"Value and Its Determinants."
recorded by Harry Brown in 1948.

lecture 2

Last time I was trying to eliminate some of the difficulties which I have felt inhibit the study of social sciences. In that connection, I mentioned several items and, at the end of the hour, we were concerned with this sequence of events in the development of value theory, in the development of a particular criterion *[utility]* being raised to the level of comprehension that we have been speaking of as articulation, and then its bifurcation *[into pleasure and pain]* and the development out of that bifurcation of nihilism, and then the reorientation of value theory. I gave you a few examples--the Greek Stoics and Epicureans. ....

To illustrate what I was saying about this bifurcation and reorientation *[within the utility theory of value]*, I would like for us to take a glance at how people have thought about the problem of value within historical times. We aren't very clear on anything prior to that time. As you know, the ancients--particularly the Greeks after they learned to read and write ... (It didn't take them but a thousand years after they got acquainted with people who could read and write. Pretty smart folks, the Greeks; not as smart, of course, as college students at this time. It doesn't take them quite that long usually.) ... were directly concerned with, and understood, the problem.

Particularly, I should say, their great triad--Socrates, Plato, and Aristotle--began to try to make sense out of community policy and social analysis generally. And they began also to associate with the economic process. At that time, the stage of analysis was such that you can find two very divergent kinds of formulations resulting from these two bifurcated approaches to the value problem. One we have captioned, in a general way, Stoicism, the other, Epicureanism.

I suggested last time that what they were looking at was the same thing, but they were approaching it from two different avenues. In the case of the Epicureans, the utility positively, and the Stoics, disutility. Or if you will, in recent years, the parallel between real cost analysis and the utility theory. I think also, in the present state of affairs, we can discern efforts at reconciliation of these two in the current literature. It has taken several forms. One, an effort to disregard the problem altogether but, since it cannot be disregarded in fact, an un-admitted use of a common basis of estimation, and that the present state of affairs is confused in a fashion that it never has been confused before because of the rise in recent years of instrumental theory. Heretofore, there has never been any real excuse back of this bifurcation. Always, I think, they were talking about utility. In the present conjuncture of circumstances, they aren't talking about it very much, but they are using two different kinds of theory or of value back of this bifurcated stage *[i.e., the utility and the instrumental theories].*

Now the Greeks thought and talked with each other and the rest of the world as if they were talking about two different kinds of things, the Stoics talking as if what they were using as a criterion of judgment--utility--was altogether different in their analysis--disutility. I'm talking about their analysis since, as I tried to make

plain to you to start with, people have always used *[the instrumental]* theory of value because there isn't any escape from it, and we will have more to say about that later. But they thought
they were talking about two different kinds of things. I think they weren't.

We now are, in fact, talking about two different kinds of things. The one--utility theory--is as old and certain as human history, and comes with a whole complement of theoretical apparatus which permits its application in analysis to any particular problem. It comes equipped by virtue of the five or six thousand years of the recording of human thought. I think all utility theory uses that apparatus. The other--*[instrumental theory]*--which we will try to identify in this course, comes unequipped. It has no application-level formulation. There is no theory of valuation ready to use. There is no concept, for example, comparable to the cost concept we find in the classical economic analysis.

Just now, we are beginning to realize for the first time in history that we need an economic accounting of value theory. That is to say, we have come to realize that the conceptual tools with which we have accounted our affairs are not economic in character. They are something else--business tools. And they were business tools at the time of *[the Greeks]* no less than they are today. These tools are highly refined, and there are a great many of them. We have become experts in using them. And we have come to realize that they aren't what we require.

This realization is, I submit, the necessary outgrowth of the realization that it isn't utility with which we are concerned. These tools do about as well with the utility theory of value, I suppose, as could be done. The complexity and minuteness and fineness with which they have been manipulated and arranged and rearranged ... is something to be astounded at. And then we have come to realize that what they are good for isn't what we require. And, I repeat, that realization is a result of the already accomplished efforts at re-identification of what is the theory of value, at what is one step back of these bifurcations and re-combinations and re-beginnings.

And so the bifurcation, which is really a dichotomy, in current thinking is a different thing than has occurred before. Heretofore, it has been one step this side of value theory *[i.e. analysis has been concerned with the theory of valuation rather than the theory of value].* Like the Epicureans and the Stoics; like the cost theorists and the utility theorists. All of them are talking about the same thing: *[the utility theory of value]*. In the literature, for example, you find-- especially in economics, but also in anthropology-- you find the classical theory proper, as well as the neoclassical theory, distinguished in terms of the theory of value they use. The distinction is not in the theory of value at all, but in the theory of valuation, in the theory of how you go about measuring value, whatever it is. The labor theory of value--so-called--of Adam Smith, David Ricardo, and Karl Marx--the classical theory proper, is a theory of how you measure the real worth of something.

Now the utility theory of value is a theory of value in so far as it is a theory. But we do not consider that at all. What we consider is the theory of valuation, which comes to us in the form of price theory, or supply-price theory, or cost theory in the form of price theory, all of which presumably parallel the actual

fundamental operations in human behavior with the experiencing of utility and disutility and the anticipation of it. And so what we are now concerned with is not the theory of valuation, but the theory of value itself. The two general developments now are not theories of valuation, but theories of value, one--I repeat--coming well equipped with the theory of valuation in two forms of price theory and labor theory; the other
unequipped.

Note the great difficulty those of you who have formed opinions and what-have-you on the instrumental basis, have in applying that theory to a particular problem. That is the third part of this course: What theory of valuation do you use to measure instrumental efficiency? How do you go about it? What is, in some sense, more than something else? Immediately you will recognize that we are not yet equipped with the necessary tools. Now, first, I want to get this bifurcation thing in order, and also the utility theory, how utility theory easily lends itself to that kind of taxonomy *[of bifurcation]*. Let us use the ancient *[distinction between utility and disutility].* They insisted that there is a missing middle here, that they are different things. Are they? I have said that the Greeks seemed to be talking about the same thing. They are approaching the same item from two different avenues, two different facets.

Well, are they, or aren't they? Are they in fact two different things? Were the Stoics talking about different matters, using a different criterion of judgment than the Epicureans? Note that they behaved differently. In fact, the word Epicurean has come to mean someone who wines, womens, and songs, with no thought for tomorrow. A Stoic has been defined as someone who has reconciled himself to the discomforts of human life, reconciled to his fate. I submit that a Stoic is an Epicurean who has been beaten on the head considerably.

Test it in your own behavior. If you were ever in the army you will know exactly what I am talking about. You can be quite human and even happy, and then you hit a series of systematic and organized insults--well, isn't that what a peacetime army is?-- and what is your reaction? You freeze up. You take it, we say; you sweat it out. You become a Stoic. You become an Epicurean who is being hurt. It's a survival characteristic, you see. You have to be that way. And if you will look carefully at the Greek literature, you will find that the Epicureans came from very well-to-do people. They talked and acted that way. They had numerous statues in their gardens, and worshipped Bacchus very frequently. He was the god who gave you an excuse for getting drunk without violating the law. But if you were a poor man, you couldn't very well worship Bacchus. Bacchus was an expensive guy; he was the big shots' god. It's the difference, of course, between intoxication and drunkenness. The poor man gets drunk and the rich man gets intoxicated. But you're in the same condition. Now Epicurus himself would lament greatly that anyone would use him as an excuse for getting drunk, because he was quite a guy.

But that was a minor incident; the actual facts are otherwise. Yes, I think the Epicureans and Stoics are talking about the same thing. They are talking about pleasure and pain, or want satisfaction. Where they differ is on the characteristic experience being one way or another. Both have resigned themselves at different

spots on the utility axis: one is on the positive side where it feels good; the other on the negative side where it hurts.

And note the great accomplishment of the neoclassicists, because in the latter part of the 19th century they got both on the same axis, with negative *[utility or opportunity cost]* a different place on the same axis. They made disutility and utility the same thing, just different locations. A little bit of disutility is just a little less of something than a very little bit of utility. All along in this situation where there is in fact no missing middle. There are two different ways of talking about, looking at, and approaching the central problem so nearly the same that they could live in the same community quite well.

It would be completely impossible if you could in fact apply two different theories of value. It becomes tolerable by virtue of the fact that you can't apply them, and the level of intolerableness that you experience is by virtue of the fact that in the one instance all you can do is try to apply it, and in the other you in fact apply it in terms of working, actual behavior.

The Greeks and other ancients pretty well understood not only this general problem of valuation and of value, but also the problem of institutions and how the concept of value is involved in institutional problems. As you know, Aristotle made an effort to analyze the economy in what he called home economics--household economy. That's how economics got started. And he pointed out, for example, the famous quotation which every sophomore encounters: the uses of any article or tool. For example a shoe, may be worn or it may be exchanged for something else. And he goes on to say, as you recall, that the first is "proper" to the object and the second in some sense is "improper." In his time, it was "improper" in the sense that gentlemen didn't exchange shoes. In fact, gentlemen didn't do much of anything. They never have. They don't yet. In fact, isn't that how you prove that you are a gentleman? You just don't do anything. You demonstrate a very high degree of abstinence from the productive process. You don't get your hands dirty. That sort of proves you're a gentleman. And you demonstrate that adequately by your dress, your behavior, etc. You spend all of your time being *[idle]*, an invidious display of the capacity to waste.

Well, modern man is distinguished, I submit--and I'm thinking of Aristotle this way--not only by his technological achievements but by his institutional achievements as well. He is peculiar in the technological sense, but his distinction is not attributed to that. As early as the Greeks, that began to be apparent. They began to distinguish between "proper" and "improper" on some other grounds than what they were saying. What they were saying had a terrific effect upon what they were doing, as it always does. What they were thinking clearly had a great effect on what they were doing. In fact, it determines what you do, where you have to make choices. It determines what you do in all problematic situations. And as early as the Greeks, the beginnings of what we call "modern man," both his institutional accomplishments and his technological accomplishments, were beginning to be apparent.

In that sense, you see, all that we are concerned with is the modern period, as it were. Man became what he is only a short while ago. The illustration I like to use in that respect to get that in mind is that, if you put the whole of known human

experience on one sweep of the *[minute]* hand of the clock, man learned to write less than two minutes ago. That's the whole of written history right there. Man was here a long time before that. In the history books, we speak of "modern history" as beginning with Columbus, the discovery of America. Particularly in the U.S. we do that.

Man learned to write just yesterday, as it were. And already he had learned a great many things technologically and institutionally, and he is distinguishable from what came before by his accomplishments in these areas which, of course, is what we call civilization. Man began to be civilized in a scandalously rapid manner because he began to be able to accumulate his theory. As soon as he learned to write, you see, he could put it down. That is an important matter. And only a few minutes ago, as it were, in the middle of the 14th century, he began to learn to print so he could say it over and over again. And then everybody could learn what everybody else said, and then, of course, he was on his way. He is on his way so fast that he can't even see the events go by. ....

The peculiar characteristic that I speak of as modern man is that he deliberately applies theory to the solution of his problems, not only technologically but institutionally. That is to say, he lives sufficiently differently than the other species that you can very readily tell the difference. We call each other dogs and sons of dogs, but we know the difference. There isn't any difficulty. However, there are tribes yet who are primitive enough that it's not quite--they have to prove they are better than monkeys. They don't like to be called anything like that; they constantly prove that they are better than monkeys. We are not emburdened that way. I think we can now proceed with sufficient confidence that there is considerable distinction. We can even joke about it and not get angry about it. But they couldn't.

And that characteristic is at bottom the recognition of the place of value theory in the everyday life of everybody. Not only in the social area of our experience but also in technology. In physics no less than economics or no less than aesthetics. And another thing: I shan't present a thesis at the moment in this regard, but another thing began quite discernibly at that point: science. Science in the sense that man uses it on the street corner. And, of course, he uses it correctly. Science and philosophy we say began with the Greeks with the development of some things that permitted us to get highly organized and continuously developing bodies of thought. That is to say, theory. Science I guess we could characterize as building generalizations and constantly verifying or negating those generalizations through singular and individual application, applications being made in the form of hypotheses.

Philosophy is a deliberate effort to think coherently over the entire area of man's experience. We say science and philosophy began here, and it just happens that it couldn't be any other way, I think, because at that point man began to apply theory deliberately in an organized and conscious way. That happens to be true in both what I have termed philosophy and science, and it just happens that they are the same things. They had to begin together, because they are the same things, I think. We think of philosophy as a deliberate effort to think coherently over the entire area of our experience, to set forth the inclusive and continuing factors

of the whole of human experience.

The universe of philosophy is the whole of human experience among men. The whole of his social experience. Science, what the man in the street calls science, is the same thing restricted to particular universes--in the statistical terminology a universe being a separately identified area of inquiry. The science of physics, or the science of biology, or the science of economics, etc. Now no science, you see, takes the position that it is not related causally to all other areas, all other sciences. Certainly the chemists and the biologists can't say that chemistry and biology are unrelated. They are convenient areas for deliberate and concentrated inquiry. And when they get so close together that they can't distinguish it by name, they call it bio-chemistry.

The reasons for not only the congruity I have indicated but also the simultaneity that has in fact occurred, will be embodied in the identification, I hope, of philosophy and science, as I hope to make it in this course. What I'm saying, of course, is that it was not accidental that they are simultaneous. They are, I think, the same thing. Now, holding that as hypothetical for the moment--for the next six weeks--I think we can prove it. Man at that point began to think carefully and extensively enough about his institutional affairs as well as his technological affairs that he could in an organized and deliberate way set down the theory of value. And it seems to me that he got off on the wrong track.

But right or wrong, the track he got off on is the utility theory. And that still is the most common sense of the community. It is still held that, in order to be human value, it had to be utility. Now, we call it many different things, but kick it around a little bit and scratch the paint off and you'll find John Stuart Mill's utility. Sometimes they speak of "need." And what does a person "need?" Well, if you boil it all out, you will find Mr. Utility standing there. The satisfaction of wants. Both heterodox and orthodox theory. The utility theory of value. And it is that theory of value which is supposed to give meaning to *[life's experiences]*. This can very easily be set up in terms of utility.

Now, this becomes questionable if you set it up in terms of utility. But the sciences dealing with human affairs, particularly those dealing directly with the psychology of human motivation, in which you are asking how people go about making decisions (which seems, at first blush, like what the philosophers are and were asking... But let that go for the moment.) The difference between science and philosophy has been carried down to now as a missing middle in this sense: that they are two different kinds of things. Not, as I shall propose, that *[philosophy]* is simply a larger universe of inquiry than any one of these that we have been calling science, but they are the same thing at any given level of inclusiveness. That the philosophy of atoms is exactly the same thing as the science of atoms. That the philosophy of human motivation is exactly the same thing as the science of human motivation. And suffice it for the moment, until we come to it inescapably, note that if you get different answers from these two areas, we already know in terms of behavior that one or the other at least--maybe both--are wrong.

