

## John Rae and Thorstein Veblen

**Blake Alcott**

All that the possessor of the luxury desires, is, to have a means of showing that he has acquired the command of a certain amount of the exertions of other men.

—John Rae, *Statement of Some New Principles on the Subject of Political Economy*

### **Rae's "Accumulation"**

Many of Thorstein Veblen's ideas in *The Theory of the Leisure Class* ([1899] 1998) are found in John Rae's *Statement of Some New Principles on the Subject of Political Economy: Exposing the Fallacies of the System of Free Trade, and of Some Other Doctrines Maintained in the "Wealth of Nations"* ([1834] 1964). Rae was born near Aberdeen in Scotland in 1796 and emigrated to Canada in 1821, to Boston and New York in 1848, and then to the Sandwich Islands in 1851; after a life of teaching, headmastering, writing, inventing, farming, and financial straits, he died in New York City in 1872. He was a freethinker and linguist who worked on the evolution of human language in general and the Polynesian language in particular. Rae influenced Nassau Senior, John Stuart Mill, W. Stanley Jevons, Eugen von Böhm-Bawerk, Alfred Marshall, Irving Fisher, Frank Taussig, and Joseph Schumpeter (Mixer 1905, xxxii; Edgell and Tilman 1991, 731).<sup>1</sup>

Rae's subjects were capital formation—accumulation as opposed to prodigality ([1834] 1964, 118–29, 199, 206; Mixer 1902)—and technological progress through knowledge and invention (Spengler 1959). Accumulation is of "instruments" of slower or quicker return according to the labor put into their formation, their capacity of return, and the "length of time . . . elapsing between their formation and exhaustion"

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(Rae [1834] 1964, 100–01, 278), as well as by their efficiency and absolute durability (109–17). Instruments include not only tools but also houses and arable fields (86–89, 170–171). (Veblen’s “accumulation” is closer to mere “acquisition” ([1899] 1998, 25–41, 230)). For Rae “knowledge” and “provident forethought” distinguish us from “inferior animals,” and together these cause a better future (Rae [1834] 1964, 81; Veblen [1899] 1998, 10, 20, 74, 93, 227). The genesis of economic stratification is that frugal people become richer than prodigal ones (Rae [1834] 1964, 198–207).

Rae took as human givens not only concern for offspring but also “the interests of society” and the ability “to provide for the wants of futurity” ([1834] 1964, 81, 89, 119–125, 158–160). These emotions aid the effective desire of accumulation, which satisfies future “real wants” (265, 271, 289, 290). Within terms of the central category of *time*, a cost is “the sacrifice of some smaller present good” and a benefit is “the production of some greater future good” (118, 121, 136, 138). By building a well-insulated dwelling, for instance, with good cupboards, this greater good is the fuel, food, wearing apparel, and metabolized body energy which is thereby not “wasted” (200–03, 313–19); for Veblen also, to say the least, waste is a crucial category ([1899] 1998, 15, 59, 83–85, 91, 97–101, *passim*).

Because it is truistic that “all men prefer a greater to a less” and the future good or saving is obviously greater, the time factor must be invoked to explain prodigality, or nonfrugality. Not only do we not live forever but the exact date of our demise is uncertain, and thus this “desire of accumulation” is contravened by our natural preference for present pleasure (time preference, discounting the future)—“to spend is easy, to spare, hard.” That capital which does get formed is thus a function of a person’s net factor of “the *effective desire of accumulation*” (Rae [1834] 1964, 118–21, 129, 206–07). Strengthening the hand of present over future enjoyment even more are both our covetous glances at the “rank immediately above” us (which we perceive as “rolling in superfluous extravagance”) and our desire for the “articles . . . necessary to [our] condition” or “rank” (Rae [1834] 1964, 120; Veblen [1899] 1998, 1–3, 22–34, 140–41). Indeed, “merely personal considerations” can yield no more than a weak desire of accumulation (Rae [1834] 1964, 120; Veblen [1899] 1998, 89). Providing for some comfort in our own old age motivates us to some extent, but Rae is asking (128–29, 80–81), like Kenneth Boulding (1973), why we consider posterity at all.

“But man’s pleasures are not altogether selfish”; Rae’s empirical wisdom is that a person is also moved by “love” of others, “the conjugal and parental relations, the claims of his kindred, his friends, his country, or his race” ([1834] 1964, 121–22). This is equivalent to Veblen’s “group solidarity” of the “peaceable savagery” phase ([1899] 1998, 7, 33, 219; [1914] 1964, 36) or to his “non-invidious impulses” serving the “generic life process” ([1899] 1998, 16, 259, 275, chap. 13), “parental bent” ([1914] 1964, 11, 25), or “other features of human nature . . . alien to . . . conspicuous consumption,” without which no saving whatsoever would occur ([1899] 1998, 91). Thus for Rae the “uncertainty and worthlessness [of] future goods” is counterbalanced and a degree of effective

accumulation is after all achieved by these “social and benevolent affections” (122, 142) Further help comes from our “intellectual powers” (Veblen’s “idle curiosity”?) because they strengthen invention (122, 275–76).

### **Vanity**

Accumulation is thus the advancement of “the wealth of society, the capital and stock of communities,” and it both enables the “consumption of utilities” and provides “additional supplies for the wants of futurity”; Rae’s basic cleft is between “utilities” and “luxuries” ([1834] 1964, xv, 292, 275, 222, 238; also Boulding 1949–50). The main “check” on the “social affections and . . . intellectual powers” that promote accumulation is the “purely selfish . . . principle . . . of vanity,” and Rae’s term for “the expenditure occasioned by the passion of vanity” is “luxury.” *Vanity* is “the mere desire of superiority over others” by whatever criteria; “a perfect being” can achieve de facto superiority purely through “pleasure in the good he does,” but it is the (vain) pleasure in “surpassing others” that moves the rest of us (Rae [1834] 1964, 265–66, 271–72, 290–91; Edgell and Tilman 1991, 735–36). Vanity is also the “pride” moving a man to rise in the world, “placing himself on an equality with those to whom he was once inferior” (325); for Veblen it is “to rank high” in “invidious comparison” with our “competitors” ([1899] 1998, 31–34, 16–17, 25–27), recalling Rae’s “desire . . . to rank high in the estimation of the world” (125, 120) and “It is invidious to run to expenses which others cannot follow” (282).

Veblen likewise contrasted the desire for “sustenance” ([1899] 1998, 103), “self-preservation” (110), “serviceability” (154), “physical necessities” (205), “the generically useful” (219), “subsistence” (24), “naïve” consumption (25), and so on, with *emulation*, which is “the stimulus of an invidious comparison which prompts us to outdo those with whom we are in the habit of classing ourselves” (103, 31). Similar to Rae’s “real practical utility” ([1834] 1964, 338), he also opposed “economic” to “aesthetic and ethical” serviceability (262–63). And his discussion of noninvidiousness parallels Rae’s social affections and shows the mistake of emphasizing his sarcasm and coolness: in contrast to consumption due to “the human proclivity to emulation” which—like Rae’s dissipating laborers’ “abilities to spend” (326)—fulfills only a “secondary utility as evidence of relative ability to pay,” there are goods “consumed as a means to the fuller unfolding of human life,” to the end of “the fulness of life . . . taken in absolute terms” (154, 24–26, 102–04).

