



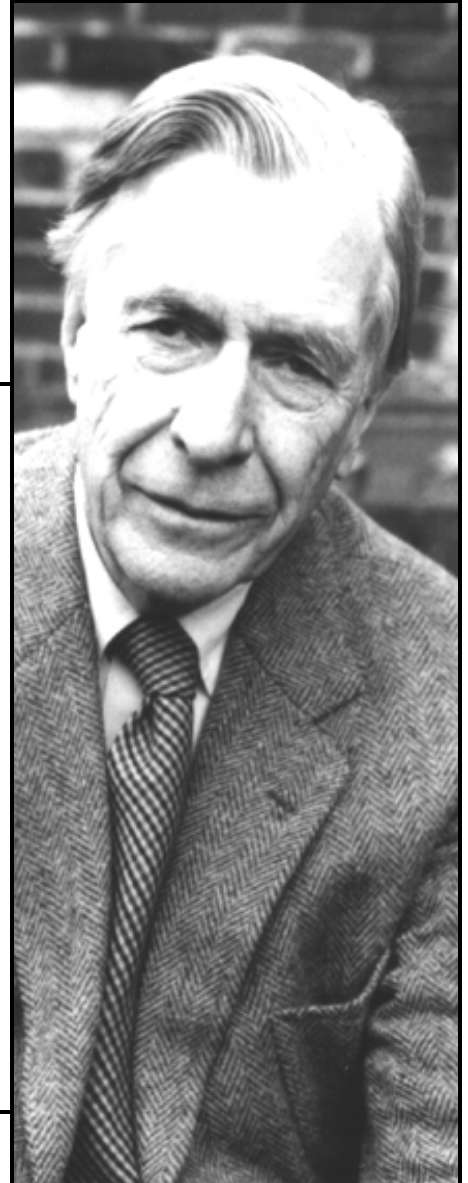
AN ECONOMIC MISINTERPRETATION OF HISTORY:

A CRITIQUE OF J. K. GALBRAITH'S ACCOUNT OF AMERICAN CAPITALISM

CHRIS R. TAME

CONTENTS

- I The Age of Uncertainty
 - II The Myth of Social Darwinism
 - III The Motive Behind the Myth
 - IV Social Darwinist Collectivism
 - V Confusing the Issues:
Galbraith's Characterization of "Capitalism"
 - VI Production Versus Predation
 - VII The Case of the Railroads
 - VIII The Forgotten Men
 - IX The Mores of "Capitalism":
The Industrial Virtues versus Conspicuous Consumption
 - X Conclusion
- Notes



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FOR LIFE, LIBERTY AND PROPERTY

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CHRIS R. TAME

Such is the devastating rebuttal by contemporary economists of J. K. Galbraith, that to add to it would almost seem superfluous.¹ Even those of his professional peers who share his political orientation maintain a discreet silence regarding the merits or demerits of Galbraith's contribution to economic science.

But, alas, in this age a lack of intellectual clothes does not seem to deter anyone from acclaim or influence, and Galbraith surely constitutes the barest academic "Emperor" of our time. While others expound socialism within economics with at least some semblance of dignity and adherence to the standards of their profession, Galbraith aims at, and influences, the lumpen-intelligentsia, the "new class" purveyors, popularizers and consumers of ideas, and, of course, those sociologists for whom a real social *science*, economics, remains a closed book.

Given the failure of past criticism of Galbraith to have had much impact upon his influence and reputation, it might seem arrogant or quixotic to add to it. But the repeated refutation of error, as tedious and unending as it might often seem, is a scholarly duty, and the only path to the eventual defeat of such error. It becomes a more urgent duty when that error is pregnant with deleterious consequences for the lives and liberties of the great mass of ordinary people.

I: The Age of Uncertainty

Among Galbraith's works *The Age of Uncertainty* was distinctive in two respects; it appeared both as a book and as a lavishly produced thirteen-part television series; and it aimed to be "a history of economic ideas and their consequences",² a mixture of intellectual and economic history. A certain degree of superficiality or simplification might be excused because of its (intended) popular audience, but Professor Galbraith cannot excuse himself from adherence to basic standards of scholarship or honesty. It is thus doubly unfortunate that, in spite of the privileged access he had been granted to the television screens of millions, Professor Galbraith should have shown so little concern with such standards. In spite of his claim to have prepared "careful essays"³ on the topics of each chapter, *The Age of Uncertainty* constitutes not an honest attempt at popular education but an exercise in crude propaganda. To document this charge I propose to examine

in detail one chapter (and corresponding television episode) of the work.