But if we get a different answer in regard to human behavior out of what the man on the corner calls science and what the man in the ivory tower calls philosophy, then the children of both know that somebody is in error. Then we ask

ourselves, well, which is right, the philosophical method or the scientific method? Which is correct, the scientist or the philosopher? Then somebody studies economics or sociology or some sort of science and thereby gets himself confronted with that question, and his response has been several. But the modal average is: they're both right or, don't look at it. But of course students won't let you not look at anything. They peek. And what you do is say, well, at bottom *[philosophy]* is the determination of the ends. Now, after you have determined that we use this to attain those ends, the general situation in the literature you will note, and many times deliberately set forth-- as by Lionel Robbins (bless him)--that the ends are determined philosophically and all the rest is determined scientifically. Sometimes it is said this way: where you are going is determined philosophically, and how you get there is determined scientifically.

Now, in finding out how you get there, you may come out with an inequality with the necessary corollaries of where you are going, and when that occurs, somebody is wrong. We already know that much. Then the immediate question, of course, would be, is it necessary and inescapable that these two have common points. If it is necessary and inescapable, then these aren't different things at all--science is the same as philosophy. If this isn't true, it seems to me, it would be possible to make the two incompossible although existing in the same frame of reference.

lecture 3

Last time I think we were discussing the concurrence of the development of what we call philosophy and science. I tentatively defined science in regard to building generalizations in evidential terms, capable of verification through singular applications of those generalizations. I indicated that the building of a generalization and the process of verification through application were not separate, nor could either exist without the other.

At the same time, I think that I indicated that philosophy is an effort to think coherently over the entire area of our experience, which proceeds in the identical fashion of building generalizations which are inclusive in the sense that they are common to all human beings, and verifying or negating the validity of these generalizations by observing singular applications.

Of course, those two statements are not only generic, they are identical, or almost so. And there is a reason for this conformity between them. The reason is that science and philosophy are the same thing, that is, the same intellectual process. They are the same kind of human operation. The old caption "natural philosophy"--which was how the degree Doctor of Philosophy got its name--was a doctorate in natural philosophy, as the sciences at that time were called. And I think that happened because of the realization that they were the same. Since then, however, we have learned to avoid that realization in some detail. But I think that when we get down to it, the only difference between science and philosophy is in what statisticians call the universe of inquiry, the universe of applicability of the principles.

In the case of philosophy, it's an effort to develop the principles which are applicable to all known phenomena. In the case of science so-called, deliberately

restricted applicability. The science of optics has to do with looking at things. There is such a thing as just looking at things, and you just say, “Now we are going to inquire into this looking and develop principles applicable to that phenomenon.” Now as you work back toward more inclusiveness, you work back toward philosophy. And when you hit philosophy, you hit all humanly discernible phenomena. And so, I would take the position that philosophy is the all-inclusive science. Individual sciences are simply singular applications of philosophy, differing only in the inclusiveness of their respective universes. And I would like to try to get rid of what seem to me to be unconscious misconceptions relating to these two general working concepts of science and philosophy.

The question is whether philosophy and science are two opposite extremes of the same attribute, whether philosophy deals with the extremely normative and science with the extremely not-normative. If what I have just said has any validity at all, of course, the answer must be no. Science and philosophy are not differentiable on that sort of basis. They are not distinct by virtue of the kind of phenomena investigated, nor in terms of the degree of any attribute in that sense. If it be true that philosophical principles are to be applicable to all human level experiences, all communicable experience, they are not distinguishable as being opposite extremes of the kind of thing considered. Nor are they distinguishable in regard to questions of fact or not-fact, or more or less fact. Philosophical questions are as much questions of fact as any scientific questions are. They are uniform and parallel in all these senses, and likewise in their kinds of operations. They are not opposite extremes of an axis depicting any combinations of attributes, and they are not different in a missing middle sense in which one goes so far and stops, and the other takes up and continues. They cover the same areas and explain the same things in the same fashion. Now, they may both be mistaken, but there can be no contravention by one of the other in fact.

All of these things are, I think, frequently misconceived without articulation or conscious comprehension. We say “That is a philosophical question!” meaning not factual but something else.

STUDENT: *“In common argument it is usually put forth that you can corroborate scientific explanation, such as the Archimedes Principle, but you cannot do so in philosophical explanations because of unpredictability of human nature. How do you explain that away here?”*

Well, of course, it is clear that my position would be the contrary of that. And I think not only contrary, but most frequently it is easier in fact to corroborate, to demonstrate the philosophic than the scientific. We have been acquainted with those inclusive facts longer, and often see them more clearly. ....

Economists generally set up the distinction between philosophy and science in terms of value: the latter has nothing to do with value, but the former does. It is a different kind of thing and not quite facts in the sense that science is facts. Science deals with opaque facts (that’s Veblen’s way of saying it), but philosophy, leave that to the philosophers, under the supposition that philosophy doesn’t really mean anything anyway, and no one listens to the philosophers anyway.

Economists set up their science of human relations in those functions

involved in providing goods and services, or the means of experience. And in that provision, the analysis comes to focus in ... the operation of the human mind, the kinds of judgments he makes, the combinations of the factors, how the entrepreneur makes up his mind, and what forces are at play in causing him to judge this or that or more or less. And every consumer buying more chewing gum and less axle grease because of variations in price levels. No value, says Lionel Robbins; they make judgments. Under what criterion? Well, the criterion is the theory of value.

Now, how economists could have failed to understand that the very core of what they are examining is how people make judgments, which involves the theory of value, escapes me. And making a judgment, of course, ... involves the theory of value. And a judgment made is specified in a determinate way by the criterion used in choosing among alternatives. Yet we say we are not concerned with value judgments but with science. Well, what is science concerned about? Value judgments. And that's all!

When you get below that level ...

(Shall we say below? Notice the influence of the invidious connotations of the language in my speech, because I was about to identify, for example, a numerical identification and the listing of attributes as something less than, below, science, where science would involve the comprehension of the relationships. The difference between thinking and stacking things up. The difference between the theoretician and the clerk. The difference between the bookkeeper and the accountant.)

Well, I think there is a distinction there. I shouldn't have said "below." "Different than" would be accurate. One is the application of theory to the problems involved, and the other is a routine mechanical operation, like running through the multiplication tables over and over again.

You see, we try our best to make you into clerks, even in the first grade. If you spit over someone's shoulder in improper circumstances, the teacher makes you write on the board a hundred times after school, "I shall be a good boy." All the time you are thinking up ways to be as bad as possible, to get even with the unkind treatment imposed on you and thus, of course, like Adam Smith's economic man, accomplish a purpose which is no part of our intent.

Yes, I think philosophy and science are the same kinds of human operation. They all concern questions of fact. I never could understand how we ever got to thinking we have questions which are not questions of fact. We say, "Oh, that's a question of opinion." What do we mean? Well, we can mean several things, but we usually mean we don't know enough about it yet to identify the principles, so we have to guess on very light evidence, on a hunch as it were. Or, if you are talking about women, you would call it intuition. But they act on the evidence, and necessarily so. They are just much better at it than men, and much more frequently erroneous, of course. For thousands of years, they had to make up their minds instantly when they met somebody in the woods. That was an unfortunate example. Maybe I ought to stop this thing. Suppose you are a delicate *[cave]* lady and meet *[a cave man]*. You have to do several things correctly and quickly. With only the slightest indication of his behavior, you have to

decide whether to run like the dickens or to try to vamp him or to try to avoid or fool him. Men have something of that experience too, but within greater limits. They learn more slowly and are more deliberate, or at least time-consuming, in their judgments.

We frequently have to make judgments on very slight evidence, do we not? Sometimes after extremely long and careful consideration we still are so deficient in the facts at hand within comprehension that we have to make an extremely tenuous guess, we say. And the fewer the facts, the more apt we are to make the wrong judgment. But we are acting, note, as a scientist. We are adding up evidence and drawing conclusions, the conclusions being a generalization that we then apply to the immediate matter at hand. And if this singular application doesn't work, we change our hypothesis, whether it be "philosophical" or "scientific." ....

There are several attributes of what we generally call science in the factual sense which it is presumed are not true of philosophy, but they are. One is that you can't repeat because you can't control conditions, you can't experiment as in a physics laboratory. But it is also true that you can control some things better in human relationships than in a physics lab; you can repeat more nearly one particular sequence in human affairs than you can in physics. You can repeat the rate of national income over and over again, going through the same operation counting the same things, with appreciable confidence, much more accurately than you can control and repeat the release of mesons from an atomic structure in a cyclotron. You can control the determining conditions.

The determining conditions of national income are much wider in scope, and the theory of probability is much more definitively applicable, because of the greater number of items which make up your aggregate estimate than one electron. It is much more controllable. The two do not differ on that score, do they?

[Consider] the question of opaqueness. Physicists and physical scientists operate constantly with such constructs as time. How opaque is time? How verifiable is time? What does it look like? Opaqueness means you can look at it; you can sense it. Well, I can sense anger much more easily than I can sense time. And I can count sacks of flour and hours of labor, and--bless my heart--even pain much more confidently than I can sense time. The physicists now define time as the sequential relationship of events and/or objects. That is to say, time is time, whatever it is. Very frequently that trick is pulled, you see. In all analysis, when you encounter something that you don't quite know what to do with, you say it in one word, and then in ten words, and then you've got it. That is the dictionary operation, and it is useful because it frequently stirs up some cogitation. It may lead you to investigations that will permit you to explain. But dictionaries themselves are not very helpful in explanation.

Well, what is time? My point is that science deals with things that aren't opaque and philosophy deals with things that are. .... It may be said that philosophy deals with ends, and economists frequently say, "The ends belong here, and we have no concern with them. We are just concerned with how you get those ends." I'll bet one third of economic theory textbooks start out that way, and then tell you what ends you ought to have and why they are valid. But you can't explain means without ends. They are understood either tacitly or explicitly, and

any student of recent American philosophical developments understands there is no distinction between means and ends. The whole of human experience has been with the continuum. No one has ever arrived at any end. Things never stop, they happen. We have never had any experience with cessation. There are ends of particular things, lo, even of you and me. But you make a pretty good humus for poppies, and "every hyacinth that the garden wears dropped in her lap from some once lovely head." You may stop smiling or grinning or fighting or loving, but so far as we know the whole of human experience has been of unceasing process. There is no opaque evidence to the contrary, and there are countless billions of evidences denying the end of anything.

So far as we can tell, we are concerned with processes and causal relationships between them. It is simple and obvious in most instances, as when you play marbles you apply pressure and release it and the marble shoots away. But it is harder to sense such process with value judgments; it is less opaque. An idea is a fact, but not like a brick or a goose. You may call it an opinion or something, but it is a peculiar kind of fact. What kind? Well, you get into various attributes such as lack of opaqueness. But time is not opaque. Neither are weight or velocity or color. All organized bodies of inquiry are concerned with facts. And some factual things are opaque and some are not. And so, in this course we shall proceed as if, when we ask a question, we are questioning facts.

lecture 4

I would like for us now to consider the relation between value theory and social analysis. I suppose that the relation is fundamentally obvious and simple, after you identify what you are looking for in the theory of value. That theory identifies the criterion of judgment, that in terms of which you choose between alternatives. But that is simply an identification of what it is; that does not help you too much in working out the theory of value except in the sense that you can't work out a theory without identification. .... What we want to know or what we want to get in view of in this course, what is the criterion of judgment in fact?

I indicated already that there is some debate about whether that question is a question of fact. It is, I indicated, the point at which most distinctions between normative and positive take shape. Things having to do with value are being considered normative, and being considered in some sense or other not practical. That distinction, in any of its dozens of forms, is related to the distinction between what is and what ought to be. And I would like to say a few things about that particular problem. It is not worked out in the literature, and I think we ought to look at it very carefully, because you cannot understand the factual character of the referent for value theory unless you get this relationship in mind.

It would seem from reading the literature and from listening to spokesmen that the relationship between what is and what ought to be is the relationship between the run of the facts and what someone wishes the run of the facts were. Or what someone thinks the run of the facts ought to be which, of course, presupposes a theory of value to begin with. Thus you get into a sort of tight little circle which I think is a stumbling block to most of the more advanced thinkers who have been concerned with this problem of value. Furthermore, it seems to me

(and I have a guilt complex about it because it seems fairly simple and completely obvious) ... that our difficulties for the most part have been semantic in their immediate origin, and then work out into blockages of various sorts. So I urge you to consider the area on your own very carefully.

The run of the facts involves ... all of the items in the continuum under consideration which are causally related in causal sequence in the process, any one stage of which is causally related to each preceding stage and chronological sequence. .... The continuum in social affairs at all points involves purposeful human behavior: choices are, in fact, made, which is the exercise of valuation. That is to say, there is an application of the theory of value at all those points. And those points are all points at which human beings engage in consciously purposeful behavior, at which judgments and choices are made. That is the most obtrusive fact in the run of the facts about human behavior, more obtrusive even than Veblen's habituation, because it is more nearly constant. Habitual behavior is by definition not obtrusive, it is already known and does not divert or excite opinion. It is a matter of course which you can anticipate because of the established habituation.

But at all points at which judgments are made, however minute, however inconsequential, ... there is the fact of the exercise of judgment and the application of value theory. Now you can see what I tried to prepare you for when, some days ago, I took the position that there is no criterion of judgment in fact applied which is different than the correct theory of value, taking the position that that would be a paradox if it were *[not]* true. .... We are asking what in fact people use as the criterion of judgment in social affairs. We are not asking what people ought to use. We are not raising the question of creating a universe to fit the specifications of the theory. We are here asking what people do in fact use as the criterion of judgment.

Already it seems quite clear that every person does in fact use a criterion of judgment, because every person does in fact judge very frequently. Now most students of the problem have got that mixed up with accuracy, and have accuracy mixed up with science and the scientific method. And for some very clear reasons. But you can make mistakes scientifically, and you can make mistakes in your value judgments, without which there is no science and which mistakes will lead to constant error. So there is some peculiar relationship between value theory and the accuracy of judgments in the application of the theory.

But I want you to see first that we are asking what in fact people do use in making value judgments. And here is where I differ most radically with the more able scholars in the field, and somewhat self-consciously because of the terrific contributions and accomplishments of these persons, particularly John Dewey and C.E. Ayres. You recall that I took the position some days ago that there is only one criterion of judgment that is used or ever has been used or ever can be used in making value judgments. The most you can say to the contrary, I think, is that persons have tried to use other criteria. There can be no effective and causally determinate use of other criteria if there be such a thing as value in fact. If there be such a thing in fact, it is an attribute of human judgment. It would be a paradox to say people apply other criteria.

I think this is the blockage in the work of the best scholars in the field. It

seems still to be true in the thinking of John Dewey (after bowing down three times in that direction to be sure we recognize his dominance. And I mean that instrumentally.) He has done more than any other living man, but it seems to me he is simply mistaken on the matter, and has convinced Ayres to the same effect, that there is no paradox at all in the position that people in fact apply the wrong criterion of judgment and, at the same time, that the criterion of judgment is a question of fact. It's like the classical theory that all deviations from what they prescribe as the universe under investigation are exceptions to something. Exceptions to what? Well, exceptions to the universe under consideration. Are they not part of that universe? Of course they are.