These two categories of consumption are in terms of motivation, rather than the goods themselves. One is relative to others; the other is “absolute” or, better, relative to nature—“against the non-human environment” rather than the “human environment” (Veblen [1899] 1998, 220). Rae said that while many goods satisfy “real wants” ([1834] 1964, 289, 292), luxuries, seen in terms of the economy as a whole, “give no absolute enjoyment, it is all relative” (290, 275). John Maynard Keynes later contrasted “abso-

lute” needs for health and survival with “relative” ones “in the sense that we feel them only if their satisfaction lifts us above, makes us feel superior to, our fellows” (1930, 326). Veblen’s corresponding two-tiered analysis is in terms of “higher” versus “lower” wants ([1899] 1998, 25, 103), or “physical want” versus “spiritual need” (85, 168).<sup>2</sup>

This dichotomy between absolute and relative, or intra- as opposed to intersubjective (Fullbrook 1998), is sociological, while the dichotomy in terms of needs and wants (Sanne 2002), or between subsistence and conspicuous consumption, requires physiological criteria, as in Veblen’s “subsistence minimum . . . required for the maintenance of life” ([1899] 1998, 107, 25–26, 69, 92) or John Hobson’s “biological utility” or “organic human standard” (1929, 309, 337). Better than dozens of later writers who build on some such distinction, Rae and Veblen avoided the conflation of subjective and objective criteria. Good overviews are McAdams 1992 and Jackson and Marks 1999. In the interests of thoroughness it should be added that Rae’s taxonomy was actually three-tiered—necessaries, conveniences, and “amusements,” or luxury ([1834] 1964, 12, 118, 253, 258, 272, 275)—presaging Marshall’s “necessaries, comforts, and luxuries” ([1890] 1916, 67).

Of course vanity or emulation also come in nonpecuniary varieties. Rae mentioned “excelling in virtue” or even vice ([1834] 1964, 266, 122), while Veblen granted “invidious comparison in other respects than opulence; as . . . in the manifestation of moral, physical, intellectual, or aesthetic force” ([1899] 1998, 97). Like “knowledge of dead languages . . . and fancy-bred animals,” though, much of this is reducible to the pecuniary strength evidenced by leisure (43–45, 25, 91, 223). But both were mainly interested in wealth, and other roads to status are indeed less relevant for economics (or justice, or environment problems).

For Rae, what counted was “to have what others cannot have” ([1834] 1964, 266), whereas for Veblen it was to own what “other persons . . . are compelled to do without” ([1899] 1998, 130) or, in a word, his delicious “spiritual need . . . of pecuniary decency” (85, 126). Rae’s examples, like Cleopatra’s drinking a precious pearl dissolved in water or Romans’ eating nightingales’ brains (an example from Pliny via Adam Smith), underline the costly and wasteful character of such consumption (266–67). Veblen’s somewhat more plebian examples are “carpets and tapestries, silver table service, waiter’s services, silk hats, starched linen, many articles of jewellery and dress” (99); these objects, as well as household furniture, lend themselves intrinsically to “honorific costliness” (131). And while for Rae it is true that “mere costliness” and having “what others cannot have” do heighten the pleasure attending the noncompetitive consumption of, say, wines and meats themselves, the motive of vanity is stronger than this pleasure from the object itself (266–68). Veblen concurred (38), and both, using examples of spoons, metals, gems, and jewels, knew that scarcity and price lend higher distinction than either serviceability or beauty (Rae, 269–73, 275, 307; Veblen, 126–30, 169).

### **Display**

The kind of superiority that Rae examined was social, not secret; it must be shown and, if possible, acknowledged by people “accustomed to see and be seen” ([1834] 1964, 287). When “articles” are chosen to show superiority they must, in order to be capable of “gratifying this passion” of vanity, be “conspicuous” or “apparent” (267, 270, 287, 310); luxury objects give enjoyment because they “display superiority” (289, 271). The contrast is with things that “supply some real want,” or things that become cheap, inconspicuous, and therefore unfit to “supply the demands of vanity” (289, 286). For such goods Veblen gives us the lovely term “humilific” ([1899] 1998, 155), and if the vintage Veblenism is “conspicuously wasteful honorific expenditure” (103), his “conspicuous consumption” is a household word. Rae, however, while often combining “wealth and honor” (209) lacked an explicit concept of “wealth-vanity” to correspond to Veblen’s “pecuniary emulation” (34, 110).

To this common and central term (*conspicuousness*) Rae preferred *luxury* ([1834] 1964, 271–272, 252). This too conveys “visibility” (Veblen [1899] 1998, 16, 103, 112, 122) because if *luxe* is “light,” and the light either shining on or emanating from an object serves its display, then *luxury* is indeed a good concept for consumption over and above basic wants. Rae thus translated Heinrich Friedrich von Storch’s “*le luxe d’ostentation*” as “the desire to show”; for Storch, “luxury objects” must “display [or] attest the wealth” of the owner or consumer; display gratifies “the desire to appear rich” and thus superior to others (270–71; Veblen, 67–85, 73–74).

To further denote the exact things signifying possession of “a certain amount of wealth” or “such a rank in society,” Rae used “inscription” and “mark,” or “marks of distinction” ([1834] 1964, 287, 307), the latter term being common both in ethology and in more recent consumption literature. Again, the job that objects have of “marking superiority” can’t be done by the unseen timber in your house or your fuel coal but rather by dress, furniture, marble chimneys, wines, and liquors (267–68). (For further examples see Rae, 200, 289; Veblen [1899] 1998, 74–75, 112; Frank 1985, 1999.) “Opulence” is also employed by Rae for that which sets one above (270), and Veblen’s core theory is that the leisure class must show its “ability unproductively to consume . . . thereby putting in evidence [the] ability to sustain large pecuniary damage without impairing his superior opulence” (63).

Veblen’s vocabulary of display includes “marks of expensiveness” ([1899] 1998, 132), “badge or insignia of honor” (44), “suggestion of leisure” (170), “signs of expenditure” (187), and more. Rae’s “propensity to show” ([1834] 1964, 276) is Veblen’s “propensity for emulation” (110), or “propensity for display of expenditure” (168). For Veblen wealth, leisure, and the ability to waste must be “manifest” (38, 91), “put in evidence” (36, 38, 61, 187), or, in language tantalizingly close to that of sexual selection theory (Darwin [1859] 1950, 75–77; 1871), “advertised” (85–88) or “displayed” (86,

167–68).<sup>3</sup> Indeed, for Charles Darwin, display was a decisive clue for this theory ([1871] 2003, 221–22, 314–19, 394–402, 567, 572–73).