II: The Myth of Social Darwinism

The second chapter of *The Age of Uncertainty* deals with "The Manners and Morals of High Capitalism". It focuses upon nineteenth century American economic history and on the alleged ideology and behaviour (in both business and social life) of the capitalist "rich". Their ideology, Galbraith claims, was that of "Social Darwinism", a set of beliefs which justified the wealth and position of the upper class by analogies to "natural selection" and "survival of the fittest". The philosophy of Social Darwinism, originated by Herbert Spencer, "fitted", we are told, "the needs of American capitalism, and especially the new capitalist, like the celebrated glove". Spencer's disciples, like William Graham Sumner, were "very numerous" and their outlook constituted "very little less than divine revelation".⁴ Visually, we are presented with the figures of Sumner and Spencer enunciating their "stern" doctrine from a pulpit against a quasi-ecclesiastical background — the implication of obscurantism, dogmatism, and reactionary apologetics being quite unmistakable. In the case of the characterization of Sumner, we observe a hesitant speaker, almost guilt-ridden, certainly one ill at ease with his conscience. The audience of stuffed dummies representing the rich clap joyously at Sumner's *apologia* for them — and money flutters from their hands. The message is quite clear, indeed blatant. Sumner, and the other allegedly numerous advocates of such ideas, were nothing more than the mercenary intellectual lackeys of the wealthy business elite.

How true is Galbraith's account of the intellectual hegemony and moral character of Social Darwinism? A curious impression emerges when reading, for example, the classic (and also hostile) study by Professor Richard Hofstadter of *Social Darwinism in American Thought*⁵ of the curious paucity of the supposedly numerous American apostles of Herbert Spencer. With the exception of Sumner (and also of the journalist E. L. Youmans, whom Galbraith does not mention) one is really hard pressed to find *any other* figure of significance systematically expounding his philosophy. And among businessmen, with the few exceptions of Rockefeller's — much cited! —

“American Beauty Rose” analogy (and some occasional statements by J. J. Hill and Andrew Carnegie),⁶ Social Darwinist arguments were largely notable primarily for their *absence*. In the words of one historian of ideas, James Allen Rogers:

[V]ery few businessmen justified their actions by reference to Darwinism. If businessmen bothered to rationalize their life style at all, it was by reference to the tenets of classical economics or Christian morality. Only a few intellectuals and publicists popularised the terminology of Social Darwinism and they were not imitated by the business community.⁷

III: The Motive Behind the Myth

Why, then, should Galbraith fail to take any note of such modern critical scholarship? A Harvard professor would surely be aware of the most up-to-date scholarship upon the period on which he is writing? Sheer ignorance aside, then, the only answer is that Galbraith is writing as a political propagandist, not as a true scholar. Because he wishes to paint the period of “high capitalism” in the worst possible colours, the supposedly “stern” doctrines of the “survival of the fittest” (we are presented with pictures of snarling tigers) are admirably suited for portrayal as the ruling creed of such a “barbarian, savage world”. In the use of this tactic he certainly does not stand alone. The myth of Social Darwinism is one of long standing, originating with the nineteenth century intellectual and political opponents of economic freedom, and adopted by historians (for example, Hofstadter) equally hostile to “capitalism”. However, more recent scholarship, by no means concerned with defending either capitalism or Social Darwinism, but simply with the recovery of historical fact, have thoroughly demolished such historiographical mythology. As Robert C. Bannister has written in *The Journal of the History of Ideas*, the image of Social Darwinist apologetics is a “distortion and exaggeration that is perhaps better termed ... a ‘man of straw’ set up to be knocked down”.⁸ It was an image “constructed and maintained by collectivist writers to [attack] traditional liberalism by charging that its tenets of individualism, free enterprise, competition and *laissez-faire* were merely bogus biology”.⁹

If Galbraith’s assertions regarding the predominance of Social Darwinism are incorrect, equally so is his understanding — or at least, his presentation — of its fundamental character and motivation. The “stern doctrine” of Spencer and Sumner in no way condemned, as Galbraith implies, the masses to a “wholesome poverty”. Quite the reverse. For Sumner it was only a *laissez-faire* economy which would ensure a life of prosperity and justice for all (or rather, for all *productive* individuals and groups). It was economic and social freedom which had procured “the vast increase in the production of means of subsistence, won at constantly diminishing outlay of labour and capital ... lower[ing] money prices and [making] money wages worth more, and ... at the same time, lower[ing] the rate of interest on capital and increas[ing] the demand for labour”, and thus securing an increasing degree of “substantial comfort” for all.¹⁰ And it was precisely the ordinary, hard working common man, the “for-

gotten man”, as Sumner called him, who profited most from economic freedom. For Sumner, only economic freedom could secure a “clean and simple gain for the whole society”¹¹ and thus it was that “every step which we win in liberty will set the Forgotten Man free from some of his burdens and allow him to use his powers for himself and for the commonwealth”.¹² Whether Sumner was right or wrong in his analysis does not alter, however, the humanely motivated character of his thought. That Galbraith undoubtedly does disagree with Sumner’s positive analysis does not entitle him to represent it in so shamefully an inaccurate fashion.