Now, Mr. Dewey is quite right about his identification of that criterion and its character. But it seems to me that he blocks us in our efforts to interpret what he says about it by admitting for consideration the possibility of other criteria being in fact used, in fact applied, and then to say the criterion is something else. I submit that that is a genuine paradox and therefore impossible. That is to say, they can't both be the case at the same time. To exclude something from the universe that is admittedly part of that universe is a paradox. What happens is that we try to apply something other than the criterion and thus make mistakes that we would not make if we didn't. We would still make mistakes in applying the correct criterion, but they are different from the mistakes that arise from application of the wrong criterion. There are other origins of error in judgments than the criterion. The importance of the criterion in that respect is this, it seems to me: it is involved uniformly in all judgments, and thus if it is in error, all of your judgments are in error when you try to apply them except by some sort of accident.

Now, back to my positive position in the matter. It is impossible to apply an erroneous criterion. The question of value is a question of fact: what is the criterion of judgment. .... It is a fact that people think certain things ought to be, and they think certain criteria of judgment ought to be used. The criteria they try to use may not in fact be the criteria that are applicable. If a criterion isn't applicable, it can't be applied. So we avoid the paradox that might be stated as the application of something which has been proven inapplicable. ....

Now I want to repeat myself often in this course ... to help you work through what might strike you as troublesome in your reading, as something wrong when the analysis proceeds as if you were considering what people are applying which is inapplicable. .... The inquiry can most fruitfully be approached by trying to find out how persons try to apply an inapplicable theory of value and, if inquiry reveals that they in fact apply a criterion of judgment, we have to admit that it is applicable. ....

It turns out, if I am correct about it, that what in fact happens is that we frequently try to apply a theory of value which is inapplicable, which is untrue, and thus come out with the wrong answers that fail to solve the problematic situations with which we are confronted in the social area. So the first point I would like for you to get in mind is that our analysis should proceed as an inquiry into something that is, in fact, there: what criterion is used in judging among alternatives, remembering that we are not permitted intellectually and integrally the luxury of paradox, nonsense, or irrationality in our pursuit. If we were, if it were all a matter of predilection or desire, then there would be no point in your coming here and allowing

me to waste your time. You already know what you like, don't you? Most of us could answer that quite easily. Most of us could say, "The criterion ought to be what I say." That would make it just Jim Dandy, wouldn't it, if you used for the criterion of judgment just what I say, and when the world wants to find out about anything, just use my opinion. And presto bingo, it is done.

But facts have a peculiar persistence, even when they contravene our predilections. And the fact of valuation has no different persistence than any other facts. They're just like a flat tire on your car: predilection or desirability are irrelevant to fixing it.

And so in this class, we are not asking what the criterion of judgment ought to be. We are asking what is the nature of the criterion of judgment applied in choosing what ought to be. Now there is a question of fact. That is to say, what ought to be is a question of fact. And we can make mistakes there just like in our multiplication tables or anything else. The difficulty is mostly semantic. The relation between the run of the facts and the ought-to-be-ness involved is difficult but not complicated. The criterion is a fact, and what ought to be is a fact. At any instant in anyone's experience, the present existence of the fact of judgment is a present fact, even though that judgment be about a future attainment. The rational faculty in human behavior connects the present and the future. We know for certain that the future will become the present, and our judgments now are questions of fact about a particular operation of choosing among alternatives the functioning of which are projections in human imagination into the future. You can't make a judgment in the past, in that sense. All judgments are connections between the present and the future; they are hypothetical projections of choices within one's area of discretion into combinations which are not yet. If the combinations exist now, you aren't making that judgment; it has already been made.

The question we are trying to resolve here is what is in fact the criterion of judgment among alternatives, and thus in the determination of some future human behavior in relation to other human behavior. And my position shall be that the error involved in value theory is not the application of an inapplicable theory, but rather efforts to apply a theory that cannot be applied, thus forcing judgments exterior to the facts of the universe composed of the things chosen. We shall be asking ourselves what is in fact the criterion of judgment which is in fact applicable, not in terms of application of that which is inapplicable. .... We shall not speak of the application of the wrong theory of value, but of efforts to apply the wrong theory plus wrong judgments which result from that error.

I shall take the position that there is no escape from, and there has never been any application of, and there cannot be an application of, anything but what is in fact the criterion. And again I warn you about the semantic difficulties involved, because the ordinary presentation of our problem at this point is so sloppily done: that by "applying" the utility theory you get this answer. We all talk like that, don't we? Everyone who hasn't had this course. We say "in applying utility theory," under the assumption that it is a criterion of judgment and can be applied. Observed mistakes are not positive eventuations of actual applications of a mistaken theory, they are eventuations of efforts to apply a criterion which is in fact not a criterion and, therefore, the eventuations from which are not in fact resolutions

of the situation in which the alternatives must be chosen.

Mistakes can arise in applying the correct theory of value as well as in trying to apply incorrect theories. The position that once you have the correct theory you can go directly to the solution of problems is wrong. You are only half way there.

Now we have the problem here, you see, of identifying the actual criterion which you are using all the time, but you think you are using something else. We mistakenly identify the theory of value, and therefore the theory of valuation as well. Our inquiry must be into the rational determination of rational and irrational judgments, their rational explanation and identification. It is inaccurate to say "In applying the utility theory of value," but not "In trying to apply the utility theory of value." .... The two points I want you to get are:

1) Judging what ought to be enters into the immediate run of the facts as an item in the continuum of judgment;

2) We must distinguish trying to apply a criterion of judgment from actually and effectively applying it. ....

lecture 5

STUDENT: *"It seem to me that yesterday you were--maybe intentionally or not--getting at the point that, although there can be only one theory of value, there may be various theories of valuation which may be applied to certain universes of inquiry."*

I should not have said--if I did--that there can be one theory of value. There can be any number of theories of value, but only one correct, applicable theory of value. In the same way, there can be any number of theories of gravity, but whatever gravity is, it is one thing which must be explained by a single theory.

Now in the relationship between the theory of value and the theory of valuation, the best treatment of which is John Dewey's contribution to the International Encyclopedia of Unified Science on that topic [Theory of Valuation, 1939], there can be any number. There must be as many theories of valuation as there are areas of application. How you go about measuring value or identifying comparative value is determined by the things which you are comparing, is it not? That problem frequently arises and troubles students, and it involves recognition of the difference in components of different kinds of problems. Now, I think that it should be possible to state the theory of valuation for any category of problems which have sufficient genericy to permit common identification.

For example, there should be a theory of valuation in the totally inclusive sense--all valuation. All actions of evaluating have certain common attributes, otherwise you would have no such category. You could not speak of them as all being evaluative, or actually attaining valuation. Such a comprehensive theory would be inclusive of the subdivisions of valuation. The subdivisions will require different statement but include the general theory.

It has been argued that a general theory requires a common unit of measurement for all problems, but that is mistaken. There is no common unit of measurement between the efficiency of a telescope and the efficiency of an internal combustion engine. The problems involved in the functions of a telescope

are not the same as the problems involved in an internal combustion engine. We measure the efficiency of the engine by the ratio between energy input and energy output, meaning its energy consumption in operation. But we don't measure energy consumption of a telescope. It performs a function of directing certain light rays in certain patterns, not energy output functions. So, we have a theory of the efficiency of telescopes. But if you try to measure efficiency in the same units and with the same attributes when comparing two telescopes built for different functions, you cannot ask the astronomer the question which is better, the Mt. Wilson Observatory telescope--the 200 inch one--or the McDonald Observatory telescope--the 100 inch one made for taking pictures. He cannot answer. Each is best for its function--one for seeing great distances and the other for taking clear-cut pictures. There is no common unit of measurement or comparison between those two instruments. How can you compare accuracy of a picture with distance? I don't know. But both telescopes were built scientifically, applying the instrumental theory. If you try to choose parts for a telescope non- instrumentally--meaning apply a non-instrumental theory--you just don't have a telescope.

If you try to inflate a flat tire--my favorite example--by blowing hard verbally, that's the wrong theory, you can't apply it. It won't work.

I'm sorry I said that. This whole business of "work" has been so kicked around that it practically doesn't "work." I filled a tire with sand once, and it sort of worked. You can go places on it and it won't destroy the tire; in that sense it "works." But it doesn't work nearly as well as air. And "as well as" is what we are trying to get at *[--judgments of relative effectiveness, of working better or worse].*

[Take the example of the fascist.] He's got two theories which necessarily destroy each other, so to speak. He wants to kill everyone except those who agree with him, but then he doesn't have anyone to kick around, and that's what he lives for--to kick people around. That's the criterion of judgment of fascism: power. Put in vulgar terms, power means discretion over behavior of other persons, and it doesn't mean discretion in the sense of teaching them better ways. It means making them behave like you want them to behave, and that means kicking them around. Fascism is a validification of kicking people around with immunity. And the most efficient structure for that function culminates in one person, the leader, the great man. Otherwise, you see, the theory would be incomplete. That's the only thing common to all patterns of fascism, but their function is common and the institutions through which that function is performed depend on whatever is available institutionally. In Germany they used one set of institutions and in Italy another. But they all tried to perform the same function, so that certain persons could kick other people around. That's why they were so frightened of and hateful of the democratic idea, which is the antithesis of fascism.

STUDENT: *"Is 'what is' inclusive of 'what ought to be?'"*

Well, you are asking one of two questions, and I'll answer both. Is "what ought to be" included in the whole of "what is?" Yes. The valuation activity is included in "what is," and that involves the determination of "what ought to be," or estimations. It was included in the classical theory in its early stages, and in Utopian social analysis and anarchistic analysis. The assumption of rationality in human

behavior.

Now the other question. Is “what is” “what ought to be?” Again, yes. .... The determination of “what ought to” be is a constant part of “what is.” It is the key to the relationship between present and future affairs, and is therefore the focus in analysis looking toward any inherently continuous development. People are rational in the sense that they can reason. ....

This whole ancient controversy between rational and irrational human behavior strikes me as surprisingly naive. It seems to me to be simple and obvious that humans behave rationally in the sense of using reason to select alternatives. They may make mistakes, but they are exercising the capacity we call reason. And they exercise it where it is applicable, in choosing among alternatives. In all problematic situations we exercise reason to some degree, and that is a constant situation in human experience.

Where it is not possible to apply reason, we don’t apply it. Where the problems have already been solved and the response is repeated, we respond by habit. You don’t have to think about it. The controversy has been on this level, “Are human beings creatures of habit or are they rational?” Why, heavens to Betsy, they are both. We use habit where habit is “useful”-- which is nearly as bad *[as the word]* “works” until we get the identification of value clearly in mind. Then it all becomes clear so that you can use “works” or “useful” meaningfully thereafter. We use *[these words]* where they functionally satisfy the requirements of the situation at the moment. And we use reason where *it* functionally satisfies the requirements of the situation. And that is not a matter of choice. That is a matter of fact, the determination of which is what it is irrespective of your choices regarding that matter. Habits are applicable where solutions to particular kinds of problems have been attained with sufficient accuracy to permit continued operation without serious infringement of the continuum in question.

We walk habitually. We put one foot in front of the other without considering the problems involved in the process. But when we first learned to walk, it was a terrific exercise, one of the most exciting experiences that humans encounter. Every time I observe it, it strikes me with great admiration. Here is a little fella, smart as a whip and about that tall, usually around a year old. He is watching other folks, who seem to him about as high as that ceiling, walking around as if there were nothing to it. And he has a little brother or sister who runs around all the time. You learn to run before you learn to walk, you see. You find out later that you can do it at almost any speed you want. Now it looks like a desirable thing to do, and he figures out the theory pretty carefully. He tries it, and is admirably padded in the right places to give him the possibility of repetition. He does it over and over and the consequences are about the same. But watch him closely. He figures it out a little at a time. He usually holds on to something, stomps up and down and kicks things. Then he pulls his leg up and puts it in every direction until he gets it out in front, and then he grins. By golly, he made it. The “instinct of workmanship,” literally. Then he has another problem. He’s got that other leg back there behind. Always got a problem. So then he’s got to think it over. And he picks it up, pushes it around, maybe puts it down in the wrong place. But finally he get it out in front, and then he grins all over again. And it just exhausts him at first.

Then, when he solves it a couple of thousand times, he gets to where he can sort of do it without thinking. Then he stops thinking about it and starts thinking about other problems. Walking then becomes a habit. But in the initial establishment of the pattern, he had to solve a problem with every move. Now, he is built in such a fashion that he learns it fairly easily, unless there is something wrong with him.

That's true of everything we learn. Watch a brand spanking new baby learning to suckle. It is the only way he can learn to eat very readily at that stage of his development. But he learns it right off the bat. First the mother's breast or an artificial bottle: you put it in his mouth, and he doesn't know what to do--just sort of random behavior. Then the mother or physician or nurse activates the muscles around the mouth, and he gets it. Then he really goes to town; it doesn't take him long--maybe thirty seconds, maybe a day or two. But he learns pretty fast, and it just tickles him pink--just the way you feel when you write a good examination or do anything well that fits together, that solves a problem. Efficient relationship is established.

We can call it (heaven forgive me) "human nature." .... Human nature in the sense that we don't sit down frontwards; we sit down backwards because we are built that way. We learn to walk fairly easily because we are built that way, even though the operations involved in walking are terrifically complicated. It just happens that we have bifocal vision, and also semi- circular canals in our ears. Little bubbles pass over the cilia, giving you the position you are in, and you have to learn to respect those bubbles. At first, you have no respect at all. Babies really like standing on their head better than the other way when they are first born; they have been doing it for nine months. And even after they are a year old, pick one up the wrong way. He particularly likes that. Everything upside down amuses him and he likes it. When he grows up, he won't like this upside-down business. He is built that way. And when he walks, all his muscles are involved, while he constantly estimates different distances which permit him to use the semi-circular canals in walking, to compare past experiences with what is going on at present, the feel the pressure on various parts of the bottom of his feet. They tried experiments in which they made shoes that put pressure on your toes when you stood back on your heels. People did the darnedest things you ever saw. ….

A newborn baby learns readily, and that requires working out the theory. In some sense, he establishes control of his nervous operations to direct the activities which solve the problems at hand. Humans constantly do that, choosing one pattern of behavior as preferable to another, as more efficiently operative. In that sense, valuation is constant. It is the selection of proper behavior, choosing among alternatives that are available in the sense that they may be chosen but are not yet operative. That selection determines which alternative becomes operative, and that is the truth in the dictum, "Man is captain of his soul." He determines the future through operations we call logic.

All living beings operate that way. They also operate habitually in response to problems which have been frequent enough to allow habituation to be established, and that necessarily is far and away the larger part of our behavior. If it weren't true, there would be no civilization. If you had to figure out everything all

the time, you would never figure out very much because you would have to figure out the same things all the time. If you start at zero, birth plus one hour, what is your situation? Well, you've got to figure out the theory, as it were. you've got to learn to suckle. Then you stuff yourself and go to sleep, after burping a time or two. Then you wake up and start yelling to the high heavens for the nurse or any similar source, and you want to eat. But you've got to figure it out again, how to suckle, until you get the habit.