For Rae, consuming what the vulgar masses consume lowers one's status; "costliness" or "dearness" itself and the "parade of riches" explain the character and quantity of goods possessed or consumed, a view he supported with a quotation from Smith, who observed also that "scarcity" and "great labor" make up an object's desirability ([1834] 1964, 268–70). Or, "it is not the thing itself,<sup>4</sup> but merely the quantity of labor embodied in it that vanity prizes" (285). This specific focus on labor-costliness is implicit in Veblen since labor is such a huge element of price. It is also explicit, as when he contrasts machine-made with hand-made goods ([1899] 1998, 127, 158–66). What's more, if labor's "irksomeness" (17–18) consists of a time-cost as well as an energy or annoyance one, Veblen's insistence that wealth means having time as well as goods—leisure as "the non-productive consumption of time" (43)—is an insight that goes farther than Rae.<sup>5</sup>

Exclusivity is explicit in both Veblen ([1899] 1998, 130, 235) and the work of Rae, who prosaically noted that "a very large share . . . of the expenditure of the wealthy consists of luxuries,—articles, the sole gratification afforded by which is, that they alone can afford to possess them" ([1834] 1964, 274). Certain consumption is "prohibited" for lower classes (269) or, in Veblen, is allowed only on the "sufferance" of the higher ones (72). It is a short step to Harvey Leibenstein's "snob" and "Veblen" effects wherein demand varies "non-additively" with others' demand and with price (1950). In illustrating this point with pearls—that when progress renders any hitherto expensive thing cheap, this effect is lost—Rae employed Veblenian humor (286).

### ***Cost and Waste I***

Once Veblen established the concept of status and its expression through ownership ([1899] 1998, 25–34, 46–47), his main economic concept was waste (15, 27, 116–20, 154–60, 175–81). Both leisure and consumption "for the purposes of reputation," have the "common element" of waste, and the pecuniarily decent life follows "the broad, fundamental canon of conspicuous waste" (85, 91). Repeatedly, he examined "usefulness," "utility," and "serviceability" on one hand, contrasted with "futility," "idleness," and the merely pecuniary or nonindustrial on the other (15–16, 24, 95, 128). Conspicuously consumed goods must above all be costly, "pecuniarily above reproach" (119, 126). This is waste, "expenditure [which] does not serve human life or human well-being on the whole" (97). In his later analysis of "pure waste" in gold, timber, and oil production, Veblen pointed to oil spills and "duplication of work and equipment" ([1923] 1964, 177, 199), described in detail for the case of the Oklahoma fields by Angie Debo as "enormous . . . tragic waste" (1949, 58–63, 69).

Rae also viewed the matter in terms of waste and nonutility. Because vanity demands the new and changing, it "destroys before its time, as Mr. Say complains, whatever it lays its hands on . . . 'destroyed . . . before having ceased to exist, and without hav-

ing supplied any real want” ([1834] 1964, 271). He had another category of “loss to the society” or “pure economic loss,” or, simply, “waste”; much industry and effort is “expended in vain” from the point of view of “the whole society as a body” (290, 307–308, 312–19, 338). (“Wasted” and “in vain” are common-usage synonyms.)

Thus such consumption is societal waste, and the “social and benevolent affections” represent it as “hurtful” (Rae [1834] 1964, 122, 275). Albeit without taking a stand himself, Rae described at length antiquity’s attribution of immorality and “the suffering of others” to “the pursuit of wealth,” drawing as well on St. Paul and Shakespeare (125–128), a tradition upheld in our day by, for example, Schumacher 1999 and Orr 1999. Vanity consumption “supplies no wants” (290) and indulgence in “acknowledged extravagances and real luxuries” makes one “guilty of inflicting an injury on the community” (282). For Veblen, similarly, “emulative efficiency” is “not directly serviceable to the community” ([1899] 1998, 262); invidious comparison succeeds group solidarity (27–28, 32–34, 219; also Rae, 96–98). Always movingly concerned about the future, Rae said that vanity consumption “brings no addition to the absolute capital [and] generates no provision for future wants” (290) and that ostentation is prodigality, an enemy of accumulation (121, 123, 199, 206, 273). Paralleling both writers very closely are Boulding’s analysis of waste and stocks (1949–50) and Richard McAdams’ argument that “Competitive consumption is a market failure” (1992, 69, 48–62).

However, like Veblen, Rae exonerated the individual for his vanity. Even in its “absurdities” and “follies,” “no blame can attach to . . . compliance with the [vain] customs of the society”; it is “the business of the poor man . . . , too, to avoid a display of poverty” ([1834] 1964, 281). “The gentleman, the tradesman, the lady, the servant girl, must alike obey the laws which the strength of this principle imposes on the society” (287). Veblen would say that these customs or institutions have “prescriptive force” ([1899] 1998, 41, 105), and he likewise insisted that his term “invidious” is in no way intended to deprecate but is merely descriptive of “the process of valuation of persons in respect of worth”; this “rating and grading” offers each of us, to boot, a gauge of the “degree of complacency” with which we may regard ourselves (34). He also bends over backward to deny the deprecation that “the speech of everyday life” has for “waste”; for him it is “a technical term” (97–101). For “*the person incurring the expenditure*,” an expenditure “on the ground of invidious pecuniary comparison” is not wasteful (99, my italics). During this deep bow to “economic theory proper,” of course, in which utility is proven by preference, with no questions asked, his tongue is securely in cheek (also Veblen [1914] 1964, 1; Gilman 1999).

In his chapter “Of Waste, or Pure Economic Loss,” Rae specified a further category of economic losses to society, namely the cheating of debtors, simple theft, war, and deceit in salesmanship and advertising, in other words, “successful or unsuccessful attempts to pass off commodities for what they are not” ([1834] 1964, 314). Extravagance is the cause of “artifice and fraud” and “fraud and violence” (326), recalling Veblen’s “force and fraud” as “prowess” ([1899] 1998, 14, 231). Not only is this the

“business” or “predatory” category in Veblen’s dichotomy between it and industry (28, 208–09, 237–41, 259) but it constitutes as well the more current category of defensive expenditures which has taken on importance in measuring real welfare by subtracting such expenditures from gross domestic product (GDP). Daly and Cobb’s index (1989) of sustainable economic welfare (ISEW) is one example. The spirit of this thought is captured, in turn, by Veblen’s priceless characterization of the lawyer, who is “exclusively occupied with the details of predatory fraud, either in achieving or in checkmating chicanery” and to whose profession “no taint of usefulness . . . attaches” (231).

Both men were looking at what is before and after preferences: at the motives or nature of them and their consequences or effects, for example, their hurtfulness to society. Veblen time and again contrasted wealth for display with our endeavors both for plain old “physical comfort” ([1899] 1998, 25–26, 102–03, 205) and for the “generically useful” (219) or “generic life process” (334)<sup>6</sup> or “fulness of life” (100); a good’s utility is judged by its “efficiency as means to this end” (154), and the instinct of workmanship always resurfaces to fight predation and emulation (15, 93, 98). When Rae wrote that “if we inspect the dwelling-houses and furniture of rigid economists, we generally perceive that they have an air of both durability and efficiency” ([1834] 1964, 200), Veblen’s parents’ farm comes to mind; Rae’s straightforward assertion is that an “indirect . . . effect . . . of luxury . . . is always to dissipate a part of the national funds proportioned to its strength” (292; also 126, 325–26). Edward Bellamy, for his part, taxonomized this societal waste into thirteen categories ([1887] 1917, 225–44; Edgell and Tilman 1989, 1010–14).