IV: Social Darwinist Collectivism

Ironically, moreover, it was precisely among the *opponents* capitalism that Social Darwinism constituted a socially vigorous movement. And this is hardly surprising to anyone who dwells seriously on the matter for a moment. Its deterministic and holistic underpinnings were far more akin to movements and philosophies of collectivism. And it was among so-called “Reform Darwinists” and collectivists of various hues — from “conservative” corporatists and nationalists, to sociological advocates of scientific elitism and statism, socialists, and even some Marxists — that Social Darwinism really flowered, and received its most extensive and detailed developments.¹³ Contemporary libertarians and classical liberals, it is worth noting, are highly critical of the collectivist premises within Social Darwinism.¹⁴ For example, the historian Clarence B. Carson, in his study of the decline of individual liberty and liberal thought, stresses the anti-individualistic, anti-capitalist effect of Social Darwinism, even in the hands of genuine libertarians like Sumner:

[W]hen the Darwinist outlook was accepted and consistently followed, ideas dependent on the older view [i.e. of Liberalism] — natural rights, immutable, law, human reason, the worth and dignity of man — had to be rejected.¹⁵

Similarly, the intellectual historian and political philosopher Shirley Letwin has firmly placed Social Darwinism in that “new climate of opinion” of the Victorian period — *collectivism*. And she too has ironically remarked on the way it has been presumed to be, and presented as the sole, or paradigm case, of anti-socialist argument:

Oddly enough, though it [Social Darwinism] could hardly have been more contrary to what eighteenth century economic theory taught, it came to be considered the model of all arguments against Socialism ... any defence of a competitive economic system was from then on invariably taken to mean advocating a merciless struggle for existence ...¹⁶

The practice of selecting *one* particular idea and treating it as the sole existing argument in favour of capitalism, or as its most characteristic expression or, indeed, as the only justification to which it’s advocates could have recourse, is an extremely common one.¹⁷ That anti-capitalist writers should invariably select what was *not* the sole or even predominant position, but one which was the weakest, most inconsistent, or most open to misinterpretation, does not perhaps cause one much surprise! Such observations, of course, neither prove or disprove the ob-

jective truth of either side's ultimate position. But that socialist scholars consistently resort to such tactics says little for their intellectual integrity, their knowledge, or the cogency of their political ideals.

V: Confusing the Issues: Galbraith's Characterization of Capitalism

It is worthwhile, however, continuing our examination of William Graham Sumner a little further, for we find the truth not only far-removed from Galbraith's travesty of an account, but extraordinarily illuminating concerning his broader treatment of the period.

Sumner was, in truth, a great scholar, and one of the undoubted founding fathers of American sociology. No mere scribbler in defense of vested interests, he was an indefatigable and active scholar, critical of what he called "a priori speculation and arbitrary dogmatism".¹⁸ What one historian has called his "colossal industry"¹⁹ was based on a mastery of thirteen languages. His pioneering research into cultural and comparative anthropology left numerous cabinets of detailed unpublished notes at his death — compiled, it should be observed, without benefit of the lavish foundation grants or financial support enjoyed by modern scholars like Galbraith. The latter's disgraceful implication regarding Sumner ill befits one whose own writing has brought him both diplomatic appointment and the rewards of an enviably affluent lifestyle.

However, the major point is that Sumner was not at all a lackey of the business elite and the *status quo*. Quite the reverse. He was a vigorous and outspoken critic of the existing order (indeed, his position at Yale was never thoroughly secure), and specifically of precisely those features of his time which Galbraith presents as its essentially "capitalist" characteristics. What, then, could be the meaning of Galbraith's misrepresentations?

VI: Production Versus Predation

Galbraith argues that, in the world of "old fashioned capitalism", Spencer's "natural selection operated excellently on behalf of scoundrels"²⁰ and labels the system repeatedly as one of "capitalist predation".²¹ In the history of the construction and operation of the railroads we are shown a presumably typical example, which manifest in practice "an interesting choice between two kinds of larceny — robbery of the customers and robbery of the stockholders".²² What Galbraith in fact does concerning capitalism is confuse the issue by amalgamating two distinct ways of acquiring wealth, what the classical liberal scholars used to call the "economic" and the "political means". The former was honest production and trade in the marketplace; the latter was the use of the state to acquire special privilege and power, to intervene in the marketplace to protect and exercise dishonesty and coercion. Galbraith thus ignores the option of *free market capitalism*. All capitalism, for him, is predation and deceit and no distinction is allowed between the economic and the political means to wealth.²³

Thus it was that Sumner was a vigorous and fearless critic of his time and of so many businessmen precisely because of their use of the political means, their violation

of the beneficial rules of *laissez faire*. A "system of partial interference", he wrote, such as existed in America in his time, "is sure to be a system of favouritism and injustice".²⁴ A clear and frank analyst of what he called the "class struggles and social war" in both historical and contemporary periods²⁵ Sumner denounced the "class" activities of businessmen no less than those of 'labour' or any other group (as did most liberals from Adam Smith onwards, a truth socialists normally fail to mention). Like Pareto in his denunciations of "bourgeois socialism", or Bastiat in his analysis of the essence of "communism",²⁶ Sumner identified and attacked predation and the struggle for privilege in all its manifestations:

The robbery of a merchant by a robber baron, the robbery of an investor by a railroad wrecker, and the robbery of a capitalist by a collectivist, are all one.²⁷

The "selfishness, cupidity and robbery" which indeed existed in his time was not, for Sumner, a characteristic of the system of capitalism he sought, and nor was socialism any solution to predatory activities:

There is a great deal of clamour about watering stocks and the power of combined capital, which is not very intelligent or well directed. The evil and abuse which people are grouping after in all these denunciations is jobbery.