That's what jars the intelligent conservative at any suggestion of change; he gets the sense that you are going to disrupt his habits and do him some harm. His reaction usually comes from repeated experience of harm done by efforts to apply the wrong theory. And you can easily realize how an intelligent person could form that habit of response in a situation in which the theory of progress has not been worked out sufficiently well to make it available to the community at large. He will recognize the inadequacy of the theory, and habitually distrust proposals of change.

And so, young radicals and most heterodox folks are inclined to believe that conservatives are by nature stupid. They aren't at all. And you will note a tendency on the part of Disraelis to be conservatives much more than Blackstones. Blackstone never had the experience of constant repetition of mistakes like Disraeli. It takes a very good man, we say, to be raised on the wrong side of tracks and not be a conservative.

The whole idea of what generates heterodoxy is in error. .... It comes from the Marxian idea that the underdog will rise up and shatter the overdog and then, depending upon what school of Marxism you belong to, there will be only one kind of dogs--middle or over or under. Proponents of heterodoxies almost always come from groups which have had fortunate experiences in the form of abstention from repeated error as aberrations of the established order. They never come out of the underground. No Frenchman of any intellectual stature in the heterodoxy sense ever came out of the Apaches.

Now, it is true that the great leader, the great thinker, comes out of the underground, and he comes out so seldom because it takes a great mind constantly to encounter repeated error and not become extremely conservative. And most of us are not equipped that way. Consequently, the leaders come out of those who have not been overburdened with repeated error. They are not afraid to examine possible variations. You will find revolutions are not led by men from the other side of the tracks, and the men from the other side of the tracks who follow them don't go with them on heterodox terms. They go on some orthodox terms. What do you think the religiously heterodox are doing in the declining period of the feudal era? The most conservatively patterned groups in any society are in the poorest communities.

lecture six

STUDENT: *"Is knowledge the same thing as theory, since it functions to bring order out of confusion."*

.... No, in that the two terms are usefully separate. We can't interchange the two without losing some cutting edge of either. Theory I think we talked about

sufficiently to understand what we meant by that symbol. Knowledge, of course, is involved in all theory. But I think the community, along with John Dewey, uses "knowledge" as a symbol for particular items at whatever level: you can have knowledge of a theory, the theory can be knowledge, and items of which that theory is a composite can be knowledge. Note that Dewey's title was Logic: the Theory of Inquiry, not Knowledge: the Theory of Inquiry. His effort was to identify the functional operations of what we call knowledge in logic as a theory of inquiry. Dewey's thesis is that you have knowledge only in that you have theoretical operations appertaining to the items of which you have knowledge. That is to say, only in so far as you can place it causally in the continuum of which it is a part. That placement is what we call knowledge. It involves comprehension of the causal relationships with other items in the continuum of which it is a part. And that, of course, is an operation of theory.

So theory and knowledge are separately identifiable, but they are not separate in operation. Just like goats and kids: you can identify them separately, but you can't have either without the other. And so if you use the terms interchangeably, you lose the cutting edge of both.

STUDENT: *"Dewey said that the reason for growth of the idea of two kinds of reasoning is judging things out of context with the whole. Now you have just said knowledge is the proper placement within the continuum, thereby sort of ... The two types of reason then become what? Lack of knowledge?"*

That is an example of the difference between statement of various applicabilities of theories of value, as Dewey put it--and as I think it should be put. You see, if you think of theories of knowledge as generic in any sense other than as claims to explanation, you get into the dilemma ... of investigating the application of non-applicable theory. The two types of knowing and of reasoning that Dewey talks about are reflections of that confusion, as is Ayres's questions--which he stays not to answer-- "Can you know something that isn't true?"

If you grant that you can know something that isn't true, you assume a sort of impossibility of resolution in terms of sharp, specific identification of the theory of value. That implies two kinds of knowledge, knowledge #1 involving theoretical comprehension of causal relationships, and knowledge #2 which is non-causally related, separated from the universe.

An example: "Art for art's sake." "If eyes were made for seeing, then beauty is its own excuse for being." .... This is the difficulty Dewey gets into (if I may criticize Professor Dewey, and I may) with various applications of value theory. "If eyes were made for seeing," then beauty couldn't be its own excuse for being. There can be no such thing as self-contained meaning. You can't say "Beauty is its own excuse for being," without giving an excuse outside of beauty, like eyes. The poets--and heaven knows we allow poets things we won't allow anyone else--even the poets cannot be permitted complete nonsense.

The effort at independent identification of anything is beyond the realm of social theory. I do not question the private experience, non-communicable and non-social, of anybody. That is your business. I would object to any effort to infringe upon that. But I do think that it is literally and exactly impossible to know

something independently of everything else. You can believe something on quite other grounds in private comprehension--knowledge #2--but you can't operate socially on any other grounds. You may operate between yourself and God, whatever you conceive that to be--and I suppose there are as many conceptions of God as there are people who conceive it--but you can't operate with me on those grounds because when you operate with me, it means communication, and you can't communicate those things.

What we are concerned with here, of course, is social value, and I take the position that the knowledges which are operationally active in social behavior are necessarily of the knowledge #1 type, not knowledge #2. If you grant applicability to knowledge #2 that isn't true, you claim applicability for inapplicable theory.

STUDENT: *"You raised the point of Ayres's example [in The Theory of Economic Progress] of mechanics [making] instrumental choices of tools, and the tendency of people to say they prefer a certain tool. Then he went on to say that art can be instrumentally evaluated, but the tendency was for people to evaluate it in terms of autobiography. I was never clear on establishing the instrumental validification of art in other than autobiographical terms. ...."*

What Ayres points out seems to me to be true. Very frequently two kinds of problems are confused in the aesthetic experience, which is always involved in the fine arts. One is autobiographical, while the other is the art item itself. When you say, "I like this picture as compared with that one," you can be saying either of those two propositions. You can be saying you're the kind of guy in whom desirable responses are aroused by that sort of picture, which is autobiographical. Or you can be saying one picture is better than the other. Both propositions are genuine, but they are different and unrelated as operations in aesthetics even though expressed in the same words. ....

Art may be of two kinds--creative and non-creative. Both have the common function of expression, as distinct from the crafts. Crafts are involved in all art, but art means expression, I think, to all artists. The creative artist is one who conceives things others have not yet conceived or seen. He creates things and then presents them to you. He may be a sloppy craftsman. Many of the greatest artists have been pretty sloppy painters, as many of the greatest composers have been sloppy musicians. And frequently the non-creative artist is a craftsman, but a craftsman in communication. That's what makes him an artist. A creative artist is a craftsman in communication who creates something for you to see even if it is a simple picture with a narrow audience. ....

Great art means greatness in comprehension. That is why we say of some of the poorest craftsmen that they were great artists. Especially along about the 15th century when they first began to get hold of permanent pigments, linseed oil. And, gosh, they got good. They had been storing up things they couldn't accomplish with other media, and they turned loose and really went to town. And we are doing it now again. Example: perspective. No depth to early pictorial art, no matter what the conception. Finally, an artist saw how to get depth--one building looks bigger than another, but it looks littler than I am and the other looks bigger than I am. Great stuff. That's the function of an artist. He is a teacher. All creative art is teaching,

but not all teaching is creative art. ....

Now, invention is the combination of existing tools. That is Ayres's thesis: invention is combinations of existing conceptual and physical tools. This seems to me to be incomplete and not too useful. The fact seems to be that invention may also be not combinational but extensional, linearly extensional, not compositionally extensional. .... Ayres doesn't say what I've just said because he was concerned with erasing the fallacy that invention is a matter of human genius, springing out of creative potency with no relation to anything but genius. He was so intent on erasing that fallacy that he couldn't quite grant what seems obvious to me that we do, in fact, create without combination. We conceive new forms which are modifications, not combinations, of previously existing forms. Modification in reference to the function of an item, not in reference to other items which have the same or other function.

.... It appears that people learn all of their knowledge #2 about the age of 50. They can't learn past that age because they get it completely comprehended and there is nowhere to put anything new. But with knowledge #1, the more you know the more you can learn. The more you can comprehend additional to what you now comprehend--witness John Dewey and Albert Einstein. With knowledge #2, the more you learn the less there is left to learn. It obstructs itself because it is not continuous, it fills in, it stops. It isn't knowledge because it has no possible verification in the sense of truth. Truth is inseparable from continuity.

Now we will have reason to examine two meanings of continuity and, within those, get at the theory of knowledge itself. It is related to the relation between social analysis and value theory in that, if we are prepared to understand such a simple thing as "what is social value?" we will be prepared to understand it as knowledge #1 and knowledge #2. ....

But I will have no further concern with knowledge #2. To hypothecate propositions which you know beforehand are impossible is to talk nonsense--the application of inapplicable theory. Knowledge is whatever it is, and you can hypothecate alternatives conjecturally, which is completely proper, as hypotheses leading toward critical examination of alternative formulations looking toward discovery of what is in fact true, what is in fact knowledge, what is the operation to be called knowledge. But you can't discover that it is two different things at the same time. Hypotheses of that character can be useful only in so far as they lead you to what is in fact true. What we want to find out is what is correct, not "what I wish were true." What you can find out inquiring into what you wish were true is the effects on what is in fact true of wishing that something were true. Again you have two different kinds of problems, one biographical and the other extra-biographical.

Knowledge is knowledge #1. You cannot in fact apply knowledge #2 in social analysis, there is no such thing. And the evidences are more complete than that the sun will rise tomorrow. That is to say, we can operate on them with greater confidence in applying the theory of probability than we can act upon the hypothesis that the sun will rise in the morning. When you apply a knowledge, in the sense of making it a functional part of a continuing operation, that is knowledge #1. You may use it for the wrong purposes, but what you apply is

interrelationships, not isolated identification.

lecture seven

STUDENT: *"You were talking about theory and problems being operationally related, and in order to be operationally related, [the theory had to be true] to fit. I was wondering if one could have a partially correct theory, related to a problem but which would not resolve the problem?"*

No. That is an important matter which you are getting at.

What happens is this. You apply a theory, part of which is correct--not which is in part correct. You cannot apply a theory which is partly incorrect. the "partly incorrect" concept doesn't make much sense, if what I have said is correct. .... You work down from more inclusive theory toward theory applicable to restricted universes you can dissociate, as far as your conscious apprehension is concerned: the theory which you are applying and the basic theory which you hold or think you hold. For example, you can start with a theory of value which you may be able to present in a fashion which seems to you to be complete and satisfactory. As you work down toward applicability to, say, the problem of eating breakfast, you can completely dissociate what you are applying from the basic theory, an application of which is several degrees removed.

You see, there are inclusive theories, the principles of which are supposedly applicable to all human experience: philosophical principles. We apply these principles or philosophical theories to broad or inclusive subdivisions of human experience the inquiry into which we have advanced. Generally, they are physical science and social science, and each of these is divided into a large number of disciplines. Universities typically operate at these top two levels. Below that are applied fields such as engineering, and below that, the trades.

Each science discipline is made up of a body of theory which seems to have no relationship to the others, and which sometimes seems to operate under a distinct theory. You will find a person here and a person there operating through the application of different theories. You often hear, "Well, that may be true from the historical point of view, but from the economic ... or sociological ... or psychological standpoint, it is quite different." What is quite different? All they are saying is that sociology and economics are different, not that what you are talking about is different. So it seems to me to follow that either one or both of the two disciplines is operating under an erroneous theory. .... Naive physical scientists also think their disciplines are equally separated. It was once thought that biological principles and chemical principles had nothing to do with each other. Then we got into a whole area of inquiry which seemed to require being set aside for deliberate investigation, and we called it biochemistry, by which we mean complicated chemistry. And the principles involved there can do no violence to chemical principles, or one or the other is wrong. There is in fact unity of the facts and, therefore, unity of knowledge and, therefore, unity of theory in so far as it is applicable. .... It often happens that we apply the correct theory, but call it something else. We have been talking the utility theory of value for about 6000 years, and we have been applying something quite different all the time!

.... I used to amuse myself by kidding my physical science friends about

the independence of physical and social sciences. If you ask them the right questions, you finally get them to decide that enzymes are purely a figment of the imagination, although they have isolated them and weighed them and had them in tubes. The problem you get the scientists to see is that they are concerned with a philosophical problem that has to do with "stuff," with matter you can bite and pinch and throw on the floor. It's a problem of identification and comprehension at the philosophical level.

What is wrong with their comprehension? What has dictated the current comprehension of an enzyme? Well, Newton's laws, one of which, for example, says "all physical change involves a release of energy." All chemical change, which is a particular category of physical change, is the same thing. But enzymes don't behave that way; they are outlaws. They have a lot of consequences, and you can't live without them. But you develop them without the release or absorption of energy. In recent years that gave Dr. Einstein considerable concern, and he came to doubt his General Theory of Relativity by virtue of that fact, among others. He has in fact questioned its fundamentalness, generality, and foundation (not the accuracy) because of that phenomenon.

It's quite clearly a question of the criterion of judgment that becomes paramount at the border of human understanding--when you are working creatively toward discovery, invention, extended comprehension, addition to civilization--what we ought to mean by research. Everybody does research, but we have certain ceremonially identified behavior that we specifically call research--when you go to a university and get certain wiggly marks to put after your name, but not when you are just out in a field plowing. Not so strangely, the perpetual wailing of graduate students is that the staff won't let them do *[research]*. They make them go back and emphasize what the staff has said, which gives them the idea that the teaching staff is using them as an advertising means, and that if you do anything differently, and especially in addition, it's sort of an insult because, certainly, staff ought to have known it. But didn't know it, and so you feel squelched. In a sense, at the very spot where organized inquiry in the creative sense is supposed to be the sole function, we sort of don't allow it at all, but will allow it anywhere else.

That's not so strange as it may seem. We have always talked one way and acted another, necessarily so in so far as we have theory anywhere along the line between general theory and application. ....

In social science, there are some distinctly different kinds of problems, but not different principles. The problems are different because of the attributes of human beings. Among the things that permit us to identify the category "human being" is organized theory, and thus the capacity to teach, the capacity to do fine arts and sciences, the ability to find out theory and transmit it to other members of the species. That is peculiarly human. Other species work out simple theories, but can't teach them to others. ....

Our terrific advantage is that we can communicate theory and thus apply it to a problem effectively, and thus solve problems much more easily than any other species. That's why we have civilization and other species don't. We accumulate know-how as a species. We teach our young everything, while other species can only show them. Students with the advantage of the conclusions created by all

previous experience can proceed to apply that theory and extend human experience in an amazing fashion. No other species can do that. ....

