

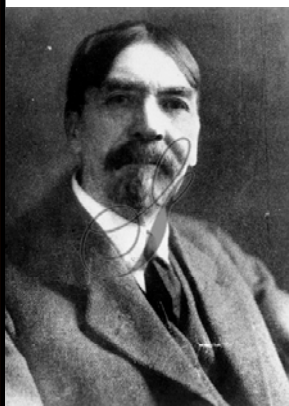


which he knew was coming. Veblen died on August 3, 1929, less than three months before the Great Crash. Shortly after, he resurfaced as a prophet without honor, a “masterless man” who suffered from “woman trouble,” as John Dos Passos wrote.

The conspicuous inattention given today to Veblen’s criticism of business can’t conceal his broad relevance. The corporation, he said, burst into the 19th century as nothing more creative than a collective credit transaction; it was an institution mobilized by the business class for the purpose of seizing control of the industrial process from workers, farmers and engineers.

Business enterprise was “a competitive endeavor to realize the largest net gain in terms of price.” The point was to manipulate markets, to maximize profits, using methods of chicanery and prevarication against consumers. “Its end and aim is not productive work,” he wrote, “but profitable business; and its corporate activities are not in the nature of workmanship but of salesmanship.” Joseph Schumpeter famously said business entrepreneurs practiced “creative destruction.” Veblen said they were just destructive.

Even Karl Marx, who marveled at the productive capacities of modern capitalism, turned businessmen into heroes. Veblen called them saboteurs in pursuit of “the right to get something for nothing.” Their network of credits, liabilities, collateral and other make-believe schemes of capitalization operated on the medieval principles of force and fraud.



Thorstein Veblen: doubter.

Business-as-usual extracted a continuing surcharge on the underlying population’s “instinct of workmanship.” Industry made useful things for human needs. Business made money.

Veblen’s distinction between industry and business reads like an advanced memorandum on the follies of “growth” as the tonic for our malaise. Against the barrage of pecuniary language directed our way by consultants, management theorists, self-help gurus, venture capitalists, financial journalists and other vested interests, he said America’s enormous productive capacity suffered from a corporate form designed to make money, whatever the cost, while denying workers a chance at meaningful participation. Business’s destruction of farming, handicrafts and small-scale production, combined with its plunder of natural resources, has left us—just as Veblen warned—with ancestral memories of craftsmanship, and a food fetish. The best we can hope for, while our politicians wrangle over the businessman’s debt and securities, is to return to the same stupefying jobs we once held and to pay for the privilege of turning ourselves into brands. Liberals, meanwhile, make new idols of rapacious businessmen such as Steve Jobs and Warren Buffett, and evangelical Christians make common cause with their natural enemies—libertarians—in the Tea Party. America, left and right, remains in thrall to what Veblen called the “business metaphysic.” The market is not an impersonal, fallible mechanism for distributing resources. It’s a source of spiritual values, and it’s never wrong. The invisible hand distributes virtue and honor along with wealth. God wants you to be rich. But rich or poor, you have what you deserve. Such is their message in this time of despair. Which proves that orthodoxy in the service of business, and business armed with religious purpose, cannot be killed by ideas alone.

---

*John Summers is editor of The Baffler.*