### ***Cost and Waste II***

The pursuit and display of wealth, then, assuming scarcity, is detrimental for society and by some criteria wasteful after all; material inequity and future want result, and if it is individually “rational,” perhaps also tragedies of the commons. But a further, different question is possible: what is the situation of the individual? Is the societal or economic waste of luxury and pecuniary decency also waste in terms of the individual’s economy of costs and benefits? During the last decades of the nineteenth century, evolutionary thought was teaching that preserved “derivations of structure or instinct” must be “profitable” (Darwin [1859] 1958, 389, 128, 170–74); were, for instance, in addition to the males, female deer and elephants to grow immense horns and tusks, this “would be a great waste of vital power” (Darwin [1871] 2003, 503; also 216, 496 on danger, 221–22 on energy expenditure, 338–39, 403, 514–15 on consumption of organized matter; also Ghiselin 1974; Gans 1991). Hobson later noted that “[g]etting and spending, we lay waste our powers” (1929, 309), also stressed by Juliet Schor (1992), Gary Cross (2000), and others, who ask why we might be so stupid as to work ourselves to death just to outdo the Joneses, who are trying to outdo us. My suggestion here is that it is this cost-benefit ratio that is often captured by Veblen’s “efficiency”: by “industrial”



efficiency and workmanship for the behavioral, economic realm ([1899] 1998, 15, 93, 110–11, 241, 259) and by “physical efficiency” for the internal economy of the organism (58, 69, 73, 203–05).<sup>7</sup> In terms common to economics and biology (utility, efficiency, waste, futility), Richard Dawkins elucidated this “economy assumption” with the examples of salmon, bone calcium, birdsong, firefly flashes, trees’ height, cheetah-antelope races, elephant seals, work experts, and model T kingpins, all from the point of view of DNA, not of groups or even individuals (1994, 103–24).

Are the invidious, vain expenditures of time, effort, and material—high enough to be visible to others—wasteful for the individual, “too high,” higher than benefits? Earlier, Veblen had defined conspicuous consumption as “displaying costly goods that afford no return to their owner, either in comfort or in gain” ([1894] 1997, 282). Yet in spite of this, and of course aside from competitive expenditure’s not serving “human life or human well-being on the whole,” it is not waste “from the standpoint of the individual consumer” because it was chosen ([1899] 1998, 97–98). This is close to evolutionary biology’s working assumption that species-wide behavior could very well be adaptive. But to the extent that he was here joking, he was implying that perhaps, after all, costs exceed benefits, pecuniary emulation is stupid, maladaptive. At least for the “lower strata” he is clear that conspicuous consumption endangers their subsistence and energy economy: they endure “squalor and discomfort” and “this category of consumption [is] not given up except under the stress of the direst necessity” (84–85). Merely factoring in status-driven pecuniary utilities ignores exactly this part of the story (in addition to ignoring societal waste). To be sure, however, Veblen’s guiding question is not the evolutionary biological one but rather the social one of the “economic conscience” (98).

Rae was also looking at luxury in contrast to real wants, sustenance, capital accumulation, provision for the future, and the common good, but of course without the idea that what has survived natural selection/elimination is usually adapted to conditions. But luxury does entail costs. In his example of Cleopatra’s drinking the dissolved pearl, Rae says it must have tasted “disagreeable”; similarly, “a dish of nightingale’s brains could scarcely be a very delicious morsel” ([1834] 1964, 266). In fact, it is the very disagreeable or at best neutral taste of these expensive things which, for Rae, proves that we consume them from some other motive other than just normal “pleasure” or “real wants”—this is his *derivation* of vanity. Another of his examples goes even further, namely that from Pliny of Roman men with many heavy rings on their fingers, “rather loading than adorning them” (277). And an example taken from Smith claims that, “in the wantonness of plenty,” even great power and authority will be sacrificed for “frivolous and useless . . . diamond buckles” or other “trinkets and baubles” (274–75). Like Darwin ([1871] 2003, 573 ff.), he cited the “privations” that “savages” incur in order to ornament themselves in terms of the pain and expense of cuts, tattoos, and European imports; they also voluntarily relinquish “provisions . . . made for the future” (Rae, 276). Finally, just as Veblen exempted “no class of society, not even the most abjectly poor” ([1899] 1998, 85) from conspicuous consumption, Rae asserted that vanity expenditure

“falls on all classes of society,” including “those who have difficulty in procuring absolute necessities” (271).

Veblen’s own examples of perhaps *overly* costly consumer behavior are the “squalor and discomfort” suffered to buy “the last trinket” of the poor ([1899] 1998, 85), the “infirmities” and “dissipation [of] dram-drinking, ‘treating,’ and smoking” (70, 89–90; Rae [1834] 1964, 326), the wearing of uncomfortable, unprotective, even “incapacitating” clothing (170–72, 185)—in short, going “ill clad in order to appear well dressed” (168), “costly entertainments, such as the potlatch or the ball” (75), the “mutilations” and “debility” of the “constricted waist” and “deformed foot of the Chinese” (147–49, 172), the “Polynesian chiefs, who, under the stress of good form, preferred to starve rather than carry their food to their mouths with their own hands” (42), and, finally, a French king who burnt to death rather than shifting his chair himself (43).

The mere acquisition of leisure class manners takes “strenuous discipline” and “laborious drill”—in short, “pains” (Veblen [1899] 1998, 49–50); “achievements of etiquette” are “difficult and costly” (76), and winning invidious comparisons entails an “arduous” learning of “the right kind of goods” to consume (74–75). Social duties are “irksome” (65), a man’s workless wife requires his “assiduity” (81), and the “strain” of emulative consumption is in general “cumbrous” or “onerous” (65–66, 103, 111). The modern, leisure class scheme of life, which reduces to “waste, futility, and ferocity,” has “pathological consequences” (70, 149); for “conspicuous decency” we pay with “comfort and fulness of life,” and for pecuniary decency we give up “indolence and good-fellowship” (205, 351). Finally, were waste not necessarily defined in terms of life, we could, as Veblen did in the book’s darkest passage (96), call this waste of life.<sup>8</sup>

I believe that Rae and Veblen were here onto something important for understanding conspicuous consumption, itself important for social justice and environmental quality. In terms of survival (Rae’s sustenance, Veblen’s subsistence), the conspicuous expenditures of the peacock’s tail, the deer’s antlers, the colors of birds and butterflies, and animals’ “antics” in general had stumped Darwin, who then found their cause in same-sex combat and opposite-sex preference for certain traits. Rae and Veblen chose to look at human behavior and consumer goods, from antiquity to the Gilded Age, that was similarly puzzling (and odious), a perfect Darwinian example being Veblen’s “decadent book,” which is “costly and ill adapted to its ostensible use” ([1899] 1998, 164–65). They found its cause in vanity, emulation, status, and repute. But two questions then remain open. Why do we want status—why do we compete for rank, position, standing? And why is this so often on the basis of wealth—why is status expressed by *blue collar* and *silk stocking* (Hamilton 1973, 203; Brekke et al., 2003)?