Differences among theories are not differences in whether principles that apply at one level also apply at other levels. Principles at one level cannot violate principles at another level. It doesn't make any sense to distinguish between the applied sciences and the pure sciences. The scientific process proceeds by a constant shuffling back and forth in terms of corroboration and reformulation and correction and extension. The supposition most frequently has been that a principle applied in physical science is different when applied in social science, one being scientific and the other not. Not really evidential, a matter of choice.

There is a matter of choice, in the sense that social theory is about choice-making things--humans. The real difference between physical and social science is the kinds of phenomena investigated. Humans are by their very nature choice-making things so, in human affairs, making choices becomes a matter of justice. There is no justice between one molecule and another, but there is justice between one person and another. ....

The theory of justice, and I think this is as old as human thought, always takes one form, with the back door open in the form of another ancient human myth. The form the theory has taken I have been calling the equational theory, in which something is brought into equality or balance with something else, and thus justice is done.

That theory is not true, has nothing to do with justice and is, therefore, inapplicable. Efforts to apply it lead to the back door claiming that justice is done by fate. When it becomes clearly demonstrable in any particular instance that the so-called equational theory of justice is not applicable, we say it is just fate--perhaps the oldest of human myths. You can always use it as the back door to escape anything you are unwilling to face, especially if you are a coward, if you prefer to avoid rather than to understand. That's where making fun of people comes from, the moron's defense of name calling. Once you have said fate, you have excused yourself from comprehension.

In most of our experience we insist, for reasons Veblen was trying to get at in The Instinct of Workmanship, on understanding all that we can. We insist on exercising our capacity to reason as much as it is applicable. Ordinary human experience frequently doesn't provide sufficient opportunity for the reasoning activity of problem solving, so we create the need for reasoning. We may sit at a bridge table and have an elaborate system of creating problems that require judgments about who, what, where, and when. We try to solve them, and measure comparative efficiency with invidious differentiation of a score. We're built that way, in the same sense that we can't sit down backwards.

The problem of justice is, I think, the weakest area in general social theory at the moment. What we have been conceiving justice to be has been what I call the equational theory. A man pays his debt to society, and we say justice is done; an eye for an eye and a tooth for a tooth. In personal relationships, we apply it all the time: "He did so and so to me." What do we say? "I'll get even with him." And when you do, you feel all right; now justice is done. Of course, Jesus came along and said he didn't think that was the case.

What is price theory if it isn't an equational theory of justice in the economic process? It is a demonstration of justice when price equals cost, when reward equals contribution. How else could the theory parade as a demonstration of justice in any particular institutional structure, for example, the market process? We all say--but the socialists especially--that persons ought to be paid in proportion to their contribution. We say that, but we don't act that way at all. We couldn't solve the problem of carrying on the economic process that way. Note the Marxian theory traveling on the same proposition. The whole theory of exploitation involves the notion that it really belongs to somebody else and that the capitalist gets it and so is exploiting the rest of the community. The capitalist is getting something that isn't his, and that is unjust. He is getting more than he puts in; it's unequal, and therefore unjust. And the whole theory of surplus value is a demonstration that he gets something that he doesn't contribute. Now offhand, that seems to me to be so silly that it hardly requires consideration. However, it is the most prevailing, both laterally and chronologically and vertically as far back as you can find a trace. No one except a few lone deeply religious thinkers have questioned it, and not many of them. Confucius believed it, but Lao-tse didn't. It is a stumbling block.

lecture eight

Last time I indicated that there were two or three items which I wanted us to consider in the relationship between social analysis and value theory, one of which we mentioned as the equational theory of justice. We mentioned its place in social analysis as being somewise identified as the making of choices in relationships with other persons, justice and rightness being very closely associated in our thinking in a way which is inescapable.

We encounter justice in making estimates of two or more behavior patterns in relation to other persons. Some instrumentalists have tried to avoid the use of the word, and get at the same thing with other tools. If that be a valid procedure, then we shall have to discover those tools. I suspect it is in fact valid. What I would like to say about it is in contradistinction with the equational theory, which it seems to me is a result of [attempted] application of the utility theory. And one of the items in the demonstration of the long and continuous efforts to apply the utility theory of value is the unmistakably continuous and unexceptional use of the equational theory.

If it be true that the equational theory of justice is a particular application of the utility theory of value, and especially if it can be shown that it is uniquely and exclusively correlated with it, and then if it be true that we have always applied the equational theory in the matter of justice, then it would be considerable evidence that the value theory we have tried to apply has been the utility theory. Then, the immediate question would be, is there a unique and exclusive correlation between utility value and the equational theory of justice?

Only slight reflection is required to bring clearly to mind what we mean by "the equational theory of justice." When we go about determining justice it is habitual to think of it in terms of equating one thing with another. What things? Direct human relationships, it seems to me. It is the matter of utility and disutility. If you cause pain or unhappiness by your deliberate behavior, then justice involves imposing some form of disutility. For example in the courts, if the accused has

already experienced a great deal of disutility, a lighter sentence can be imposed to achieve justice; whereas, if no such experience has occurred, then the court feels it must impose the maximum penalty. ....

What is justice about? Well, we make people "pay for." We use that expression to mean what neoclassical economic theory of the market process means by sacrifice in some fashion equivalent of what you receive. In fact, the epic significance of neoclassical price theory is that it demonstrates the justice of the market process by showing that utility and disutility are brought into equilibrium. Or, at least, it does as well as any other process can be conceived to do. I think it is completely uniformly applied in all cultures. You do this for me, then I am in some sense or other obligated to do that for you.

You can see how that can have come about in human thought. There is a matter of reciprocation involved in human relationships. The item of doing for each other constitutes civilization, along with other things. It is a necessary correlation, and the matter of equivalence comes in easily. But equivalence of what may be rather difficult. In legal theory, since psychological science has attacked the hedonistic-calculus presentation of it, the situation of what is equilibrated is pretty well bankrupt. But something is always equilibrated. Until and unless and except in those instances in which a problem is simple enough that we can see it clearly, and which must be solved--this applicability thing again--and its determinants are clearly in view.

Like juvenile delinquency. We know pretty much about it. We have the figures and the run of the facts. We have seen correlations between all sorts of variables like income, health, caloric intake, literacy, housing, parents, etc. Some of those things are subject to our deliberate choice, and some communities have tried to change those things with which there is a high correlation in terms of juvenile delinquency. Students are always doing that in term papers: going out and looking at some of these correlations, then finding another community where some items subject to choice are different, and describing that correlation. Where correlations vary, they conclude that one variable causes delinquency and what we ought to do about it.

Now, what are they equilibrating in such operations? What are you equilibrating when you build a slum clearance housing project? You aren't equilibrating anything! And that worries us no end. When the Housing Act of 1937 was passed, it worried Congressmen and people at large so much that there didn't seem to be anything to equilibrate; it must be unjust. So they got around it by sort of forcing justice into it by making the remainder of the community pay for the project over and beyond what rents were paid by the tenants, on the proposition that the community would be done justly by virtue of two circumstances: 1) that these people wouldn't be so nasty, and thus would be nicer to have in the community, and that would occasion less disutility to the nicer folks, and 2) that the community (shades of Robert Owen, and a shadow of Clarence Darrow) is in part responsible for the condition that these people are in and ought to pay a little bit of it. By virtue of these two circumstances, it became tolerable to clear the slums through the use of other devices than purchasing power of the tenants who lived in them.

Then, if you want to see someone really get excited about the lamentable state of affairs, prove to them--as is quite easily done because it is in fact true--that no one pays anything for those projects. Never have, never can. There is no way to pay for them. No one sacrifices anything, everybody gains. And, of course, that doesn't seem right. Upon presentation of that proof, what else could bother them? Why should it disturb them so that everybody should gain? It would seem to me offhand that that would just tickle everybody pink. Oh, no! That can't be. As one of the largest bankers in America (now deceased) said to me upon presentation of the evidence to an official body of which he was a member, "By George, that's unnatural! That can't possibly be. Nature will force recompense on the community, and it will do so through the market process. And if you'll have lunch with me tomorrow, I'll show you. I can't find it now, but between now and then I'll find it."

We had lunch the next day and he hadn't found it. He said, "I know that the market process will find you out, that this project you want to build is going to cost somebody in the community as much as you're going to pay for it, and you're darn sure going to pay all its worth and they're going to sacrifice that much. I said, "fine. You just find one man who has less because this project is built than he would have had without it, and I'll say that that is his atonement for my sin." He worked on that for about three months, and got to where he couldn't sleep. And we had lunch together every day expecting him to disclose the discovery of how the market process would bring about justice in construction of this project. He never could find it, and I think he died a very unhappy man realizing that finally nobody pays for it.

Was that unjust? Of course it wasn't. Everybody sees that, but there is still something wrong with it. We set up our wage theory, do we not, on the basis that the marginal disutility of working equals the marginal productivity produced by labor. That makes us feel pretty good; justice is done. Man gets what he is worth. As Stephen Leacock said to Adam Smith in <u>The Helements of Economics</u> (if you haven't read that you must of course do so):

> Adam, Adam, Adam Smith, Listen what I charge you with.
> The worker's worth just what he got, That's what you said, was it not, Adam Smith?

But what about a man or woman doing something he likes to do? Doing something he would do anyhow? Then is it unjust to pay him? Don't we all envy those persons who love to do what they are doing, who would do it for nothing? And the rest of the community--note many of the Quaker Colleges have--the rest of the community have always thought they were rather queer. They are a little bit "tetched in the head" in some sense of other, because they don't pay any attention to how much work you do. Some instructors are making ten times as much as full professors, and everybody knows that a full professor suffers much greater disutility teaching his class than an instructor. An instructor's soul had not reached the point of development and his feelings are not so finely adjusted to experience sufficient disutility. We say he isn't worth much. They pay him whatever he needs, and if he

has spending money, they won't pay him anything. And these guys go on working for nothing. We think that is peculiar. Of course we know better. It both pleases and displeases us to see injustice done in that sense.

And so you will find, in all demonstrations of justice of any institutions in any culture, a loophole. And in economic theory it takes all sorts of forms. In the last reformulation of neoclassical theory it takes the form of the consumer surplus. Here is a very fortunate circumstance in which justice is done at the same time you get injustice done through the realization of greater utility than disutility which is occasioned by purchasing consumer goods. Nevertheless, things exchange at their true value, the utility and disutility are brought into equality. And of course that is no less true of the Marxian theory, in which you get a surplus at the same time justice is done in that those who experience the terrible pain of direct participation in the economy are receiving the rewards of that pain. We have other ways of talking about those things which are equilibrated, but I would suggest that all of them are systems of valuation of the two basic things which are in fact conceived to be brought into equilibrium in the attainment of justice: utility and disutility, however conceived. Such things as labor theory of valuation, price theory of valuation, or anything else.

Note that in all cases there is a concept causally anterior to these theories. That concept is one of human nature and one of nature itself which sets into motion, or at least is composed of, forces which result in equality. And that is why nature is presumed to be "just." Everything that goes up, we say, is bound to come down. And that even works itself down to business cycle theory. Nature is that way. You'll pay for it, we say. Human observation has disclosed that sometimes that is not the case. So we catch them after they are dead and even up the account. Some systems do that in a very careful fashion so that the books are balanced before the attainment of justice. In some instances the attainment of nothingness is the attainment of justice at complete equilibrium.

Now, if you are approaching life from the direction of the Stoics, you would expect the final attainment of justice to take that form. If you are approaching it from the direction of the Epicureans, you would expect it to take some other form. Yes, a balancing of the books, but after that, "Oh boy!" Both rely on the same concept of justice as equilibration. Since these things are exactly opposite and are brought into equivalence in terms of human impact, there is no directional resultant when justice is attained. And without the creation of additional aberrations, especially if you are already dead, then you remain perpetually in equilibrium and no more injustice occurs.

Now, we balance the books as best we can before we kick the bucket. We do it through institutions, and we try pretty hard at it, even though it causes us no end of mistakes and trouble. We almost fight for the right not to apply any other concept of justice than that one. But we do apply another one if a problem is important enough and its determinants are clearly in view.

How would you solve the problems of slum clearance or juvenile delinquency through an application of the equational theory of justice? Well, one possibility is applying the neoclassical theory of price. You could stop interfering and let the market process determine it. We did that until a public health officer in New York

pointed out that there was some correlation between health and slums, between the cost of city administration and slums, between fire losses and slums, between the level of taxation and slums.

Some people started thinking seriously about the problem. Now, if the people who live in slums are mean, and you can't control how mean they are but you have some control over where and how they live, what are you going to do? First make them good, then they won't live in slums and there won't be any slums. We worked at that for a long time. There were several societies organized directly looking toward the elimination of such living conditions. And it didn't work; the slums got worse.

So we said, "Okay, we give up on making these people good." We concluded they were naturally mean and ought to live in slums--again, you see, equilibrating contribution and reward. But we still--and I would have you note this carefully in your thinking--could not escape the consequences. When a child in the worst slum of the meanest parents, brattiest brat, gets the measles, your kids get them too. There is no escape from the consequences.

The truth of Ayres's dictum that any community any member of which is in any degree crippled, to that degree cripples the community, cannot be made in terms of the equational theory of justice. That's why we find it so difficult to accept and use instrumental theory as a functioning concept of justice. It does great violence to an almost exclusively uniform theory. What is just about it? Well, the efficient operation of the social process, because every loss of efficiency of the economic process has inescapable incidences. But that may dictate all sorts of conclusions, all sorts of alternatives which would be precluded by, forbidden by, the equational theory ...

Where in the whole of human experience, in so far as we have any evidences, do you find the problematic situation solved by the application of the equational theory of justice? You find many problems solved, and you find people trying to apply the equational theory. But I think you will find that the problem is solved irrespective of that effort at application. A man commits a crime and we send him to jail if he doesn't have any other way of equating his sacrifice with his purse--let's say he isn't rich. But if you steal enough money to have enough to pay for that great sin, then the judge will even shake hands with you, maybe. You hire a lawyer, pay a fine, and the community accepts it as justice. If you don't have enough utility--meaning value, meaning exchange capacity, meaning wealth--to recompense your sins, then you have to go to court and to jail and suffer disutility.

If you had applied the efficiency theory of value to the problem, you might also put the one committing a crime in jail, but for different reasons: to protect the community from someone who can't react correctly to problematic situations. If you get to where he is hitting you on the head, you can't operate the community so you restrain him from hitting. You also must jail the person who has money to pay fines, but continues to run through city streets at high speed, endangering the lives of others. You can fine him from now until doomsday and not solve the problem.

