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Thorstein Veblen and Henry George on War, Conflict, and the Military: An Institutionalist Connection

*Jim Horner
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John Martinez*

War is continuation of political commercial policy by other means.

—Karl von Clausewitz, 1832

Unlike most of their contemporaries, Henry George and Thorstein Veblen perceived the nature of war to be central to the study of economics. The two heterodox thinkers investigated the warlike animus almost a half century before the Cold War and the subsequent arms buildup that characterizes the post-World War II era. Their ability to distinguish between the latent and manifest functions of war remains as penetrating today as it was at the end of the nineteenth century (when George was writing) and in the early part of the twentieth century (when Veblen published most of his work).

The analysis of war remains only a minor part of mainstream economics despite the permanent institutional framework known as the military-industrial complex. Ergo, the dichotomies of George and Veblen provide valuable insights as they examine the latent uses of patriotism and religion as tools to perpetrate war and violence. Their evolutionary approach exposes the nexus among the military effort, religion, and nation to reveal the coercive power of the military, which serves as a tool for domestic control as well as external control. The Veblenian dichotomy

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highlights the "predatory" nature of war, and the Georgist dichotomy focuses on the "negation" of progress by conflict and violence.

The Dichotomy: From George to Veblen

Decades before Veblen's first work appeared, George formulated a dichotomy that differentiated between progressive and non-progressive forces. Progressive forces stem from the gratification of biological wants, fulfillment of intellectual curiosity, sympathy for others, and the desire to know how to do things. The parallel notion in the Veblenian dichotomy is termed "technological behavior." Technological behavior, if not inhibited, can add "serviceability" to the community and has the potential to enhance the quality of life.

Non-progressive forces capture and direct mental powers toward conflict and the maintenance of the status quo. Conflict is more than just warfare and the preparation for warfare; it includes all expenditures in "seeking the gratification of desire at the expense of others." Maintenance requires not only support of the status quo, but also the "keeping up of the social condition" that perpetuates inequality and injustice [George 1879, 507]. Veblen's notion of the "ceremonial function" is analogous to George's non-progressive forces. The ceremonial function is more than mere ritual behavior that retards progress; it is most frequently an expression that represents a reinforcement of invidious uses of power.

Social arrangements and adjustments can either retard or advance progress. George contends that the rate of progress depends on the outcome of the basic struggle between two opposing drives. The first drive (not unlike Veblen's "instinct of workmanship") prompts individuals to improve the human condition. Such improvements can arise from advances in science and technology as well as through the enrichment of "social intelligence." A second drive (a corollary to Veblen's predatory instincts) counteracts the first drive and maintains inequality through "powers of habit" and promotes moral degradation through "ostentation, luxury, and warfare." Advances in science and technological innovations that improve the human condition are checked by "habits, customs, laws, and methods, which have lost their original usefulness" [George 1879, 514-519; see also Horner 1993].

Two essentials of progress come together in what George calls the "free association" of humans. Reformatory mental power is the first essential of progress as it extends knowledge, improves methods of production, and results in the betterment of social conditions. Progress requires liberation of mental power from the necessity of warfare and a redirection of efforts toward the promotion of civilization.

Equality, the second essential of progress, unleashes mental power for social improvement, justice, and freedom. Diversions of mental power toward conflict and violence retard progress. George [1879] states, "Just as conflict is provoked, or association develops inequality of condition and power, the tendency to progression is

lessened, checked, and finally reversed." Warfare shatters free (progressive) association, nullifies improvement in the human condition [George 1879, 511], and throws civil liberties into abeyance [Veblen 1904, 299, 391-393].

Warfare: Latent and Manifest Functions

An understanding of the difference between latent and manifest functions is of paramount importance.¹ The former is hidden and achieves results that go beyond the overt goals of the latter. The idea of the latent function explains why seemingly irrational behavior can be positively functional for a given group. Warlike preparations to promote defensive and offensive objectives are actually means for social control as they divert attention toward contrived external enemies and away from social problems. Latent offensive preparations for war are masked as manifest defensive preparations and are really means for "breaking the peace" [Veblen 1917, 19-20].