Doing any justice to these questions would go far beyond this article. Yet it seems to me that in the two works examined here, status seeking itself is taken as a given. However, at least in Veblen, its pecuniary form is not. To be sure, Rae was open to the influence on behavior of “institutions” and “habits” ([1834] 1964, 95–96), and he hinted at “barbarian” or “savage” hunting societies preceding agriculture and pastoralism

(142–44), but where there are tools, the correlation between ownership of them and position on the “social scale” is self-evident (Mixer 1905, 235). More explicitly, Veblen imagined a “peaceable savage,” “primitive,” “perhaps sedentary,” “ante-predatory” phase of culture where material classlessness reigns ([1899] 1998, 6–7, 16–21, 219, 351). But with the phase of “economic surplus” (20, 25, 205), perhaps even the earlier phase of “barbarism” (3–8), come emulation and the regime of status. That the rich, not the poor, set the standard, is likewise a given (104).

In his discussion of stratification according to material wealth, Rae only noted that people differ in “vigor of mind and body, as well as skill” ([1834] 1964, 98) and in their dispositions toward constructing instruments (129, 198–201). (When he added that vanity sometimes aids the “accumulative principle” (325), I think he meant that fortunes begin with somebody’s working hard.) Very roughly put, Veblen’s much fuller derivation of specifically pecuniary emulation relies on the concepts of predation, trophies, exploit, esteem, and ownership ([1899] 1998, 22–34, 44, 73, 349). It may be worth mentioning that Bellamy ([1887] 1917) assumed that rank and emulation are here to stay (68, 96–98, 123–31, 164–65, 170–71, 187–88, 197–98, 222, 259), but, by assuming material nonscarcity and moral improvement, eliminated its pecuniary variety from his utopia.

Moot and controversial questions remain, of course, as to the depth of Veblen’s explanatory chain and his views on heredity and human nature, but his support of the premises of struggle within scarcity ([1899] 1998, 14, 24–25, 113, 220; Rae [1834] 1964, 96–97, 323–24) and of natural selection/elimination theory (13, 15, 188–89, 212, 215, 225, 246, 335) is beyond doubt. At any rate, the search for explanations of invidious pecuniary comparison remains topical. Michael Boyles and Rick Tilman, for instance, asked whether evolutionary theory (as sociobiology), has illuminated the “genesis of . . . power, class, and status” (1993, 1210–11). In spite of many attempts to extend the explanation back to Darwinian reproductive success, they find in the negative, but the question is on the table.<sup>9</sup>

During the late 1890s sexual selection theory was definitely on the table. Alfred Russel Wallace, Darwin, Thomas H. Huxley, and many others had debated it for years (Cronin 1991). In 1896 George Santayana reported that “[o]f late we have even learned that the forms of many animals are due to the survival by sexual selection of the colours and forms most attractive to the eye” (5). Rae’s editor Charles Mixer devoted a footnote to the fact that Rae’s remarks on the indirect utility of female dress were “written before the discovery of the principle of sexual selection” (1905, 252). And Veblen’s silence on sexual selection is all the more puzzling because Bellamy, who influenced him, embraced it explicitly, even audaciously: women’s power to mold men is Godly, improving within a mere three generations their efficacy, morality, and even their propensity for intergenerational justice, while selecting against their instincts for pecuniary prowess ([1887] 1917, 267–70). At any rate, one yearns to listen in on a conversation between Darwin and Veblen on their common topic: competition, conspicuousness, decoration, antics, status, and desirability.

Geoffrey Hodgson has recently noted the parallels between Veblen's idea of conspicuous waste and the "costly" signaling between animals . . . to indicate, for example, fitness and availability to mate"; he referred to Amotz Zahavi and Ashivag Zahavi's handicap principle—that costliness proves fitness (1997)—but did not explicitly mention sexual selection (1998, 188–89, 194). He is also one who is asking questions of the heritability of behavior-guiding mechanisms (2001), suggesting that "habits," whether as feelings or institutions, are at least partly in human nature. Another is Edward Fullbrook (1998), whose explanatory chain leads to the nature of human psychology, positing, albeit without reference to evolution, an intentional theory of mind and our "existential lack."

Rae and Veblen gave us germs of the view that conspicuous consumption is costly for the individual in the way Darwin's peacocks' tails and deer's antlers were, that it is noncontributory, superfluous (Veblen [1899] 1998, 63, 155–56), or even detrimental to basic survival, and that it is hurtful and wasteful for (yet strangely tolerated by) society; in terms of natural selection, it makes little sense. But it exists and persists and thus, in the spirit of human ethology, the question must be faced: Is it an adaptation? Is it sexually, or otherwise socially, selected, thus indirectly enhancing reproductive success? For Rae it met one criterion of adaptations, namely human universality ([1834] 1964, 283, 129), and the case could be made that for Veblen, this is true once the predatory, pecuniary stage of society has been reached. For newer work on the possible adaptiveness of status consumption see Low and Heinen 1993, Buss 1994, Boone 1998, Hrdy 1999, Morrison 1999, Miller 2000, and Jackson 2002.

### ***Insatiability***

Pertinent to both equitable distribution and environmental quality is Veblen's insight that, because it is motivated by *relative* standing (status, rank, superiority), consumption will increase unlimitedly. His exposition is masterful and well-known: Because we are *comparing* ourselves with each other, it is not enough to reach the "normal pecuniary standard of the community." Our "chronic dissatisfaction" cries for an increasing "pecuniary interval" between us and others, and the "present pecuniary standard [is] the point of departure for a fresh increase of wealth" ([1899] 1998, 31, 90; Daly 1974; Scitovsky 1976). For Veblen, assuming a certain surplus above subsistence (20, 25), such an increase is realistic. But no matter how high or fairly distributed the "community's wealth, . . . the desire for wealth can scarcely be satiated. . . . If, as is sometimes assumed, the incentive to accumulation were the want of subsistence or of physical comfort, then the aggregate economic wants of a community might conceivably be satisfied at some point in the advance of industrial efficiency"; but since the "ground" of this "race for reputability" is "invidious comparison, no approach to a definitive attainment is possible" (32). Because the "need of conspicuous waste" is emulative, then despite "increased industrial efficiency" we don't work less but consume more (see Schor 1992);

the “increment of output” to meet emulative consumption is thus “indefinitely expandable” (110–11, 102). The sky is the limit.<sup>10</sup>