So long as the seeming application of the equational theory of justice appears to solve our problems, we continue to do it. We love our mistakes

especially. However, we have always known that the best that can be is the greatest aggregation of value that can be realized. And the miracle, as it were, of the more recent utilitarianism, either in the form of price theory or in its 18th century form of legal theory, is to reconcile the greatest value with the equational theory of justice. You get a surplus--in economic theory in the form of capital accumulation--at the same time that justice is maintained and everything sells at cost. That is to say, at every stage, to every member in the economic process, his return is no more than what he puts into it. You get your just deserts at the same time that the community attains a constant accumulation of more and more, over and above what it uses up in attaining more and more. That is to say, over and above real economic costs. And the miracle--and it would be a miracle because it is simply impossible, it is in fact a paradox--is brought about not by application of the equational theory of justice, but by granting discretion to those who can be justified by that theory. If you applied the equational theory consistently, you would have no theory of capital formation. So you either have to deny the theory or find some exception. And what we have done is find exceptions. As Malthus pointed out, and I agree with him, it seems "unbecoming" to have to explain almost all of the operations of the economy as exceptions to what has been set forth as the fundamental principles.

lecture nine

I should like for us to look at what seems to be the relationship between the utility theory of value and the mores principle. The purpose of this course, its instrumental function in being centrally concerned with social values, is, I hope, to furnish you with some way of going about analyzing social problems. In doing so, the mores principle is always involved, and recognition of that fact without recognition of the relation between it and its many corollaries, brings about a subconscious use of the utility theory--even by those who are conscious of that theory's difficulties. What results, it seems to me--and especially in the professional literature, is the creation of a bunch of clichés growing out of applications of the mores principle. Those clichés mean many different things to different people, and thus obstruct communication and the attainment of understanding. It is one of those things, sort of a parallel case with justice, we ought to try to get straight.

The first step, after pointing out what the mores principle is, is to look at how it is involved in our thinking about institutional problems. You will note that it is never stated, although spoken of and about, so its meaning may vary. William Graham Sumner's effort at identification of the principle [Folkways, 1907] seems to me to be very fortunate in its central content. But others use it with connotations foreign to and even antithetical to the principle which he demonstrated.

The principle is, it seems to me, that habits of action and thought constitute the established behavior patterns of individuals and, therefore, constitute the structure of institutions. Or, identical in content and approximately in words, habits of thought and action constitute established behavior patterns of individuals and, therefore, constitute the structural members of institutions. Or, institutions are made of patterns of behavior we call habits. Or the correlation of behavior which constitutes institutions is habitual. That's the mores principle. Now you've heard it

stated.

As some of you have heard me say many times, the most frequent corollary which supposedly constitutes the actual operating idea with which scholars have worked can be stated in this fashion: “Habit determines institutional structure.” There is a very great difference between determine and constitute. The word “determine” indicates causal antecedence and direction and specification, that is to say, “determination,” that habits “cause” institutions to come about. That is about the stage at which Thorstein Veblen left it, in so far as he discussed it directly.

Institutions seemed to Veblen to be the development of “incontinent habituation”--a very unfortunate phrase. Now Veblen worked at a very different concept but, never having stated it, kept saying such things, as if institutions were in themselves nothing more than incontinent habituation. As a matter of fact, they usually are to the individual. But a very little reflection will reveal that the determination side of it is not what has been proven in examination of the mores and folkways, but habituation is not even possible in the determination of institutions, the determination of course being a revelation of how they come about.

The causal sequences involved and the determination of a pattern of behavior--an institution--necessarily require initiation, and usually involve an antithesis between this so-called corollary and the mores principle. Initiation requires purposeful behavior, the making of a choice and, thus, the involvement of value theory. The constitution of the mores being habitual-- commonly accepted, as we put it--they could not determine the initial action. And if it isn’t habitual, it dead certain can’t be incontinent. It involves making choices.

The initial action requires choice and choice involves reason. Institutions are in fact initiated out of actions which are themselves efforts to solve problems. They are not and cannot be incontinent habituation They become accepted only when they become habitual. Otherwise they would not have any prescriptive force, without which we do not even allow a deliberate specification of a pattern to be called an institution. The coercive power of a dictator in any community, enforcing behavior which is not accepted by the community, does not establish behaviors we call institutions. It is only when that specification is imposed successfully, so that persons in fact act that way, that we permit ourselves to call it an institution, when it attains the status of habituation.

Now we shall probably say a great deal more about it, but this habitual business is the essential character of institutions. But it isn’t how they are determined, because they are determined by behavior which, in its initial execution, is a matter of choice. Habit by definition is something which you do frequently enough to do it without calculation; you don’t have to think about it to do it. And that, of course, constitutes behavior we call institutions. ....

Ayres senses some disrapport, some antithetical relationship between the operating idea--the most prevalent corollary--and the mores principle itself. That’s why he never states the principle, because he is operating with its corollary, and that confuses his work. .... All due respects--and there are many--to Dr. Ayres, whom I consider the maturest scholar alive, but he can be wrong and, in this instance, he is.

STUDENT: *"I know I don't understand what you mean by saying that he is operating with a corollary of the mores principle."*

I put it this way: habits determine institutions. That is the corollary with which most social analysis proceeds, as if it were the mores principle. What has been proven is not that at all. What has been proven is the principle as I stated it--that our institutional behavior is habitual, and its prescriptive power ... is by virtue of that. Even where deliberately coercive power is applied for enforcing a pattern of behavior which is not accepted, we will not call it an institution. It is that prescription through common acceptance ... which puts it in the category of institutions. Now, most of those prescriptions are of course in other forms, frequently in written form, in the law and in ancient--meaning beyond our memory--establishment of those dicta. .... But determination is a very different matter than constitution, and the character of determination ... couldn't possibly be habituation.

Initiation is involved in determination, and initiation can't be habit because habit involves repetition sufficient in number and frequency to allow behavior without calculation. That's what a habit is. You walk habitually. Always there are new situations which specify variations from the established pattern, and that is why no one has ever been able to stop the roll of progress. You can slow it down by the application of coercive power, but can't stop it because there has never been any way devised to control the whole of human behavior through prescriptive use of force.

All institutions have instrumental functions, but no institution was ever accepted by the whole of society completely. It may be accepted by every individual but only in part. That is why for the individual, institutions are given data. He has, instrumentally speaking, no choice of alternatives which are so far out of the prevailing institutional structure that he contravenes the instrumental operations going on through that structure. No matter how dominantly ceremonial an institutional structure is, you as an individual may create more ceremony by going outside that dominantly ceremonial pattern. Your problem, and the problem to be solved where the institutional behavior pattern does not permit the instrumental function which it is presumed to carry on, is to change the institution. But you can't change an institution by going so far beyond it that you create destruction, because when you stop the working function, you also stop the instrumental function. So you as an individual cannot neglect proper behavior in the ceremonial sense if society is to survive. The leeway available to you is specified by observable facts, and they differ for each continuum under consideration, for each problematic situation in that continuum.

You can't, for example, ignore the opinions of your neighbors. No matter how ill-chosen those opinions are, you cannot violate them in the sense of going beyond what I shall later identify as minimal dislocation and survive. And society is correct in forbidding you that alternative, because to take that alternative destroys the society instrumentally--which is *[the bit of truth]* in the arch-conservative position. He is about 1/16 correct, but he has some sense of something the revolutionary doesn't understand. The revolutionary is about 1/4 correct, which is more than the arch-conservative. But the part about which he is wrong is very important. And failure to recognize it is why all revolutions always have and always

will fail.

[Conservatives also always fail and always must. They fail more readily than revolutionists because they operate with fewer facts applicable to real problems than do revolutionists]. They are trying to apply something that isn't applicable. In the American Revolution, there were great men involved, and by chance they were thrown into policy enunciation. Tom Paine, Ben Franklin were saying, "All men are created equal, and we are going to set up institutions that will work that way." So they set up the Articles of Confederation, which simply said nobody is going to tell anybody what to do any time about anything under any conditions. It wasn't that bad, of course, but they were pretty nearly anarchists: "That governs best which governs least." That's what Jefferson said, and I don't know how much better an anarchist could state his position. They won the battle with the help of the French and good weather and a lot of other things.

STUDENT: *[Isn't compromise necessary since revolutionaries and conservatives each possess an element of the truth--the position taken by Thomas Vernon Smith?]*

That is his position, and it is dead wrong. It grows out of the failure to comprehend clearly the distinction between the mores principle and its corollaries by Smith, Commons, and many other scholars. His suggested compromise between revolutionary and conservative positions comes out of the failure to comprehend a criterion of judgment which permits you to judge. Since you can't judge, all you can do is add it up and divide it by a number. That's Commons's theory of agreed compromise. ....

Without a criterion of judgment, what else can you do? If you have no way to calculate the range, what do you do? You find ten guys brave enough to stick their heads out and make a guess, then add them all up and divide, and you have got as far as you can get. No. The failure of two positions doesn't dictate a compromise between them.

The leaders of the American Revolution did sometimes compromise in the sense of Smith and Commons, but it was not a reconciliation of their positions. It was a hit-and-miss effort, and wonderfully successful, in part. But after the Articles of Confederation, problems arose all over the place because they tried to apply a theory that was inapplicable and created rather than solved problems. ....

What is generally called compromise means a little give and a little take; part of what you want I accept, and part of what I want you accept. The surrender of your dignity upon the agreement that your opponent will also become a little undignified. An abandonment of what you think to be right if he will likewise sin. That never solved any problem anytime anywhere. It begs the question of which thing you abandon, and that is the determination of the answer. Not how much but what, and you can't even see "what" in those terms. That is evading the question. The whole idea of compromise is misleading . You get the wrong answers if you try it.

lecture ten

STUDENT: *"You stated that the most obtrusive fact in the economic process*

is that of rational calculation between alternative choices within a problematic situation. Yet, at the same time, I gain the impression that you are saying that there is only one choice possible in resolving a problematic situation."

Then I haven't made myself very clear. I can see, though, how you could get that notion. The answer, I think, is pretty clear and simple.

What I have been saying is not that there is only one alternative, but there is only one correct theory. The function of theory is to lead you to available alternatives, and your effort is to make the best choice, and that is how value theory enters. Now, a theory which is not applicable does not lead you to the available choices. The choices may be innumerable; theory is singular. Whatever theory you try to apply determines in large measure the data you gather. That is part of its function. And the data you gather determine in a discernible way what alternatives are brought into view among which you are to choose. The whole idea of eclecticism is a myth.

STUDENT: *"I would like you to spell out what you actually mean by "efforts to apply" when you say, "efforts to apply inapplicable theory."*

You activate yourself in trying to apply the theory to the problem in this wise: You gather the pertinent data in accordance with the theory. Now, if the data you gather are not determinate of the problem, then your concept of application has to be changed or it isn't being applied. It seems obviously true that what we mean by wrong theory is theory which does not lead you to the alternatives upon which resolution of the problematic situation may be obtained.

The literature makes the choice of correct--that is applicable--theory appear to be complex. I think it is simple. .... Any number of data may be applicable, but what we mean by applicable theory is theory which does bring into intellectual availability alternatives which in fact resolve the problematic situation. If they don't, that is what we mean by erroneous theory-- theory which does not permit you to get at the right evidences or arrange them for analysis. The arrangement is the structure of the theory. ....

[Veblen never stated the criterion of judgment, but Ayres did.] In Ayres's work you go directly from the theory of value to the problem. And the theory of value doesn't tell you how to arrange the data. It tells you what kinds of data you have when you get them. It doesn't tell you whether you should collect this particular datum about this particular problem, as both Veblen and Ayres thought. ....

Veblen sets up his distinction which, it seems to me, ought to have permitted him to identify the theory of value, but it didn't. What he did was look through all these evidences, and then when he hit particular problems, he just applied the instrumental theory of value over and over and over again and came out with amazingly accurate judgments. But you don't know how he got there. You can't discover how by just reading him. Read the Fortune Magazine issue on Veblen [36(1947):133ff]. It is worth getting just for the picture of the old boy. He looks like he visited a haberdashery once in a while--he looks pretty good--but of course he never did. He would have been astounded if anyone intimated that they thought little enough of him to think that he might. But Fortune claimed that

Veblen “was the last man who knew everything.” Now what astounds people about Veblen is that impression. He didn’t know everything, but as a figure of speech I think it is well taken to characterize his amazing scholarship. But to put him on the terminal position of that axis is a mistake.

What is astounding is that you suddenly come out with some answers, but try to find how Veblen got them. You don’t find it; all you get is the distinction applying instrumental value, the first step. Then you get a feeling of awe and reverence about such capacity. The fact is, it seems to me that anybody equipped with the same theory Veblen sort of unconsciously—and therefore sometimes sloppily--applied could reach his unique judgments. Look at his Imperial Germany or his Nature of Peace. Amazing analysis, just breathtaking. Very heady stuff, along with being a lot of fun.

Veblen was a very funny guy, and I suppose he is spinning in his grave now from my saying that. He was funny in the form of humor you call satire, mostly. He was an expert fun maker, but he seldom laughed. He went to inclusive problems where the application of the theory of probability was high enough that he could, at his stage in the development of the social theory, make fairly confident judgments without having to take the trouble to work through the theory, its structure. He discloses nothing to you of how he arranges the data for analysis, nor which data he gathers, beyond showing that they fall into one or the other of the categories of the Veblenian distinction.

Ayres recognized that problem. He asked “What is the trouble here?” --in 1917 when he was a student at the University of Chicago and it was still under the stimulus of Dewey and Veblen and some pretty rugged scholarship was going on there, in the pioneering sense, in the contribution sense. *[Now, trouble]* is that Veblen doesn’t tell you how he makes his judgments. Why doesn’t he tell you? What is missing in the “how?” Well, the criterion of judgment is missing. He was applying a criterion of judgment, but didn’t know what it was.

It seems to me the same situation exists when you leave Ayres’s work. It always astounded me how Ayres could make such accurate judgments about things in the form of institutional problems as they in fact occur. When I originally examined how that came about, I couldn’t see how he could do that, the fault being his: he had not revealed to me how he did it. And upon kicking him around about that, I found he didn’t know. He just sort of did it. The absence of the how-you-go-about-it-ness between the theory of value and the judgments which he makes when looking at particular problems, as in the case of Veblen, leaves you sort of bewildered. You have a tendency to say, “Gosh, wasn’t he a smart critter? Just think! how can he say these things.” What you are saying is, “The bloke ought to have finished the theory.” And it is not a matter of genius at all; it is a simple matter of understanding.

There are two sources of difficulty in intellectual comprehension. One of them is inclusiveness, requiring the comprehension of a great many variables at the same time. But if you look at any one variable at any one point in time, it simply follows another variable. Don’t let the professional scholars bluff you into thinking that some things are just to difficult for you to understand. ....

STUDENT: *[Why, if technology includes ideational tools which constitute the level of comprehension, does not that technology specify choices between the available alternatives, and thereby specify the structure of the institutions arising from technology?]*

There are two problems involved, and I am afraid you might be getting the two confused. You have the problem of comprehension itself about any problem in the social process. Then you have the problem of which alternatives are in fact available to be selected. Technology, either in your definition or in physical-tools definition, does not specify the alternatives selected. It specifies the choice you would like to see made, that is, your comprehension of the correct choice. But it does not specify the choice selected, because that choice is a function--given the limits set by technological determination--of recognized interdependence and minimal dislocation. Technological determination sets the limits, the other two determine the specifics. ....