By jobbery I mean the consistently apparent effort to win wealth, not by honest and independent production, but by some sort of scheme for extorting other people's product from them. A large part of our legislation consists in making a job for somebody.²⁸

Sumner thus carefully distinguished between free market capitalism and the emerging "plutocracy" of his time. A "plutocrat" he defined as:

[A] man who, having the possession of capital, and having the power of it at his disposal, uses it, not industrially, but politically; instead of employing labourers, he enlists lobbyists. Instead of applying capital to land, he operates upon the market by legislation, by artificial monopoly, by legislative privileges; he creates jobs, and creates and erects combinations, which are half political and half industrial; he practices upon the industrial vices, makes an engine of venality, expends his ingenuity, not on processes of production, but on 'knowledge of men', and on the tactics of the lobby. The modern industrial system gives him a magnificent field, one far more profitable, very often, than that of legitimate industry.²⁹

Such plutocracy, then, Sumner declared to be "the most sordid and debasing form of political energy known to us. In its motive, its processes, its code and its sanctions it is infinitely corrupting to all the institutions which ought to preserve and protect society."³⁰

The solution to the power of plutocracy was, however, not simply 'more of the same' — further intervention or socialism — but *laissez faire*. "Plutocracy", Sumner wrote, "ought to be carefully distinguished from 'the power of capital'". The effect of the uncritical denunciation of capital, and monopoly, and trust ... is ... to help

forward plutocracy.”³¹ For, “[if] plutocracy is an abuse of legislation and of political institutions, how can legislation do away with it? The trouble is that the political institutions are not strong enough to resist plutocracy; how then can they conquer plutocracy?”³² Sumner’s argument has indeed been overwhelmingly confirmed by subsequent events. As the analyses of the political and regulatory processes conducted by Chicago School economists have shown, regulation of the economy has in general been positively sought, and largely controlled, by the very interests which are supposedly to be subject to such regulation.³³ And the highly detailed research of numerous historians — New Left, liberal, libertarian or apolitical — has similarly delineated the role of business in seeking a “planned society”, and in financing the anti-capitalist opinions and movements which enabled them to achieve such desired intervention.³⁴ The period Galbraith describes as one of “high capitalism” was in reality nothing more than what it remains today — a “mixed economy” in which the productive suffer both the depredations of the “political capitalists” and the meddlings of the coercive state and its apologists, the socialist intelligentsia. Sumner’s conclusion, then, in the light of such experience seems even more worthy of consideration:

[T]he wise policy in regard to it is to minimise to the utmost the relations of the state to industry. As long as there are such relations, every industrial interest is forced more or less to employ plutocratic methods ... *Laissez-faire*, instead of being what it appears to be in the most of the current discussions, cuts to the very bottom of the morals, the politics, and the political economy of the most important public questions of our time.³⁵

VII: The Case of the Railroads

But for Galbraith, *all* capitalist enterprise is inherently predatory. His account is devoid of any evidence of truly critical analysis. The distinction between the economic and the political means to wealth is apparently far too subtle to occur to him. Instead, so obsessed with hatred is he for the businessman that even the slightest pretence at objectivity is disposed of. To observe the repeated presentations of capitalists visibly bloating, swinishly indulging in orgiastic scenes of gastronomic over-indulgence, vulgar ostentation and “conspicuous consumption”, is reminiscent of the crudest Soviet propaganda of the thirties rather than appropriate for a supposedly educational television series.

As a concise example (the only one) of capitalist predation Galbraith cites the American railroads, and specifically gives a gloating account of the conflict between the “Erie Gang” (Jay Gould, Daniel Drew, and Jim Fisk) and Commodore Vanderbilt over the possession of the Erie railroad (a “deplorable, and sometimes lethal, streak of rust”). To be presented with the railroads, however, as a supreme example of free enterprise, is to be confronted with a piece of scholarly *legerdemain* that while common, still begs description. In the words of the liberal historian and writer, Albert Jay Nock:

Ignorance has no assignable limits; yet when one hears our railway-companies cited as specimens of

rugged individualism, one is hard put to it to say whether the speaker’s sanity should be questioned, or his integrity. Our transcontinental companies, in particular, are hardly to be called railway companies, since transportation was purely incidental to their true business, which was that of land-jobbing and subsidy-hunting.³⁶

The conflict between the Erie Gang and Vanderbilt was indeed a classic one between a group of predatory plutocrats (the Gang) and a productive businessman (Vanderbilt), the latter forced only to use the state (e.g. bribe judges) in self-defense. Indeed, Vanderbilt suffered repeatedly from the harassment of legislatures and politicians whose interventions were introduced with the specific intention of eliciting bribes. The history of the railroads was an object lesson in conflict between true free enterprise and the interventionist political capitalists. Railroads were the areas most subject to government interference, and hence the areas in which fraud, corruption, and predation were most rife. And it was precisely those who utilized the state for economic ends, the political capitalists or plutocrats, who exemplified the predation which Galbraith ascribes to the “capitalist” and to “capitalism” *per se*. As Ayn Rand has succinctly put it:

The railroads with the worst histories of scandal, double-dealing, and bankruptcy were the ones that received the greatest amount of help from the government. The railroads that did best and never went through bankruptcy were the ones that had neither received nor asked for government help.³⁷