Rae started but did not finish this argument. He began with the point that the exact form of a particular person’s “manifestation of . . . luxury” depends on his temperament: those leaning toward benevolent affection are extravagant in “sumptuous entertainments, and luxuries of the table,” while those given to the intellectual powers indulge in “expensive buildings and decorations” ([1834] 1964, 279). In the altruistically inclined, furthermore, vanity gets steered toward frugality and thus toward “the welfare of others” and posterity, a combination bestowing great esteem (120–28). This recalls Veblen’s jibe at charitable work, wherein he perceived the presence of “extraneous motives” ([1899] 1998, 339–40); as well, his taxonomy of exhibitions of “reputable waste” is fuller than Rae’s, covering architecture, art, philanthropy, and leisure in the form of sports, spelling ability, and the knowledge of occult sciences (65, 259–63, 338–43, 363–67, 394–99).<sup>11</sup>

Rae then quoted Charles de Secondat, Baron de Montesquieu in support of the observation that vanity consumption increases with urbanity, population density, and anonymity, because “in the country, everyone is known” and deception impossible ([1834] 1964, 280). Correspondingly, Veblen noted that country gossip assures that “everybody’s pecuniary status [is] known to everybody else”; in the country “home comforts and the leisure indulged in” count as consumption, but in the town or city, “advertisement” is far more necessary ([1899] 1998, 88–89). Contrasting examples are given by Knut Hamsun ([1917] 1978, 230–34, 285, 324–27). Rae also touchingly believed that city people have few options but consumption, whereas a country person has the ability and means to make or improve “instruments” like mending a fence, cultivating a plot, or “procuring food for his cow or his pig” (280).

Further following Montesquieu, where we are surrounded by numerous strangers, “vanity redoubles, because there are greater hopes of success. As luxury inspires these hopes, each man assumes the marks of a superior condition. But, by endeavoring thus at distinction, every one becomes equal and distinction ceases: as all are desirous of respect, nobody is regarded” (Rae [1834] 1964, 280). The competitive spiral begins anew at this higher absolute level. Again, the “industry employed [for] luxuries” is “in vain. . . . It gives no absolute enjoyment, it is all relative; as much as one is raised by it, another is depressed, the superiority of one man being here equivalent to the inferiority of another” (290).

This insatiability is banal in its role as assumption in neoclassical economics. But Veblen, and Rae with Montesquieu’s help, looked behind the empirical fact of it, again using pecuniary emulation and vanity to explain it. For justice, environmentalism, and even psychological health, this fact—that happiness by means of material wealth is relative rather than absolute—is however not banal but bad news. The observed upward spiral has led many authors to bemoan the “irrationality” of the consumption “rat-race,” “treadmill,” “zero-sum game,” “religion,” and so on (Duesenberry 1949; Easterlin 1973,

9–10; Scitovsky 1976, 107–20; Leiss 1976, 7, 9, 29, 85, 100, 127; Schor 1992, 49, 122–25; Frank 1985, 17–30, 1999, 67–73, 111). However, if status seeking is a given, this behavior in the realm of wealth is no more irrational than that of a team's wanting to top the standings. The fact that, seen as a whole, the standings are a zero-sum game is irrelevant.

Rae did not make the point in so many words. He did say, however, that “[p]eople who regard appearances . . . can scarce expect that any improvement will materially diminish their yearly outlay for dress, for themselves or families” ([1834] 1964, 287). Bear in mind that improvement, successful efforts of invention, and increase in the facility of production (289) are Rae's terms for Veblen's industrial efficiency ([1899] 1998, 32, 110, 241). This is because lower prices do not lower the “proportion of their revenues” that people spend to maintain their “rank”; if improvement cuts prices by half, then “the quantity carried about must be doubled, or recourse must be had to some other material” (287). Rae quoted Adam Smith: “When by improvements in the productive powers of manufacturing art and industry, the expense of any one dress comes to be very moderate, . . . the rich . . . will naturally endeavor to . . . distinguish themselves . . . by the multitude and variety of their dresses” (270). Finally, “[s]hould the best flannel cost only two pence a yard, it would still be worn by all who now wear it, and by many who do not” (287). Other things, or more of the same, get consumed.

Regarding goods, though, that are “beyond the reach of vanity,” greater efficiency in their production is “really felt”; iron, quarrying stone, bricks, flour, soap, glass, leather, and fabrics are thus subject to “real improvement” (Rae [1834] 1964, 289). When cheapness renders things less suitable in showing superiority, yet their use remains necessary, either “a greater quantity” is necessary, or else one must only “consume them when they are most scarce,” as with green peas at Christmas or fish from very far away (287). For Rae, to be sure, most commodities exhibit a certain “strife between the two principles” of “vanity,” or “luxury,” and “utility” (286, 272, 310), equivalent to Veblen's caveat that consumable goods “may be useful and wasteful both,” and “generally show the two elements in combination” ([1899] 1998, 100; Hamilton 1989). However, for goods apt to be used conspicuously, like “articles of furniture, of diet, [and] the equipage [SUVs, Mercedes (Joplin 1970)] of the rich,” a “greater or less part of the effects of improvement, is absorbed by vanity in them all, and consequently lost” (288), just as for Veblen “pecuniary emulation . . . stands ready to absorb any increase in the community's industrial efficiency” (110–11).<sup>12</sup> Rae's “lost” also reminds one of Veblen's belief that fully half the monetarily measured economy is wasted and has nothing to do with the “collective good” ([1914] 1964, 193, 344, 350; [1899] 1998, 226–31).

### ***Fashion***

Veblen makes the questionable assertion that “[n]o explanation at all has hitherto been offered of the phenomenon of changing fashions” ([1899] 1998, 173). Indeed,

Marshall for instance seems to have contented himself with condemning—because of its wastefulness—“the baneful influence through almost every rank of society” of “the evil dominion of the wanton vagaries of fashion” ([1890] 1916, 288, 88). Like many after him (Foley 1893, 465, 466; Veblen [1899] 1998, 152–53; Scitovsky 1976, 137–38, 282–83), Marshall also fell back on the nonexplanatory observation that we want “variety for its own sake” (86). But he made a good start by saying that variety in dress has both “natural” and “conventional” causes—roughly Veblen’s “naïve” versus “honorific” consumption (25, 70–74, 102–03)—and he hints that variety in housing may have to do with the fact that it gives both “shelter” and “social distinction” (87–88; Veblen [1894] 1997).

For Rae, too, fashion covers food, jewelry, precious metals, tattoos, clothes, feasts, and much else ([1834] 1964, 268–78) and is “in a state of ceaseless revolution” (271). The lace and colors of the country girl’s bonnet are, again in an example of Storch’s, “foreign to its utility” (271). The pleasure of the thing itself—its beauty or taste or texture—is “entirely distinct” from the pleasure deriving from its “rarity.” Yes, the ornaments and sculptures in the dwellings of the rich really are beautiful, but, mainly, they are displayed (272–74). The exact mixture of “necessaries [and] conveniences” on one hand, and luxuries on the other, varies between the social classes (275). The pattern of most of Rae’s examples is that invention and efficiency change both the nature and price of the supply, but the need for superiority stays, and therefore whatever serves this need must change (278).