STUDENT *"It seems as though Veblen's students must have taken the correct first step [in using value theory.]"*

They all did. The got the facts, and they could tell the difference between technological and ceremonial *[facts]*. But they couldn't tell which of either to gather. They had a tendency to gather technological facts and ignore the institutional. Of course, Veblen knew better than that because Veblen was applying the *[distinction]* all the way down in some fashion or other. But his students went out and started counting things--a very important function. But when they came to the actual application of the theory to the solution of problems, they didn't know which way to turn. Veblen had not disclosed to them the structure of the how-you-go-about-it beyond his distinction. So what they did exactly reflects the theory they tried to apply. The neoclassicists who approached a mature comprehension of the Veblenian distinction began to count, to categorize, to list, to schedule. They drew supply and demand curves as best they could from historical prices; they showed variations of various things. They graphed things that are the determinants in classical theory.

[The historical school in America and central Europe was also influenced by Veblen.] They talked about the development of particular technologies; they examined the development of the glass industry. This was valuable work, but not for the reason they think. They wrote dissertation after dissertation of excellent description, and then came to the point of asking what the significance of this work was. .... They were the ones most impressed by Veblen's acceptance of the most prevalent corollary of the mores principle, in which he spoke of institutions as "gradually acquired modes of unconscious habituation." With that corollary, the historical school couldn't ask what should have been, only what had been. Their analyses were not the product of Veblen's contribution, but of the theory they thought applicable, the orthodox theory with which they were equipped.

And the Marxists, how they loved Veblen because they completely misunderstood him-- but no more than the classicists. I heard an extremely able Marxist say recently, "All Veblen way saying, Marx said a century before him." Technology, institutions, forces, relations; it's a tempting interpretation, but dead

wrong. This student found what Veblen said to be correct and to make sense. Then Marx furnished a theory that got him to applications--an easy imputation, since Veblen didn't explain how to get there. You could think he got there just like Marx did.

The same thing happened to Veblen's students. He made a little sense out of something that no one else had made any sense out of, so his students got all excited, and said, "Let's take off and solve all these problems; we'll do it before sundown." And they take off down that central high road at the beginning point, the Veblenian distinction, without examining what is back of that--the philosophical foundations. All they knew in most cases was Veblen's criticism of available foundations, while his foundations were not sufficiently developed to be articulated. They were developing mostly at the hands of John Dewey.

So Veblen's students took off down a nice, smooth, straight road. Then they came to a fork and didn't know which one to take. They had to do something. Some of them rode back and forth on the straight part of the road, counting blades of grass for the rest of their lives. Some went a little further. They looked around and found some sign posts. The neoclassical sign post said go this way; the Marxian sign post said go another way; the historical sign post a third way.

Reminds me of the story about three men drunk on different drugs--one on alcohol, one on marijuana, and one on opium. They came to a walled city and found the gate closed. How decide what to do for the night? The man drunk on alcohol said, "I'll just kick the blankety-blank door down. The one drunk on opium said, "Oh no. Just lie down and go to sleep, and tomorrow morning when they open the gate, we'll just walk in." (That's the historian) The one drunk on marijuana looked at it carefully and said, "Well you guys do what you want. But me, I'm just going to walk through that keyhole." (That's the Marxians)

The point I wanted to make was that the area of applicability, what the statistician calls the universe, specifies the level of generality of the theory, that is to say, its continuity and foundation. And a theory is, of course, general to its area of applicability. Now, if the universe of its applicability is temporary, it is temporary in that same degree. But what we are getting at here is that universe we call the social process, and it is coterminous with human society. Its generality is not religiously or philosophically inhuman. It is concerned with experience, and that is pretty general. It is very inclusive. It is that with which you are concerned in everyday life.

It seems to me that this blockage--to suppose that the mores principle means that the criterion of judgment between alternatives, the theory of value, is a function of habitual modes of behavior--precludes absolutely the use of institutional theory in the solution of institutional problems. That is what makes Veblen so bewildering to most students. That is why his critics say he isn't going anywhere.

The reason Veblen was in that position, I think, was that he was so clearly aware of the inapplicability of the received doctrines that he dared not state a theory. He constantly gives you the impression that there can't be any such thing as theory, and men like Commons took off from Veblen at that point and said, "If there isn't much theory, let's be practical." Then he sort of tries to develop a theory--which

I think is about the state of social theory at the moment.

When you go out to solve a social problem, you come up against the same thing as Commons came up against. You come to the fork in the road and all these sign posts, and you don't know which to take, you don't know which theory to apply. Well, you had better find out where the road ought to go if none of these is right, and build that road. Build a road that will solve the problematic situation. That involves a re-examination and re-extension of the Veblenian distinction. *[As the story of Procrustes demonstrates]*, without a theory of value, there is no way to tell whether you should cut off people's legs to make them fit the bed, or adjust the bed to the people. You have to have a criterion of judgment. ....

Let's put it this way. If institutional problems are not to be considered in terms of institutional theory, then in what terms are they to be considered? It is at this point that it becomes obvious what the relation between the mores principle and the utility theory of value ought to be. ....

lecture eleven

Last time we were talking about the relationship between the utility theory of value and the mores principle. At the end of the hour, I had pointed out that the relationship which comes into view most clearly is a supposed corollary of the principle rather than the principle itself. We were reduced to asking the question, if social problems--that is to say , institutional problems-- are not to be considered in terms of institutional theory, then in what terms are they to be considered? Or, if the most prevalent corollary of the mores principle--that incontinent habituation determines institutions--be correct, then the mores principle would be equivalent to denying the point in considering social theory at all. Behavior would be all shadow play of unconscious and non-patterned institutions, determined by habituation in response to a continuously varying environment without responsibility or possibility of explaining the determination of those patterns. I pointed out additionally that what had been proven in the mores principle is a matter of constitution, not of determination, of the pattern. ....

The word "principle" is used to mean a great many things. Sometimes it is used to mean an important fact. To include all of the accepted uses of the word, I most frequently refer to it as the expression of a continuing factor which may be operational or descriptive, etc. The mores principle is not the operational kind. It is a figment of what constitutes institutions--their attribute of being habitual. And that is all it seems to me that has been proven.

It was certainly all that was in Sumner's and Frazer's works, which make it clear that the mores and folkways are constituted by habits, but not so determined. When the high priest is defending the golden bough to maintain his position of prestige and power as the guardian, his analysis of how that began--the development of the galaxy of correlated behavior patterns that accrued to it and around it--were matters of discretion, purposeful behavior. Matters in the initial stages including a big advertising effort to spread the myth regarding one particular guy who told the community he had something in the form of water and a tree and the golden bough that wasn't there. But if he could convince the community that it was there, then he could differentiate his product by putting on

a different brand name. Subsequent generations came to take that development as a matter of course, as part of accepted behavior. Many candidates were found for the office of high priest, even though the severity of its occupancy always resulted in a fatality in a short time. He couldn't sleep, you see, because the chair was occupied by cutting someone else's throat. He destroyed the high priest in mortal combat, and thereby became high priest. But then he couldn't sleep because others were ambitious to occupy that position. This was not, in its initial stages, I submit, "incontinent habituation." The reason I labor that point somewhat is that it seems to me to be the point of takeoff in trying to get beyond the Veblenian or Ayresian stage of theory, particularly in reference to the theory of institutions, for which we look at the theory of value.

Now a sub-point. In the literature on this point, the notion for some reason emanates out that habituation as such is pretty weak stuff in value terms. Many students of Ayres get that notion, saying, "Oh, that's just a habit." "People act that way because they don't know any better." which is not the same as but is inclusive of "that's just a habit." As long as a habit is instrumentally successful, you don't need to know any better. No problem arises, nothing occurs which requires the choice among alternatives. This view can easily be generalized into the notion that institutions are themselves nonsense. Since they are habitual, there is no instrumental validification of institutions. And that is easily re-enforced by a cursory reading of the evidences of institutions uncovered by the authors I have just mentioned, especially Sumner. ....

These are not evidences that habitual behavior is invalid or is not subject to validification. Far from it. What does follow is that habitual behavior does not and cannot serve as a basis for validification. The mores principle, as it has been most frequently applied, comes down to the conclusion that there is no way of judging institutional structures. You can't say one structure is better than another because both of them are matters of incontinent habituation; one cannot be more correct than the other. You will find, I'm sorry to say, many of us speaking as if one culture--other than our own, of course--is as good as another, especially if they are far removed or primitive. They're just different, we say. And I suggest also that we already and long have known better than that.

If the utility theory of value is viewed as fundamentally irrational, it is a matter of what pleases and doesn't please, it is a function of the culture which constitutes your behavior pattern habitually; and if that culture is a matter of unconscious habituation admitting of no positive validification, then there is no way to judge one pattern of correlated human behavior compared to another in terms of validity. No need would arise; the only excuse for studying it would then come to rest on an unconsciously determined "dance of the atoms," as it were, if you by chance found it interesting.

Veblen called it "idle curiosity," meaning something more than non-active or the absence of personal advantage; meaning something other than that peculiar motivation characteristic of some particular cultural pattern--inclusive of capitalism and its pecuniary standard. He was trying to talk about a continuing factor under the caption "idle curiosity," a part of human nature. And so was Ayres, bless him, revealing the fruition of the more basic mistake of assuming the most prevalent

corollary of the mores principle, which requires the application of the utility theory of value, which theory was unmistakably destroyed by both those scholars.

I point that out not just in an effort to criticize great scholars, but to emphasize (heaven help me for using that word) how difficult it is to avoid being involved in the application of a recognized theoretical error. It is one thing to say that you recognize the invalidity of the utility theory of value, and it is quite another thing to not make use of it in those areas of operations in which you have used it ever since you learned to use ideas. It is just like walking or any other established habit pattern, especially where it works successfully. And the difficulty is further heightened by being a member of a culture--which includes all cultures of any size up to date-- which itself is constituted, in so far as it has pattern, by the application of that particular theory. The effort is made constantly to apply the utility theory of value consciously and unconsciously, primarily through the theory of justice. And it appears in the most scholarly work as well as the daily newspapers. It thereby constitutes this difficulty which must be overcome, or we cannot proceed towards an applicable theory of the social process.

STUDENT: *"If we identify a theory of value other than utility, won't it be impossible to incorporate the utility theory of value into the theory yet to be identified?"*

No. ... the utility theory of value can be stated as a theory of something (three different somethings) which may or may not be true, like any other theory, but which can be approached directly as any other problem in the study of any other myth to be approached. When Frazer went out to look at the origin and development of this myth about the golden bough, his use of the scientific method as an anthropologist did not disallow his recognition of the effect and character of the theory of the golden bough.

There is such a thing as utility in several different senses, any one of which can identify an important fact. It is unquestionably true, for example, that some things give more pleasure than other things. It is also true that some things hurt, give pain. It is also true that people make judgments relative to these two things, their probability, desirability, etc. Imagine a young boy deciding whether or not to jump off of a barn roof. He has an audience, which includes people whose good opinion he holds dear; perhaps he has something which will add display, say a large parasol which looks something like a parachute. There he is, poised on the edge. They're looking at him; he can't back out without some unusually effective escape device. The pressure is high, it becomes a matter of honor. He makes a nice calculation. He could become aware of the technological determinants, and decide he has really made a mistake. But still it might work. What happens, as I can well tell you, is he jumps off and breaks his neck and usually lives through it. He makes a calculation of pleasure and pain. Now, there is no heroism involved at all. It's connected with accurate judgments of fact, which have nothing to do with outside functions. We make calculations like that all the time.

There is no denying the very great importance of the hedonistic calculus, a thing which I and others attack constantly. But I will have you note that it cannot be attacked successfully as if it doesn't exist. It does exist. It can be attacked only as a

theory of human motivation.

The theory, then, if it were approached scientifically, that is to say, rationally, involves the determination of how things come to be desirable or undesirable. And if you do it that way, then the question of motivation is beside the point, simply a matter of taxonomy without further recourse as such, a matter the explanation of which is causally exterior to it. Because then you have merely set up some captions and said by definition that whatever falls under this one is positive motivation and whatever falls under that one is negative. Then you still have the whole problem you had originally of explaining human behavior--choices among alternatives. Whether it is pleasure and pain or otherwise, you still have the theory of value to explain. ....

Now note, that if the utility theory is viewed as fundamentally irrational, then indeed all patterns of human relationships are relative to the total cultural pattern of which they are a part. Then, indeed, there is no way to cross between cultures, and then there is no way to cross over between alternative behavior patterns in a particular culture. It all depends on which one is successfully established, which is a matter of advertising, not a matter of scientific understanding; if you can get it adopted, you've got it made.

Then the question arises, are there no more continuing factors than that in the question of choosing among alternatives? Are there in fact continuous factors relating to the matter of the criterion itself? If this hedonistic business holds, then the corollary one of the mores principles does in fact hold. And if it does in fact hold, then it doesn't make any difference. Science becomes nonsense in its application to that problem. Instead of science, what we should do is advertise. Decide what we want, and then convince people.

Now, where it comes to equally convincing situations without understanding of either, then it "ultimately" results in fascism--conviction through force. Advertising, when it abandons explanation I suggest, is in fact an application of that principle. An explanation becomes useless.

But there is a difference between the continuity of the forces of explanation, between rational choice based on evidences, and establishing patterns of correlated behavior through coercive direction of those patterns. ....

lecture twelve

We have been talking about the relationship between value theory and social analysis, and I have tried to get at it so far through an examination of how utility theory has been and is involved in social analysis and social behavior. We have got at that through several different items, most of which have involved the mores principle and how the utility theory is related to some corollaries which are attributed to the mores principle.

STUDENT: *"Veblen in <u>The Place of Science</u> makes the statement than man's nature is teleological ... It seems to me that, if he really believed that statement, it is sort of predestination toward a preconceived end. And certainly that is not in conformity with the Veblenian distinction."*

Yes, but not necessarily. To say that man is driven in some sense toward

behavior patterns in conformity with his nature may be teleological and it may not be. The teleology would require the preconception aspect of it, and that requires something outside of man. It requires the "guiding hand." To grant human nature doesn't mean that you grant a predetermined end in the sense that you grant a particular pattern of behavior as an end toward which the patterns of behavior are trending. The fact is, it seems to me, quite the contrary. If that were true, then the theory of value would specify the end.

The whole effort here is to identify the theory of value which, it seems, turns out to be such in fact as not to drive toward a particular end in the sense of a particular pattern of behavior, or even a very generally identified pattern of behavior within which there may be variations. We are thereby required to look at human nature to see if it does in fact correlate, dictate, in the sense of result in, a drive toward a particular pattern of behavior.

STUDENT: *"Maybe my interpretation of the word "teleology" is wrong, because I thought it connoted some innate characteristic, internal characteristic, that coerced arrival at some preconceived end."*

It does that, but that is also true of any concept of human nature. The teleological concept requires that that end be a specific condition, thus not by virtue of having innate characteristics. You see, it is inevitably and necessarily true that anything separately identifiable has factors continuous with that thing, including human beings. Otherwise, you could not separately identify human beings. And if those factors are continuous, they continue to have their effect.