There were, in fact, many productive, honest businessmen even in the railroad business. The lines constructed by Vanderbilt (and his son) for example, were, in the words of a leading economic historian, Louis M. Hacker, “well run; had a splendid roadbed and modern equipment; and were able to survive the depression of 1893-96, paying dividends throughout those difficult times”.³⁸ Not a word about J. J. Hill, whom Hacker terms “the railroad man par excellence”³⁹ is allowed to enter — and spoil — Galbraith’s account of the period. Hill’s Great Northern was constructed without government grants or special privilege, was financed soundly and honestly, constructed safely and efficiently, and charged the lowest rates of all the Western railroads. Moreover Hill, recognizing the stake of his system in the prosperity of the surrounding communities in the whole Northwest, vigorously assisted their general economic development — helping in their construction, guiding agricultural projects and cattle breeding, providing instruction in crop rotation and fertilizer, and opening banks.⁴⁰ So much for Galbraith’s view of the two alternatives open to the railroad men — robbery of the public or of the stockholders! If any other minority group, blacks or Jews for example, were to be characterized on the basis of the behaviour of a few of its ‘members’ (in fact, in this case of those who should not even be so categorized) Galbraith would probably be among the first to protest. That he should feel so free to condemn a whole “class” in such terms indeed confirms Ayn Rand’s description of productive businessmen as “America’s persecuted minority”.

VIII: The Forgotten Men

Amidst digression into such trivialities as the love-life of Jim Fisk and the menu of a banquet for the dogs of the wealthy, Galbraith deems productive entrepreneurship of no significance. Nowhere do we find any admission on Galbraith's part that this was the great age of industrialization, nor that this process could hardly have taken place had all businessmen been *predatory* plutocrats. That the United States became an industrial nation, absorbed millions of immigrants, and began the task of raising them from the "wholesome poverty" (which Galbraith attempts to identify with capitalism) to the highest standard of living in the world escapes his attention. The words of Louis M. Hacker should suffice to remind us of the achievement:

The United States of the post-Civil War period, a developing country, was transformed in not more than a single generation into the greatest industrial nation of the world. At the same time, balanced growth took place ... A complete transport net, the beginnings of the generation of electrical power and its transmission, the creation of new industries, the modernizing of farm plant: all were accomplished in this brief time.⁴²

And, as Hacker also points out, this was due to "a free market, private accumulation and investment, and the unhampered activities and leadership of a sizable company of entrepreneurs, or innovators".⁴³ Not a word do we hear from Galbraith of this achievement and of those entrepreneurs whom another economic historian has called a "Vital Few".⁴⁴ "Producing cheap, suppressing competition, and then selling dear" is virtually his sole comment on the American businessman of the period. Not a word of the achievements of Vanderbilt or Carnegie, or of men like Henry C. Frick in iron and steel, Cyrus H. McCormick in agricultural machinery, George Westinghouse, Thomas Edison and Frank J. Sprague in electrical equipment, Philip Armour and Gustavus F. Swift in meat packing or William Clark (of Singer Sewing Machine) in marketing.⁴⁵

IX: The Mores of Capitalism: The Industrial Virtues versus Conspicuous Consumption

Galbraith's failure to display the slightest degree of objectivity or analytical acumen is manifest, moreover, in his lengthy treatment of the manners and mores of the time. Thus he details the "conspicuous consumption" of the "leisure class", its displays of over-indulgence and waste, and its obsession with aping European aristocratic life-styles. That "conspicuous consumption" is hardly restricted to the wealthy of a capitalist period he does at least admit, but shows no awareness of the absurdity of categorizing the "leisure class" of the *old rich* (the established business elite, rentiers or landowners) and their behaviour and value-system with the standards of the dynamic new economy emerging at that time. Galbraith (like Thorstein Veblen before him) describes nothing more than the values of an *old* economic order (that of a landed gentry and a mercantile upper class) and the results of the time-lag before the adoption of the "industrial

virtues" (Sumner's term) and developing mores of a productive individualistic mass society. As Joseph Schumpeter wrote in his classic and incisive (but relatively neglected) exercise in liberal class analysis and sociology: "the social pyramid of the present age has been formed, not by the substance and laws of capitalism alone, but by the laws of two different epochs ..."⁴⁶ As in the concrete political phenomenon — specifically, imperialism — with which Schumpeter was concerned, so too in the pattern of social mores. (Ironically, William Graham Sumner was also quite well aware of this stage in the historical development of the "high bourgeoisie".⁴⁷) Once more, Galbraith tries to portray as distinctively capitalist a social nexus for which capitalism was in no way responsible, but, on the contrary, was actually undermining.