George regards defense as a legitimate (manifest) function of government, but he recognizes the hidden (latent) function of military spending. The United States was so militarily strong at the turn of the twentieth century that George [1879] claimed there was little more need for a large navy than a "peaceful giant" would have for a "stuffed club" or a "tin sword." Lavish military spending was promoted only for the sake of officers and those who would profit from the death and destruction of war.

The military maintains a social order between officers and enlisted soldiers that George thinks is a throwback to times when the "nobility who supplied the officers" was considered a superior race to the "serfs and peasants" who filled the ranks of the enlisted soldier. Or as Veblen [1904, 396] would say, "troops and ships are officered by the younger sons of the conservative leisure class and the buccaneering scions of the class of professional politicians," while the soldiers who often come from the community at large share little material interest with the elite class.

Recognizing the latent function of diplomacy, George and Veblen are no more complimentary of the diplomatic corps than they are of the military. George contends that the diplomatic system is designed after the "usages of kings" who plotted against the freedom of the people and its only purpose is to reward the unscrupulous and to "occasionally demoralize a poet." Veblen views the diplomatic function as having very little impact on non-invidious human interests. The manifest aim of diplomacy may appear to promote security and defense, but most activity of this type has "much of a pecuniary color." The diplomatist *metier* speaks of war in parables of peace. The reality is that diplomacy requires conspicuous military power and a will to use it [Veblen 1917, 300].

Warfare is directed by a coterie of dynastic statesmen, bellicose diplomats, and a "junta of commercial adventurers and imperialistic politicians."² The common person bears the burden of violence while the wealthy neighbor harvests the benefits

[George 1886, 20]. Veblen sarcastically notes that "a return to the ancient virtues of allegiance, piety, servility, graded dignity, class prerogative, and prescriptive authority greatly conduce to popular content and to the facile management of affairs." The latent function of warlike business policy engenders a conservative animus on the part of the public as they are induced to think in warlike terms of rank, authority, and blind obedience, and this latent function therefore serves as remedy for social unrest. Patriotism and religion can provide the rationale for war and preparations for war as they "direct the popular interest to other, nobler, institutionally less hazardous matters than the unequal distribution of wealth" [Veblen 1904, 393].

The Perversion of Sentiments: Patriotism and Religion

In an era of primitive technology, patriotism is functional as it promotes group solidarity in the real (material) interests of the group. The machine process greatly reduces the serviceability of patriotism and religion, creating the need for newer and more devious modes of persuasion that appeal to metaphysical concepts such as national prestige. Clever and subtle forms of sophistry replace the instinct of group solidarity as the perpetuating force in continuity of the war process. "Material grievances" become transformed into "spiritual capital." The Christian nation is mobilized through furtherance of the community's material interest and/or through a desire to protect national honor [Veblen 1917, 27-29].

Veblen argues that patriotism breeds predatory behavior through invidious distinctions and develops a superior and an inferior class. Even a peaceful society that is "not habitually prone to a bellicose temper" leaps into the arena of "warlike enterprise" when called to action by the seductive sirens of patriotism. Violence and injury to others take precedence over material needs and divert attention from social problems on the domestic front.

Institutions (habits of thought) change with changing social circumstances, and the development of these institutions is "the development of society." Institutions of the past shape current institutions, and current institutions shape future institutions through a "selective and coercive process" [Veblen 1899, 190]. Unfortunately, individuals are not always aware of the powers of habit. In a system characterized by inequality and injustice, even the reasonable person can perceive the most absurd states of inequality as part of natural order [George 1886, 35] and come to accept the absurdity of massive armaments that serves vested interests as a matter of course [Veblen 1904, 298]. Education, religion, and government pass into the hands of "special classes," which control thought in order to "magnify their function" and "increase their power" [George 1898, 134-135; 1879, 516-517].

The negation and destruction of the fundamental ideas of an intelligent Creator deeply disturbed George [1879, 542-543]. War and warlike preparations pervert re-

ligious teachings such that acts of murder and rape are blessed in the name of Christ and thanks are given to Him for "victories that pile the earth with mangled corpses and hearthstones desolate" [George 1883, 166-167]. Religion is transformed from an act of exaltation to one of oppression.