Caroline Foley (1893) began similarly to Veblen by noting that “a residuum of variability in wants [remains] not accounted for” in the fashion literature (461), and although she has understanding for its therefore being called “irrational,” she is sure that it is not: “An errant instinct obtruding into the lines of motivated conduct is not unnaturally judged to be irrational, and the philosophy that identified the irrational with the shifting and impermanent has not died out since the day when it was put into the mouth of Nature attacking Fashion” (460). To relocate fashion in the realm of the rational, she explained it first by “love of distinction, imitation, and the effort after equalisation” (461). The motive for “social distinction” is “emulous within each caste, or class, or smaller group” (465, 463); “rainments” are “social symbols” just as for Veblen “no line of consumption” shows the canon of waste more aptly than “expenditure on dress” ([1899] 1998, 167). Then there is the motive for “change”—the variety, novelty, and waste implied in Shakespeare’s “The fashion wears out more apparel than the man” (465, 466). Fashion cannot be defined as either “necessaries, comforts, or luxuries, but rather as a coefficient of any of these,” greatest when “nature ceases to be preemptory” (462), as when, in Veblen, the “niggardliness of nature” loses its strictness (24).

Her survey of the literature quoted, among others, Rae himself, Joseph Fourier’s characterization of fashion as “*la passion papillonne*,” Thomas Macaulay, Storch, and John Locke on snob effects and Veblen effects, Jean-Baptiste Say on “unreal wants,”

Henri Baudrillard on four types of luxury (*de luxe* again, “not indispensable”), Darwin on the universality of fashion, and John Taylor, “the water poet,” on exhaustion, overuse, and nonsustainability (1893, 461, 462, 463, 466, 468). Finally, she noted that dress must be “inconvenient” (467; Veblen [1899] 1998, 172), a point much more fully elaborated by Veblen in his examples of the walking stick (171, 265), the corset (149, 172), the high heel shoe, “feminine bonnets,” and “the man’s high hat” (171)—again, being simultaneously ill clad and well dressed (168; Rae [1834] 1964, 201, 203, 307). Veblen’s inconvenience and discomfort show leisure and ability to pay by showing that one is “incapable of useful effort” (148–49, 182–83). Insofar as fashion and much other visible consumption are thus successfully explained by distinction or status, much consumption literature of the twentieth century here falls behind Veblen, Foley, and Rae in regarding it as irrational.<sup>13</sup>

### **Taste**

Both Rae and Veblen applied two criteria for beauty or taste. Rae’s first is that of the “beauties of feature or form . . . quite independent of their cost,” which adhere to their simplicity or utility, like fabrics protective against heat and cold, the clean linen of the peasant, flowers, and even art works that are “well-executed,” although here the border to beauty based on cost and vanity is hard to determine; this aesthetic experience is “real enjoyment” ([1834] 1964, 272–73, 282). But this standard of “real beauty” loses out in real life against a second one based on expensiveness (283), and many objects, such as “pearls, as ornaments, probably derive nearly their whole value from their scarcity” (286), an opinion echoed exactly by Veblen with the examples of gold and gems ([1899] 1998, 129, 130). For “dresses worn in public,” for example, cheapness detracts from beauty (Rae, 289, 309), and very generally, “enjoyment” lies in “opulence” (270–71).

Similarly, Veblen’s first category is of “popular taste” ([1899] 1998, 138), “middle-class tastes” (82, 138), “unsophisticated . . . intrinsic beauty” (128–30), of an “untrained sense” (149), and “beauty in the naïve sense” (150); these “underlying norms of taste are of very ancient growth, probably far antedating the advent of the pecuniary institutions that are here under discussion” (150–51). He spoke of a “taste for effective work” and a “distaste for futile effort” (15; [1914] 1964, 1). By this criterion beautiful things are “inexpensive” and straightforwardly suggest their serviceability ([1899] 1998, 151) and “the generic” (153). There is, however, an inherent “antagonism” between “native taste” in what is “beautiful or becoming,” which abhors wastefulness, and the taste that has developed due to the “requirement of conspicuous waste” showing leisure and wealth (176–77). This “pecuniary and cultural beauty” guided by the “canon of pecuniary decency” may not be “bona fide” (149), but, as in Rae, it wins out over the simpler, “decorative and mundificatory character” of household beauty, which yields to the standard of “wasted effort” (82; Gilman 1999, 708). A pre-existing “popular sense of



beauty or serviceability” is at least supplemented by the sense of beauty depending “closely upon the expensiveness of the articles” (126–30). The doctrine is that of “pecuniary beauty” (133, 145, 153–54, 178).<sup>14</sup>

However, there are limits. For Rae, following the example of the “Roman moralists and satirists,” just as the “benevolent affections” see vanity’s “hurtfulness,” the “intellectual powers” represent vain expenditures as “absurd”—like Veblen’s “inanities” and “absurdities” ([1899] 1998, 94, 163); both “diminish the sway of this passion” ([1834] 1964, 269, 275). Unlike Veblen, he reserved the term “invidious” for that which goes too far—“to run to expenses which others cannot follow” or make others feel “too much outshone” (282). There are two lines, above one of which lies “acknowledged extravagance,” and below the other of which lies “sordid parsimony” (282). This top end of extravagance is also aesthetically displeasing: a “very costly dress” reveals “want of taste”; or, a “disagreeable feeling” is caused by “the view of a profuse expenditure of animal power, bringing about only a small effect”—in other words, an efficiency criterion of beauty (283). For Veblen our conflicting aesthetic results from the instinct of workmanship, which has “an abiding sense of the odiousness and aesthetic impossibility of what is obviously futile” (93) and sees that “advertisements” or displays can be “cruder,” as with a “loud dress” (186–87). Indeed, perhaps his ubiquitous concept of “decency” implies that a certain restraint is the mark of perfection in evidencing wealth through taste. At any rate, both writers offer us incipient objective criteria of beauty, in contrast, for example, to the subjectivism of George Santayana ([1896] 1988), and tying aesthetics and waste together is an idea with potential.

### ***The Greater Good***

Rae’s example of too much horsepower claims the ugliness of disproportionality and sheer waste, the “absurdity” detected in it by the intellectual powers. This sense of absurdity is of course pervasive in Veblen. But I suggest that for him the outcome of this tension between popular taste and the “instinct of workmanship” on one hand ([1899] 1998, 93, 99, 158; [1914] 1964), and the canon of conspicuous, “honorific” waste on the other ([1899] 1998, 91–101, 140, 159, 259) is also very sad. The “régime of status” and waste has superceded that of “charity,” “good-fellowship,” and “solidarity”—of “non-invidiousness” (334–38, 218–21). Veblen’s deliciously ambiguous disclaimer that he is using the term “waste” in any but a technical sense (97–101) is more than amusing. Emulation is hurtful, a view supported by Nils Gilman’s (1999, 702–04) treatment of Veblen’s “vitalism.”