X: Conclusion

There is, of course, much more one could criticise in *The Age of Uncertainty*. Each chapter could be subject to the sort of critical analysis I have performed here, and with, I would argue, the same effect. Amongst other things one would have to deal with are:

- Galbraith's total failure to deal with his books' alleged subject matter, the actual relevance of economic concepts to historical reality, their use in the formation of policy and their effects upon that formation and the passage of events.
- The ludicrous imbalance in the attention given to real economists like Adam Smith, and to second-rate hacks like Thorstein Veblen.
- The total misunderstanding of Adam Smith's thought manifest in Galbraith's attempt to impugn Smith's principles and motives.
- The outrageous attempt to portray the highland clearances and the Irish potato famine as consequences of *laissez faire* capitalism rather than state interventionism.
- The puerile obsession with sexual innuendo and tittle-tattle.
- The *parti pris* displayed in his constant sniping at the misdeeds of President Nixon and his supporters, while ignoring the amply documented corruption and misdeeds of Presidents Kennedy, Johnson and other Democratic politicians (Galbraith is a Democrat and not a Republican).
- Galbraith's inability to concede the existence of any academic criticism of Keynesian theory and policy.
- The mixture of falsehood, innuendo and invention with a (very) few basic facts in order to attack the big corporation and the lifestyle of its employees.
- The ever-present use of stylistic tricks, innuendo, cheap gibes and arrogant condescension in order to influence the reader (and viewer).

Just as the twentieth century will be remembered as a notable period of the debasement of currencies by nation states, so it will equally be remembered as a period of the debasement of academic standards in the cause of political ideologies. Professor Galbraith's work represents a sorry example of the latter phenomenon.

NOTES

1. Milton Friedman's *From Galbraith to Economic Freedom*, Institute of Economic Affairs, London 1977, contains not only Professor Friedman's own critical comments on Galbraith, but extracts many of the major criticisms by other economists. I added to this paper a brief bibliography of other works critical of Galbraith and his principal ideas (pp. 63-64). To that bibliography I would now also add: Sir Frank McFadzean, *The Economics of John Kenneth Galbraith: A Study in Fantasy*, Centre for Policy Studies, London, 1977; C. Wilcox, "On the Alleged Ubiquity of Monopoly", *American Economic Review*, Papers and Proceedings, May 1950; I. T. Kaplin, "The Profit Maximization Assumption", *Oxford Economic Papers*, February 1965; "Symposium: Reappraisal of the Doctrine of Consumer Sovereignty", *American Economic Review*, Papers and Proceedings, May 1962; J. Backman, *Advertising and Competition*, New York University Press, 1967.
2. According to the blurb on the front cover of the American, but not the British edition.
3. *The Age of Uncertainty*, British Broadcasting Corporation and Andre Deutsch, London, 1977, p. 9.
4. *Ibid.*, p. 45
5. Richard Hofstadter, *Social Darwinism in American Thought*, Beacon Press, Boston, 1955.
6. See Hofstadter, *ibid.*, p. 45 *passim*.
7. James Allen Rogers, "Darwinism and Social Darwinism", *Journal of the History of Ideas*, XXXIII(2), April-June, 1972. For other re-examinations of the business ethos, see Irvin G. Wyllie, "Social Darwinism and the Businessman", in Carl N. Degler, ed., *Pivotal Interpretations of American History*, 2 vols, Harper and Row, New York, 1966; *idem*, *The Self Made Man: The Myth of Rags to Riches*, Rutgers University Press, New Brunswick, New Jersey, 1954; and R. J. Wilson, ed., *Darwinism and the American Intellectual: An Anthology*, Dorsey Press, Homewood, Ill., 1967; 2nd edn 1989.
8. Robert C. Bannister, "'The Survival of the Fittest is our Doctrine': History or Histrionics?", *Journal of the History of Ideas*, XXXI(3), July-Sept., 1970, p. 398. And see also his *Social Darwinism: Science and Myth in Anglo-American Thought*, Temple University Press, 1979.
9. *Ibid.*, p. 397. See also the comments of another historian of philosophy, John Herman Randell, Jr. In his "The Changing Impact of Darwin on Philosophy", *Journal of the History of Ideas*, XXII(4), October-December, 1961, Randell states: "The truth is that 'Social Darwinism', 'Darwinian ethics', was never popular or influential", p. 446. On Sumner he remarks: "(he) was a Republican who bitterly attacked any protective tariff, so his influence was very small, except on Yale students." (p. 445)
10. William Graham Sumner, "Who Wins by Progress?", in Stow Persons, ed., *Social Darwinism: Selected Essays of William Graham Sumner*, Prentice-Hall, Englewood Cliffs, N.J., 1963.
11. William Graham Sumner, "The Forgotten Man", in *ibid.*, p. 133.
12. *Ibid.*, p. 135.
13. See Hofstadter, *op. cit.*, and also Shirley Letwin, *The Pursuit of Certainty*, Cambridge University Press, 1965, on Benjamin Kidd and David G. Ritchie, two notable English anti-capitalist Social Darwinists. D. P. Crook has also recently written a study of Kidd: *Benjamin Kidd: Portrait of a Social Darwinist*, Cambridge University Press, 1984. The Italian neo-Liberal philosopher Benedetto Croce, in *Politics and Morals*, Allen and Unwin, London, 1946, pp. 91-92, also sees Social Darwinism as the inspiration for the "left-" and "right-wing" versions of collectivism — communism and nationalism. John Herman Randell also points out the obvious in regard to "survival of the fittest" arguments: "It was just as easy for Lester Frank Ward to take the struggle for survival as between species and thus justify the welfare state as necessary for the survival of man-kind. By raising the quality of its inferior members it can enable man to become fitter to survive over other species." (*Ibid.*, p. 446)
14. See also the discussion of the "imperial socialists" in Bernard Semmel's *Imperialism and Social Reform: Social-Imperialist Thought 1885-1914*, Allen and Unwin, London, 1960. Semmel points out that such "premature" Social Darwinists, as Thomas Carlyle, Charles Kingsley and Charles Dickens were as much critics of *laissez-faire* as they were of "inferior" races. The leading Marxist Social Darwinist was Karl Pearson (pp. 35-44) who in turn received the enthusiastic praise of Fabians like Sydney Webb. The Fabian socialists were not only elitist and nationalist in outlook, but strongly influenced by eugenicist and racist ideas (pp. 50-51). In an important piece of textual investigation, Lewis S. Feuer has also shown how Marx, after reading *The Origin of the Species*, declared that it provided him with "a basis in natural science for the class struggle in history". Feuer has demonstrated that "Marx in *Capital* was indeed writing as a Socialist Darwinist; therefore the first generation of his followers, Kautsky, Bernstein, Karl Pearson, were right in regarding him as such", "The Case of the 'Darwin-Marx' Letter", *Encounter*, LI(4), October 1978, pp. 76, 78. For a definitive discussion of the Marx-Darwin relation see Leslie Page, *Marx and Darwin: The Unveiling of a Myth*, Centre For Liberal Studies, London, 1983.
15. For example, Ayn Rand, *For the New Intellectual*, New American Library, New York, 1961, p. 37.
16. Clarence B. Carson, *The Fateful Turn: From Individual Liberty to Collectivism. 1886-1960*, Foundation For Economic Education, New York, 1963, p. 47.
17. Letwin, *op. cit.*, p. 336.
18. As Professor Tibor Machan has notably and frequently pointed out. For example, "Selfishness and Capitalism", *Inquiry*, 17(3), Autumn 1974, p. 338.
19. "Sociology", in Stow Persons, *op. cit.*, p. 8.
20. Harry W. Odum, *American Sociology: The Study of Sociology in the United States Through 1950*, Longmans, Green and Co., New York, 1950. In contrast to Galbraith's presentation of Sumner as a guilty and hesitant speaker, it is worthwhile to quote the reminiscences of one of his students, who wrote: "The majority of our teachers were mechanical and dull, routine hearers of recitations. But we came to his [i.e., Sumner's] teaching with eager expectations and were never disappointed. He invited and loved intellectual resistance. Every sentence he spoke was a challenge." (William Lyon Phelps, "Introduction" to Sumner's *Folkways*, New American Library, New York, 1960, p. xi) See also Ronald Fletcher's account of Sumner's scholarship in his *The Making of Sociology: A Study of Sociological Theory, Vol. 1: Beginnings and Foundations*, Michael Joseph, London, 1971. Fletcher describes Sumner as "undoubtedly one of the most important American scholars contributing to the making of Sociology towards the end of the nineteenth century." (p. 502) On *Folkways* Fletcher comments that Sumner "put forward a very clear 'social statics' and 'social dynamics', and brought together an enormous range of comparative and historical data to substantiate the analysis he proposed. *Folkways* is, in fact, a work of massive scholarship, and has been, and is, one of the most seminal books in sociology." (p. 503)
21. We should also not allow Galbraith's disparaging treatment of Herbert Spencer, another figure of monumental and tireless scholarship, to pass unchallenged. While undoubtedly possessing his fair share of errors and intellectual weaknesses Spencer was a genuine, and humanely motivated seeker after truth. Galbraith's contemptuous dismissal is almost amusing in its chutzpah. Morally and intellectually Galbraith does not inhabit the same universe as Spencer. Even by modern standards Spencer's contribution to knowledge is not negligible. As one historian of philosophy — certainly no disciple of Spencer — has written: "On the whole, when his system is compared with

