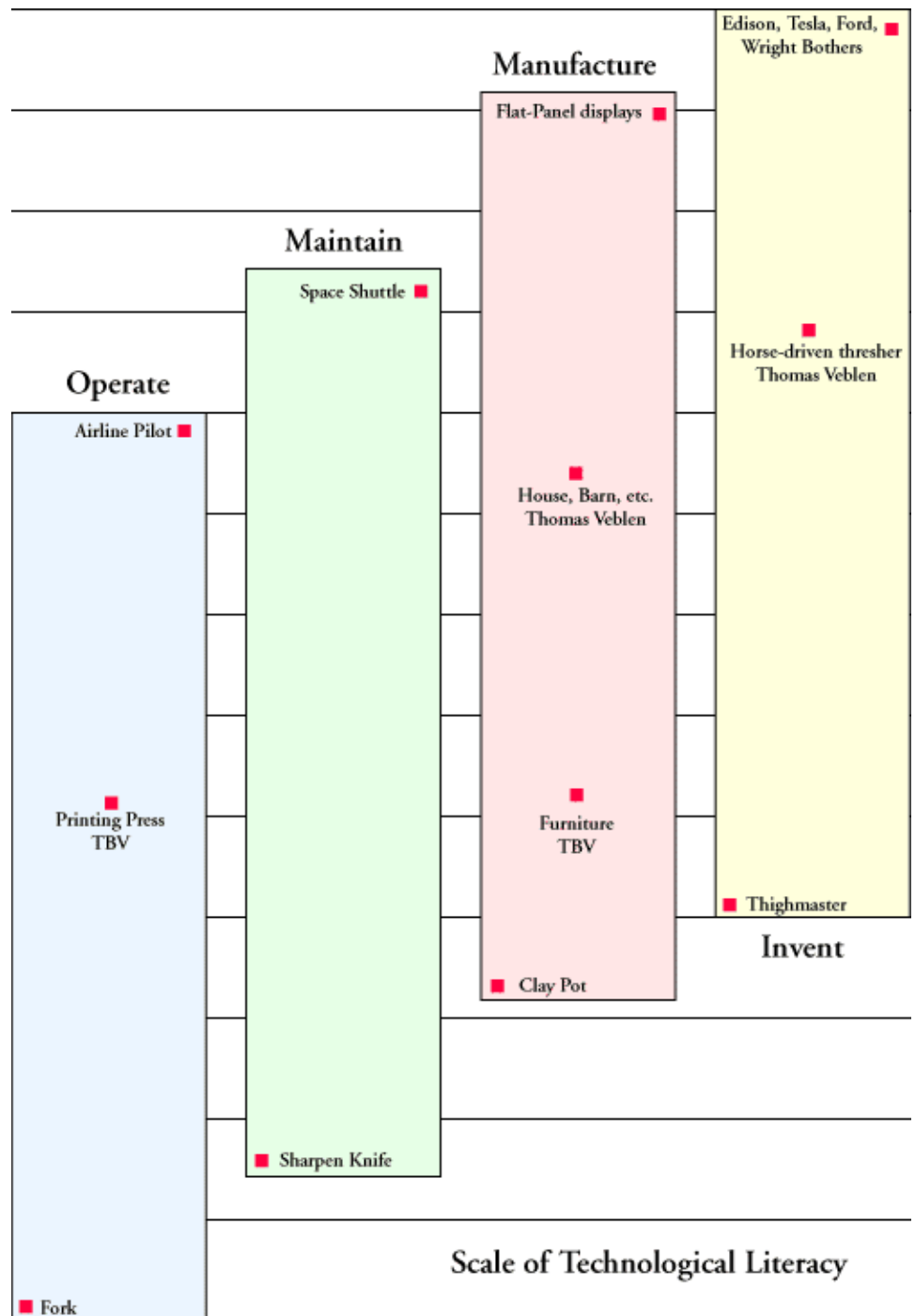




This table was built by TBV out of redwood and was found in the house pictured below. This house could be found at the edge of the Stanford golf course in northern California--and is the house where TBV died. The table is straight and true and NAILED together.



The chart that follows is an attempt to illustrate the stratification inherent in a highly differentiated scheme of merit. This chart is a great way to start a debate amongst the technologically literate, as I have discovered, but the arguments usually revolve around how to position various technologically literate occupations, not whether it requires more technological literacy to manufacture something than to use it.



As I would place them in the world of the tool elites, it is clear that while Thomas was very gifted technologically, he was a few clicks down from a Henry Ford. TBV was quite a few clicks down from Thomas but clearly he was on the charts and certainly understood enough about the technological literates to generalize about the industrial classes—which he did throughout his writings.

We also know that the Norwegians who settled Rice County brought with them distinctly Norwegian cultural, social and religious traits. The Veblen family is especially interesting in this regard. By the standards of the settlement, they were unusually assimilating to the Yankee culture around them. They stopped giving their children Norwegian names after Thorstein and more tellingly, sent the children to Carleton. While there were sound economic reasons for this choice—Carleton had a prep school so the Veblens could take care of all their educational needs in one place (sending everyone to the same place made building a house for them in town

economically efficient) it is clear that even when the VERY Norwegian St. Olaf was formed in the same town, the Veblen children would still go to Carleton because it was a more reputable school.

It is also reported that when Andrew taught at Luther College in Decorah Iowa, he disapproved of those colleagues who used their Norwegianness to explain a nonstandard set of manners that deviated sufficiently from the dominant Yankee model as to draw attention. He didn't wish to be thought of as one of those embarrassing "hillbillies."