Again, just as Rae upheld “improvement and accumulation” ([1834] 1964, 285, 312), Veblen upheld workmanship, efficiency, industry, serviceability, and the generically humanly useful ([1899] 1998, 154, 219, 259, 334; 1914, 154–55). The “instinct of workmanship” favors “productive efficiency” and “whatever is of human use” ([1899] 1998, 93). This is “production” as opposed to “acquisition,” the “industrial” as opposed

to the “pecuniary,” or the “non-invidious” as opposed to the “invidious”; the former serve the “collective interest” through workmanship and “industrial efficiency” (99, 208–09, 227, 342; Mixer 1902) while the latter are “business.” The leisure class is defined as the “propertied non-industrial” class, and so-called “industrial captancy” exposes itself as merely predatory, astute, financial, and mercantile, concerned only with ownership (209, 230–31). Like Rae, for whom business was “representing things to be other than what they are” and “is so much dead loss to the community” ([1834] 1964, 312, 326), Veblen saw that it is only the contrasting noninvidious, industrial “feature of human nature” that makes “saving” (accumulation for the future) possible, however high the wages of the working classes might be (91; Duesenberry 1949).

Rae, to be sure, found a pinch of social benefit in vanity insofar as the rich man’s monuments to himself exhibit “substantial . . . materials and workmanship” and thus “durability,” and men of public affairs both should and do “pay . . . attention to the concerns of a distant futurity” through durable public works ([1834] 1964, 283–84). However, he quoted Smith’s opinion that from the point of view of vanity small public works, “having nothing to recommend them but their extreme utility,” would appear merely “mean and paltry” (284). For Veblen, too, architectural good works arise from surviving “non-invidious interests” but must also flatter the donor by showing some decorative, expensive “honorific waste” ([1899] 1998, 348–49). The theme that small useful works get neglected was developed by Paulette Olson (1998, “My Dam Is Bigger Than Yours”) in her cogent application of conspicuous consumption theory to nations and their “interests of the collective good fame” (Veblen, 227). As shown in the sections on waste, Rae’s main thrust is that the common good lies in accumulation of capital, or even economic growth, and that luxury, vanity, and dissipation thwart this (Rae, 318; Edgell and Tilman 1991, 742).

### **Conclusions**

Rae’s apex to his chapter “Of Luxury” is that “[t]o the loss thus occasioned by vanity the term dissipation may be applied. Its amount cannot . . . be easily ascertained, nor is it necessary for our purpose that it should. It is sufficient to observe, that, in all societies which have hitherto existed, it has been considerable; and that it seems to be determined, in every society, by the strength of the selfish, and weakness of the intellectual powers and benevolent affections; and, consequently, that it is inversely as the strength of the accumulative principle” ([1834] 1964, 290).

To irrationalize, and thus perhaps trivialize, conspicuous consumption means to ignore the nineteenth century contributions of John Rae and Thorstein Veblen. Their sociology of relative standing, achieved through putting wealth into evidence, with its attendant high social as well as personal cost as well as the corollary of inherently unlimited consumption, is indispensable for even addressing the hoary problem of social inequity as well the newer one of high environmental impact. Future work must extend the

explanatory chain, and in particular test the thesis that insatiable consumption behavior could be, in the strict Darwinian sense, sexually and socially selected.

### Notes

I first read of John Rae and Thorstein Veblen in Leibenstein 1950.

1. This John Rae is not the journalist of the same name, born in 1845, who wrote, for instance, a biography of Adam Smith; nor is he John Rae, M.D., who wrote on his arctic explorations.
2. This is the reverse of today's usage of "need" and "want."
3. Thorstein Veblen divined our age of visibility run amok, of neon signs high above the tree-tops, the single word FOOD as big as your house: "In order to impress . . . transient observers, and to retain one's self-complacency under their observation, the signature of one's pecuniary strength should be written in characters which he who runs can read" ([1899] 1998, 87).
4. Rae detached aptness for vanity consumption from the good itself, presaging a huge literature on the social meaning of consumption (Baudrillard 1988; Leiss 1976; McCracken 1988; Campbell 1995), but he does insist on the element of costliness.
5. Veblen's perhaps puzzling emphasis on leisure as opposed to consumption—as witnessed by the book's title, its placement of the leisure chapter before that on consumption, by the concept of "vicarious leisure" (59–66), as well as by the primacy of the "great economic law of wasted effort" (83)—carries a fuller flavor than our present-day emphasis on material consumption or, absurdly, money as such.
6. When Veblen used "generic," was he arguing from the good of the species?
7. Another example is Alfred Marshall's computation of the costs of luxury expenses for the poor; these render "their wages . . . less than are practically necessary for efficiency," i.e., for their ability to work and reproduce, and this he even defines as "waste." Just as Veblen said that what starts out as wasteful becomes a "habitual expenditure" ([1899] 1998, 99), Marshall said that things like tobacco, alcohol, and "fashionable dress" become "conventionally necessary" and thus rational and nonwasteful after all ([1890] 1916, 70).
8. Rae's and Veblen's examples suggest that some consumption acts are indeed purely ceremonial or honorific, often even hurting the consumer or at least contributing nothing to his survival and comfort. In a contrasting view, Hamilton took eating caviar as an example of something mainly ceremonial or honorific but having "some nutritional value" and showing that "[b]oth aspects of behavior are always present" (1989, 1101; also Leiss 1976, 57–64, 101).
9. Wilson 1975, Alcock 1998, Chagnon and Irons 1979, Trivers 1985, Betzig et al. 1988, Barkow 1989, etc.
10. For a contrary view see Hamilton 1973, who saw competitive consumption as socially conditioned rather than deeply psychologically caused (201, 205) and therefore more amenable to change, in which case wants are really finite. Expanding "levels of living" are "technology making its own necessity" (205). Perhaps revealingly, his three examples of consumption—relieving a toothache, eating lunch, and fixing a flat tire (205)—come from the realm of basic, perhaps nonsocial, at any rate nonstatus consumption. See also the work of Christer Sanne (2002), for whom status signaling "does not presuppose commercial markers," which are "arbitrary" (285).
11. Zahavi and Zahavi 1997, Boone 1998, and Miller 2000 made this point about the altruistic nature of much conspicuous spending and its nature as a biological adaptation.
12. In 400 pages Veblen broke his rule ([1899] 1998, x) against quotations and source citation once, and that is here. The honor goes to John Stuart Mill—but of course without mention of book or page—who said that "hitherto it is questionable if all the mechanical inventions yet made have lightened the day's toil of any human being" (Veblen, 111). For my part, honor also goes to William Stanley Jevons ([1865] 1965). He saw the plausibility of thinking that

more efficient use of coal will decrease its use (137), and indeed efficiency advances due to invention were in his time being made; but "It is wholly a confusion of ideas to suppose that the economical use of fuel is equivalent to a diminished consumption. The very contrary is the truth. . . . [E]very. . . improvement of the engine, when effected, does but accelerate anew the consumption of coal" (140, 152–53).

13. In an overdue appreciation of Caroline Foley, Edward Fullbrook (1998) offered a demonstration that economics has not yet satisfactorily met her challenge of theoretically integrating nonadditive, intersubjective demand (Rae [1834] 1964, 306–307).
14. Rick Tilman noted that "Veblen, contrary to his own functionalist aesthetic, studs his writings with latinates and mordant wit" (1985, 892). Combining Veblen's broad theory of waste with Geoffrey Miller's applications of the theory of sexual selection (2000) could elucidate this phenomenon.

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