other pretentious philosophical systems of the nineteenth century, it will be found to be more firm and substantial than most. He often went wrong, but this was not due to any want of industry or any deliberate ignoring of the facts on his part. No philosopher of his age was more addicted to facts than Spencer, or so assiduous in their pursuit. This is his great virtue. If Spencer generalized too readily, he at any rate generalized from observable facts, and his errors can be corrected by the same process of observation and inductive generalization." (Henry D. Aiken, ed., *The Age of Ideology: The Nineteenth Century Philosophers*, New American Library, New York, 1956, p. 169)

Also noteworthy is the recent favourable reconsideration of Spencer's work, after decades of neglect, by sociologists. See, for example, J. Y. D. Peel, *Herbert Spencer: The Evolution of A Sociologist*, Heinemann, London, 1971; and Stanislaw Andreski, ed., *Herbert Spencer: Structure, Function and Evolution*, Michael Joseph, London, 1971. Professor Ronald Fletcher's "Introduction" to the latter is worthy of note in this context. He comments: "There is [a] fallacy abroad: that only left-wing movements on behalf of the masses possess realism and humanity. But it was not Marx only who desired a humane society, and there are differing approaches to its achievement. Spencer's 'liberalism' is decidedly not in fashion, but perhaps it ought to be more so." (p. 3)