It should be recalled here that when all these cultural choices were being made, Norway was not a country. Romantic nationalists were agitating for a Norwegian nation-state—but they had not yet succeeded. Here in USA, Thomas had managed to build a farm larger than all but 11 farms in Norway (according to JK Galbraith who may have been just guessing—but is certainly close to whatever the real number may have been) and was making nothing but money. Until 1873. Then times got hard for even the very best farmers like Veblen as commodity prices would eventually fall to 1/3 of the 1873 levels by 1894. As the assumptions of the Yankee paradise fell apart and working harder than slaves to barely survive became the lot of many in the area, the descriptions of the Norwegian romantic nationalists must have become very appealing.

Thorstein was easily the family member most influenced by romantic Norwegian nationalism. He learned Norsk poetry from his mother as a boy, translated a saga as his first literary effort, involved himself in Scandinavian identity politics while living in Madison, traveled to Norway when he had achieved some fame enjoying perks like the king's railroad pass, and finally, self-published his translated Lexdaela Saga as his final literary act in life. The fact that Andrew organized the Valdres Samband, a far less passionate but undeniable manifestation of Nordic pride, shows that even the most respectable of the brothers also fell prey to the appeals of Norwegian nationalism.

The reaction of the various Veblen offspring to that other major manifestation of Norwegian culture, the Lutheran Church, was more varied. Emily would marry a clergyman, Orson became trustee of St. Olaf college—a school that still holds daily chapel BTW, while Andrew would cite the memorization-intensive confirmation ritual and the requirement of literacy as proof of Lutheran devotion as two of the reasons for the high achievements of Nordic culture.

Thorstein, of course, was least interested in the devout observances of the Lutheran church on earth. In important ways, Thorstein was most like contemporary Scandinavians. The Lutheran church in Sweden is no longer even the state church—after nearly 500 years of official status. No reasonable person attends devout observances anymore. This is true in the other Nordic countries as well. Yet all are culturally VERY Lutheran.

Lutheranism in the Nordic lands can best be described as Christianity made acceptable to Vikings. Christianity came late to the North—Norway converted to Christianity about 1000 AD and as TBV points out in his introduction to the Lexdaela Saga, the Vikings had mostly decided that accepting Christianity was a mistake by 1250 AD. The two major gripes were 1) corruption in high places, and 2) a monopoly on literacy by the professional religious classes. So when Martin Luther came along preaching against corruption and making literacy a requirement of the faith, the Viking Christians became enthusiastic Lutherans to the point where they defended the new faith on the battlefield in the 30 Years War.

Tellingly, the Nordic cultures are still virtually without corruption in high places, and yes, they have achieved universal literacy. Yet while "cultural Lutheranism"

describes an obvious phenomenon, it explains little. Lutheranism probably reinforced an existing cultural set of beliefs. Of course, since Lutheranism came early to the North and encountered little opposition, it has had time to express itself in many ways. For example, medicine and care for the elderly are seen as human rights and while social stratification is accepted as inevitable to the human condition, brazen displays of wealth are still widely frowned on.

Much of the success of *The Theory of the Leisure Class* stemmed from the fact that the forms of Protestantism that trace back to Lutheranism all have followings that condemn displays of conspicuous waste. And if *The Theory of the Leisure Class* can be understood as a manifestation of cultural Lutheranism, *The Instinct of Workmanship* can truly be described as high theology for a belief set that welcomed the Protestant Reformation with open arms and in many ways, defined how Lutherans would believe and act for nearly five centuries. If the people of the North could absorb and define the Protestant Reformation, they could just as easily absorb the scientific revolution.

Calling Thorstein Veblen a "cultural Lutheran" is a mild form of intellectual laziness, but what we do know is that TBV was highly skilled in the nuances of a culture so powerful it was able to define a form of Protestantism. So skilled, he was able to describe the way that culture absorbed the lessons of the scientific and industrial revolutions.

Anyone who is interested in a fuller development of this theme can watch an [MP4 video](#) of a speech I gave to a preservation society gathering devoted to saving the 1862 church where TBV was confirmed a Lutheran. (12:33 minutes 31.3 megs--be patient)

One other thing

There are those who fault Veblen for not being a political activist, for not trying to propose a new and better society, for not having an agenda.

Veblen's attitude about this was: "I'll do the science--YOU do the programme." The closest he ever came to creating an agenda was in "[Engineers and the Price System](#)." If you actually understand that book, you may be the first. I have seen distinguished Veblen scholars immediately clam up when asked. Of course, the fact that Veblen mostly did not create programmes is probably reason No. 1 why he is still relevant.

But if you want to see how I converted Veblen's science into a programme, try a book at this website called [Elegant Technology](#). I think it is brilliant, but I am NOT the least bit objective ;-) I am pretty sure old TBV would have approved of my plan to use his methods with 100 years of new information. So even if you don't agree with the agenda I outline in the last five chapters called The Industrial-Environmental Solution, I hope it is well-done enough to impress you with the methodology used.

Notes.

I have already started a personal attempt to bring back the sort of economic thinking that enables the LARGE projects--such as a conversion from a fire based economy to a solar-powered one.

It includes a 10 minute video (in many sizes and formats, scroll down) called "[Creating Prosperity](#)" which highlights the differences between the current economy and the one some of us fondly remember from 1970.

I have also built an [intellectual tribute to Thorstein Veblen](#) (1857-1929)--a towering

figure in political economy and a critically important inventor of Industrial Economics in the USA.

See also:

Part One: [Kossack Populism](#)

Part Two: [Kossack Populism--Size matters](#)

Part Three: [Kossack Populism--a matter of class](#)

Part Four: [Kossack Populism--Marxism NOT](#)

Part Five: [Kossack Populism--technological literacy](#)

See also:

Economics: [A Matter of Life or Death](#)

Energy Efficiency: [What every Progressive MUST know](#)

21.DEC.2009

[link to real-economics blog](#)

[all videos](#)

[all .pdf files](#)

[contact us](#)