Although both Veblen and George acknowledged the latent function of patriotism, George considers patriotism to be a natural sentiment as it is synonymous with sympathy, benevolent feelings for others, and enthusiasm for humanity. True patriotism eschews hatred and bigotry and appeals to a higher love than a chauvinistic regard for a single nation, people, or locality [George 1881, 62]. In an unjust system, patriotism is distorted and turned into a non-progressive force that promotes a warlike mentality:

The passions aroused by war, the national hatreds, the worship of military glory, the thirst for victory or revenge, dull public conscience; pervert the best social instincts into that low unreasoning extension of selfishness *mis-called patriotism*; deaden the love of liberty; lead men to submit to tyranny and usurpation from the savage thirst for cutting the throats of other people, or for the fear of having their own throats cut [George 1883, 166-167; emphasis added].

"Loyal and loving" patriots with "bonds in their pockets" do not charge to the front during armed conflict. Rather, those with "pocket sensitive" ethics pledge their loyalty to those who capture the machinery of government, distort social institutions, and ensure that an elite class will be able to "continue to cash their coupons" [George 1883, 167]. George [1886, 220] also questions whether the elite class would find patriotism a sufficient incentive to support a war in which they would pay a burden that is equal to that of the working class.

Conclusion

The current state of military development would not have come as a surprise to either George or Veblen. Their fears of the dangers that a large standing military posed for a democratic society have been borne out by the presence of a permanent war economy [Melman 1985]. The end of the Cold War, the collapse of the Soviet empire, and the warming of relations between the United States and its two former enemies (China and Russia) did not bring about a decrease in military spending commensurate with the reduction in potential threat to national security. American military spending is still twice that of the combined expenditures of those eight countries that, with only a great leap of the imagination, could pose a potential military threat to the United States.³

The latent functions of American warlike efforts have become more subtle and sophisticated. The diplomacy of a "new world order" eschews peace in search of

contrived enemies. American foreign policy supports conflict in the Middle East under the guise of energy self-sufficiency. Domestic policy assumes a warlike animus through a war on drugs that perpetrates violence and oppression within and beyond national borders.

The President and Congress support NAFTA and GATT but do not want America's "free trade" to extend to Cuba or to those who trade with Cuba. The advocates of a balanced budget blame deficits on social programs while ignoring the role of Ronald Reagan's massive arms build-up, which led to the subsequent tripling of the national debt during the 1980s.

A common theme at the turn of the century is reflected in William James's [1911, 300-301] proclamation that "our ancestors have bred pugnacity into our bone and marrow." Neither Veblen nor George believed that war was the inevitable outcome of an unchanging human nature. Far from being a universal law of nature, war for them was associated with social phenomena such as the amassing of wealth and property. Veblen and George at least left open the possibility that social institutions can be altered to make war more difficult to wage.⁴ R. J. Rummel [1994, xxi] expresses a guarded optimism for this when he remarks:

I have not found it easy to read time and time again about the horrors people have been forced to suffer. What has kept me at this was the belief, as preliminary research seemed to suggest, that there was a positive solution to all this killing and a clear course of political action and policy to end it. And the results verify this. The problem is power. The solution is democracy. The course of action is to foster freedom.

Notes

1. See Robert K. Merton [1968] for a more detailed treatment of the concepts of latent and manifest functions.
2. *An Inquiry into the Nature of Peace and the Terms of Its Perpetuation* contains Veblen's most systematic treatment of the war effort. Although George never developed a complete theory of war, he did possess a full understanding of its latent functions.
3. The eight countries posing a potential threat to the United States (those with a history of "hostility" toward American foreign policy) are Russia, Iraq, China, North Korea, Libya, Iran, Syria, and Cuba [see International Institute for Strategic Studies 1994].
4. George proposed a single tax on land to eliminate the major source of inequality and injustice engendered by an elite class of absentee owners. He also advocated the payment of a "citizen's dividend," universal access to the basic social goods, public education to liberate minds from the shackles of an unjust system, a reduction of protectionist measures, and the cessation of debt financing for war. Veblen's understanding of the inhibitory role of institutions make him less enthusiastic than George about proposing rapid or sweeping social changes.

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