20. Galbraith, *op cit.*, p. 49.
21. *Ibid.*, p. 55.
22. *Ibid.*, p. 49.
23. Although later in the book Galbraith emphasises the "anarchic rapacity" (p. 249) of "early" capitalism, he makes it quite clear in Chapter 8 that he does not believe the "morality" of "advanced" capitalism has improved. He thus regales us with a listing of some notable English and American businessmen guilty of fraud, theft and bribery (of bureaucrats and politicians). One wonders how any goods ever get to be produced.
24. William Graham Sumner, "State Interference", in *Persons, op cit.*, p. 101.
25. William Graham Sumner, "Social War in Democracy", *ibid.*, p. 60.
26. See S. E. Finer, ed., *Vilfredo Pareto: Selected Sociological Writings*, Basil Blackwell, Oxford, 1976; Frederic Bastiat, *Selected Essays on Political Economy*, Foundation for Economic Education, Irvington-on-Hudson, N.Y., 1964.
27. Sumner, "Social War in Democracy", *ibid.*, p. 120.
28. Sumner, "The Forgotten Man", *ibid.*, p. 120.
29. Sumner, "Democracy and Plutocracy", *ibid.*, pp. 146-147.
30. Sumner, *ibid.*, p. 145.
31. Sumner, *ibid.*, p. 145.
32. Sumner, *ibid.*, p. 149.
33. See, for example, George J. Stigler, "The Theory of Economic Regulation", *Bell Journal of Economics and Management Science*, 2(1), Spring 1971.
34. Among a large number, see Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916*, Free Press of Glencoe, New York, 1963; *idem*, *Railroads and Regulation, 1877-1916*, W. W. Norton, New York, 1970; James W. Weinstein, *The Corporate Ideal in the Liberal State, 1900-1918*, Beacon Press, Boston, 1968; Murray N. Rothbard and Ronald Radosh, eds., *A New History of Leviathan*, E. P. Dutton, New York, 1972. Antony C. Sutton, *Wall Street and FDR*, Arlington House, New Rochelle, New York, 1975; *idem*, *Wall Street and the Bolshevik Revolution*, Arlington House, New Rochelle, New York, 1974; *Wall Street and the Rise of Hitler*, Seventy Six Press, Seal Beach, California, 1976. And on the body of apolitical and "modern liberal" revisionist work, see my own "Revisionism from the Centre: A Review Essay", *Libertarian Forum*, November 1972 and "The Growth of Revisionism from the Centre: A Review Essay", *Libertarian Forum*, May 1974.
35. Sumner, "The Concentration of Wealth", in *Persons, op cit.*, p. 149.
36. Albert Jay Nock, *Our Enemy, The State*, Caxton Printers, Caldwell, Idaho, 1950, p. 191.
37. Ayn Rand, "Notes on the History of American Free Enterprise", in *idem*, *Capitalism: The Unknown Ideal*, New American Library, New York, 1963.
38. Louis M. Hacker, *The World of Andrew Carnegie, 1865-1901*, J. B. Lippincott, Philadelphia, 1968, pp. 218-219.
39. *Ibid.*, p. 225.
40. See *ibid.*, pp. 224-226.
41. Rand, "America's Persecuted Minority: Big Business", in *op. cit.*
42. Hacker, *op. cit.*, p. xxv.
43. *Ibid.*, p. xxv.
44. Jonathan Hughes, *The Vital Few: American Economic Progress and its Protagonists*, Oxford University Press, New York, 1973. And also see his "Eight Tycoons: The Entrepreneur and American History", in R. M. Robertson and J. L. Pate, eds., *Readings in United States Economic and Business History*, Houghton Mifflin, Boston, 1966.
45. Hacker. *op. cit.*, p. xxxvi. In fact, Galbraith completely ignores the whole post-war school of revisionist business and entrepreneurial studies, which while by no means engaging in apologetics for businessmen, arrived at a far more objective, knowledgeable and sophisticated assessment of their role in, and contributions to, America's economy and society. Notable contributors to this re-assessment were such eminent scholars as Arthur C. Cole, Thomas C. Cochran, William Miller, Alfred D. Chandler, and, of course, The Research Centre in Entrepreneurial History at (Galbraith's own) Harvard University. See for example, Thomas C. Cochran, "The Legend of the Robber Barons", in R. M. Robertson and J. L. Pate, eds., *op. cit.*
46. Joseph A. Schumpeter, *Imperialism and Social Classes*, Basil Blackwell, Oxford 1951, p. 122.
47. Thus, in his discussion of the class struggles in modern history, Sumner wrote: "The high *bourgeoisie* develops into a class of wealth and luxury, supplanting, imitating, reproducing with variations, the old baronage; it struggles to form out of itself a patriciate — a body of selected families defined by its own sympathies and voluntary recognition, or a body of loclupetes, or optimates, or a timocracy of those who have enjoyed the honours of the state. The process has been repeated so often in classical states, in the Italian republics, and in the rich cities of the Middle Ages that it ought to be sufficiently familiar to us." "The Social War in Democracy", in Stow Persons, ed., *op. cit.*, pp. 61-62.