Now the whole point of the effort in this course is to see that it is not a particular pattern of behavior at any level of generalization. And when I say behavior, I mean social behavior. I don't mean the beating of your heart, which is a behavior pattern toward which, if you will, your very structure ... correlates at your commencement and your cessation. We act that way. That's the way we are. That is our nature, and it is continuous with the universe of application, that is to say, with human beings. That is a particular behavior pattern, but it isn't social behavior.

What we are here concerned with is institutions: correlated human behavior, relations between people. And that is a very different thing. Though there are continuous factors in social behavior, they are not such as to specify a given behavior pattern, nor are they such as to require that kind of end. ....

The teleology of it is not the acceptance of nature, as it were. It is not the acceptance of continuing factors, but the character of those factors. As Veblen explains in his attack on the received doctrine, the teleology, though in fact denied, is clearly there by virtue of the direction toward a particular pattern of behavior on the occasion of the removal of obstructions which deviated it from that direction. Veblen's proof of the teleology, even though everyone since 1776 denied the teleological aspect of what Veblen says, is still a part of their theory. And I think Veblen is right about it--going this way, toward that order which establishes itself as if of its own accord. The natural order, in this case that particular pattern of institutions we usually speak of as laissez faire capitalism. Then somebody does something, like impose a tariff or duty or restrictions or specifications in relation to price, or service, or character of the product, and it goes off in another direction,

that is to say, welfare capitalism or something. Then it is going this way, and at this point you remove whatever it is that made it go down.

Now in nature, Veblen says, things go on until something changes. Well, the demonstration of the theory is not only if you take it away, it doesn't keep going, it goes back up and continues on its way. Something turns it back, something that is outside the process. That, says Veblen, requires an assumption which is teleological in character. There is an end toward which the continuing factors, both inside and outside of human nature, push the pattern of correlated human behavior. And it is that which constitutes the teleology, not the fact of continuing factors but that kind of continuing factors.

Now note that Veblen says that requires a consciousness of that end. Carl Becker tries to make this point--and I argue with him too, as you know--that though the spokesmen of the Age of Reason, including Adam Smith, John Locke and even Francis Bacon, destroyed the "Heavenly City" of St. Augustine by denying God's will, they rebuilt the city with *[natural]* materials, the classical theory. It isn't really nature that they are talking about, it is still God; someone who decides and pushes it. Nature doesn't change its mind, but there is mind involved here, say Veblen and Becker.

Where I argue with them is on the other point, that is, how man is involved in this. There is no possible conception of the utility theory of value in application to the problem which does not always involve an end in view. That is why the "isms." That is what an "ism" is: a demonstration of how you get to that end. Now that may take any form. And Veblen was trying to get at a demonstration ... of how discretion is involved here and how the theory of logic is involved. He doesn't attack the problem, but he did see that no matter what you have in view requires a teleological assumption of direction by the "guiding hand." There is something which guides the hand. It isn't altogether clear in Hume. It would be a little difficult to make the case against Hume on that score because he took the classical anarchist's position in a fashion which sort of disallows the whole works. He argues with them too, like Veblen does, on the same score, but he comes out in the same place. But he denies it all the time, so when you get there, you just say, well, I just got here, it was no part of my own intention. Sort of like the drunk who ends up in jail. And he is sort of offended. He intended no wrong! Yes he did; he obstructs the sufficient participation of which he is capable. ....

The relationship we are seeking is the functions of problem solving which arise out of the human capacity to make choices, which necessarily involves the application of some theory of value. And that involves the demonstration of the capacity to make choices evidentially--not only the capacity, but the exercise of it, in fact, as a continuing factor in human behavior. That is what I was trying to get at last time when I was sort of kicking Ayres and Veblen around in terms of their blockage in respect to determination of habitual behavior. ....

Habitual behavior may be good or bad. The only thing we know about its being habitual is that it has been done a great many times. It has been repeated sufficiently often to become accepted without critical view, without the exercise of reason.

Now, we have gotten at value theory through several different ways: the

mores principle, the theory of justice, the prominent position of utility theory, the distinction between application and efforts at application. All have this in common: they already involve a realization of the value problem as continuously and necessarily consonant with every item at every point or part of the social process. The problem is the relationship between social analysis and value theory. The relationship is this:

The successful continuation of human relations in correlation with each other, that is to say, the continuation of the social process, necessarily involves solving problems, resolving situations which infringe upon the continuity of that process.

We are not concerned with non-human, after-human, or before-human processes. We are concerned with social analysis which, to be significant, must necessarily be applicable to the resolution of those situations which do observably or comprehensibly infringe upon the continuation of that process.

Everyone agrees with what I just said in terms of their behavior, and most people agree verbally. Some, for amusement or otherwise, just say no, that death is a good thing and life is a bad thing. Then they go right on living, when it is very easy not to. They talk one way and act another, and I think that is dishonest. They say life doesn't mean anything, and then act as if it did. .... *[If such a person]* is alive very long he is acting as if life were preferable to death, and for that reason he could not make a rational choice of suicide. That choice isn't genuine: you choose not to have choices. There are no social choices beyond life. Choice means alternatives, and alternatives don't exist in death. Alternatives exist in life, and social alternatives exist in social life, and social life ceases at death.

And alternatives means the presence of problems. The problem is how you go about knowing which alternative to take. The answer is value theory. The significance of value in social theory is that it constitutes validification, comprehension of how to go about knowing correct choices. It constitutes how you go about finding out what is right and what is wrong socially, without which you can make no effective choices in social behavior. Deny it as you will, it is still true that wherever a problem exists--and that is a constant condition--that exercise necessarily goes forward. It goes forward as an observable fact. If it goes forward continuously, and the effort is to apply an erroneous theory, is not that effort also continuous with human experience?

Some students, I think, get the feeling that I am being inconsistent whey I say--as I always do--that ever since we have had any knowledge of human behavior, they have been trying to apply the utility theory of value, and at the same time I identify continuity with truth, and thus with validity.

Continuity as we use it here does not mean lasting a long time. It means uninterrupted and necessary involvement in the continuum of which the question is asked. Then about human behavior, might we not say that efforts to apply the utility theory of value are continuous with human history, and that what I propose as the criterion of judgment seems not to have been spoken of very much until recently, and then only by a few--isn't that pretty temporary?

Of course that is pretty temporary, but let us get our two problems straight. One, the actual operation of a theory of value in human experience, the actual criterion of judgment in social experience. And two, those theories we say we are

applying and those which we said we did apply. There is often a great difference between the way we behave and the way we talk, and especially is that true of the theory of value. And I think I am prepared to demonstrate that what we have done in its actual application has been completely contrary to, in the sense of not included in but rather exclusive of, the utility theory.

Of course, we use the hedonistic calculus in making judgments where it is applicable. And you can define the hedonistic calculus components in such a manner as to simply state the problem and forbid its examination. You can make it a sort of truism. But if you try to explain how we in fact behave in making judgments, and how that behavior impinges upon the social process in the form of resolving those situations which impinge upon it frictionally, the solely significant operating, effective criterion of judgment is quite something else. Of course you know we call it several things. I prefer to call it the "instrumental theory of value. Ayres calls it the "technological theory of value," which is a sloppy way to put it, it seems to me. It ought to be clear that not only is the theory of value continually involved in social analysis, but also that the theory of value which is in fact applied, is what is necessary to understanding as well as to understanding significance and effects of efforts to apply theories of value which in fact cannot be applied.

lecture thirteen

STUDENT: *"Is the animistic concept necessarily a part of the teleology conception?"*

Yes. Without *[animism]* there could be no teleology in the sense that Veblen tried to *[identify it in]* the classical theory. ....

Last time we were talking about the involvement of value theory in social analysis, and we bound it up with problem solving, suggesting that value theory is used wherever the function is carried is carried on which involves it. To say that value isn't involved in problem solving but is only sort of an academic exercise would put us in the position of saying that a process is going on but the determinants of that process are not there. To repeat: to take the position that the process of selecting among alternatives--a process which everyone admits necessarily goes on constantly-- and at the same time to take the position that value theory need not enter in as a determinant of human behavior. You put yourself in the position of an impossible paradox of trying to explain a process while denying the possibility or need to identify its determinants. Even restricting analysis to description, you would thereby be taking the position that you can describe something, part of the components of which you will not recognize or tolerate.

The reason is that, if there is not in fact the relationship which we set up last time--the relationship between human predilections, preferences, tastes and the social process--then science has no place in human affairs. Rational analysis has no basis for consideration, and truth and falsehood become inseparable and indistinguishable, depending upon your predilections about predilections.

You can recognize predilections without taking the position that predilections are determined by your predilections about predilections. .... It is sort of the same thing as talking about non-evidentially determined areas of explanation. You are carrying on a double play which is necessary in the social sciences. If you recognize

the place of reason in human behavior, you examine the determination of human decisions by making decisions about decisions. You make judgments about judgments, and some of those judgments about which you are making judgments are non-evidentially determined. This situation generates a tendency or feeling that you can't have a rational explanation of value. You can't have a non-magical explanation of magic.

If that be true, of course, then it is necessarily the case that science in the analysis of human behavior is largely irrelevant, because a large part of human behavior is irrational, in the sense that the conceptual operations of which the actual behavior other than those operations are physical presentations, are themselves irrational. The concepts can be irrational, and so the things which eventuate from them in the form of other behavior than the concept would be irrational. The imputation follows that you can't examine irrational behavior rationally.

Of course you can. How do you think the magician makes his living? Exactly that way. He pulls a rabbit out of the hat, and you know rabbits don't come out of hats. And the magician, knowing that the community knows that, makes it seem like rabbits come out of hats, and we think that's sort of funny. It is wonderful entertainment because it is a series of incongruities which you know beforehand have been carefully plotted. So you know he is fooling you, and the game is to find out how he is doing it. He says he isn't kidding you, knowing all the time that you know that he is kidding you, and that makes it funny.

But it isn't fully when you think he is really not kidding you, when men kill each other because they think that way. In a sense, all human mistakes are of that character: war, or two men fighting. There is nothing sillier than two men fighting. There is an old saying that two grown men can't fight, unless one or both of them is nuts or something.

There is no way to escape the plain practical fact that value theory plays a part in the ongoing of the social process. The part that it plays is that it serves as a criterion of judgment in choosing among alternatives, which operation occurs and can only occur in the resolution of problematic situations. That is a constant in human experience, not only individually, but to the community at large. It is not a question of theory but of fact.

Then the question arises, if that be true, what is this fact? What is that which serves in fact as the criterion of judgment in choosing between good and bad socially? Because it is immediately apparent that whatever that criterion is will determine the character of the choices made. You take any example of two persons trying to use different criteria in reference to the same set of facts. They get different answers. They can get the same answer to different sets of facts in trying to apply different criteria, but they can't get the same answer to the same set of facts applying different criteria.

Earlier, I used the example of two persons considering the matter of slum clearance, both closely acquainted with the facts, equipped with the knowledge in relation to the same items. The one using the utility theory of value with the only available theory of valuation--the price theory of valuation--comes out with the major corollary of the mores principle that there isn't anything you can do about it because you can't make a judgment until after the action the propriety of which is in question.

The whole difficulty with that theory is that it makes planning impossible. If there is no way to make a judgment about an action except after observing that action, then anarchy is the only tenable position. That is to say, it makes laissez faire the answer to all problems. That is to say, it denies the genuineness of the problem. Thus, you can't have problems, "really." But if you can't have problems "really,"--and this begins to sound very much like nonsense--the answer to the problems would be not to consider the problems. And that, I suggest, is nonsense.

To consider what to do about something about which you know that you can do nothing is nonsense, isn't it? No one ever really took that position, I guess. But they try to take it. And since no one has ever taken it, we might ask ourselves, why not? Is not the theory there, the whole apparatus? Is not the concept well pronounced? Are not the more restricted areas of application of the general theory available in specific presentation for application to a particular problem? Of course it is. It is the whole content of modern economics in the orthodox development. Then, if it is there, why don't they take a consistent position on that score? It is the non-applicability of erroneous theory. As Malthus pointed out in regard to Ricardo's work in 1821, it "ill becomes" economists to set up a theory to explain human behavior, and then be required by the run of the facts to explain most human behavior as exceptions to that explanation.

When you get more exceptions than you get conformities, then you ought to change the rules. Especially if you get more exceptions all of which have genericy sufficiently identifiable to permit the establishment of another rule or, as Malthus would say, a law. Well, I suggest that that is the situation now in relation to utility theory. It doesn't make the run of the facts. You have to have exceptions, and open some other door than the front door--value theory--or you just can't get out of there. You couldn't make a choice in terms of estimation of preferences, meaning in terms of estimation of comparative propriety. You couldn't do anything. You are in fact close to the nihilist. And I suggest that that is the source of the recent flurry of nihilism, which has been responded to with all sorts of positivisms all over the world, the most highly advertised one being the recent western European rise of Communism. ....

STUDENT: *"You said that ceremony doesn't solve problematic situations. Hasn't the ceremony of changing business symbols from monopoly to private enterprise made it more palatable? Hasn't that demonstrated the problem solving ability of myth?"*

Yes to your first question, no to your second. Myth inhibits problem solving. The fact that potassium cyanide is coated with sugar doesn't keep it from killing. And the fact that you die with a smile on your face, as if you love it, doesn't keep you from being dead. Acceptability does not keep it from being an error. I suspect that most of humanity which has been destroyed by humanity is in that category. It doesn't solve any problems, and that is what is so horrible about sugar-coating things where you aren't concerned with the coating but with the things.

STUDENT: *"Doesn't that make it easier for those in control to maintain their control--help them to solve their problem?"*

Yes. But it is their personal problem. The social problem is not how to maintain their control; it is mostly how not to maintain their control. The social problem usually is how to get the sugar off of the darned thing. If you get the thing sugared enough, you can maintain control as long as the coating is there. But you can't get away from the effects of the thing that's coated. You can make people believe that it's good to smoke marijuana, but you can't get away from the fact that smoking marijuana makes them sick. The technological determination of the problem is still there. Even though you think that the highest state of human accomplishment is to be drunk on marijuana; even though you think that the highest attainment of man is illth; even though you punch needles through your arms to prove it, and grin like an opossum to show the aesthetic attainment of which you are capable (what you are really showing is a skill at auto- hypnosis), it still doesn't take away the effects of the operation. The effects are there irrespective of what you caption it or like or don't like.

STUDENT: *"Several times you have criticized the idea of a conflict between institutional and individual interests, and you claim that there is actually an equality of interests, that they aren't in conflict. Explain that equality."*

Suffice to say at the moment that it is clear with the slightest observation that the economy is a collaborative activity. Collaborative in that it is carried on through correlation of human efforts, and that it is impossible in the technological sense that the interests of one person be different than the interests of another person in that sense. The only way you can get a difference in their interests is in some other sense, namely invidious.

Now the same thing is true in relations between the individual and the community economically. Quite clearly, the individual's interests economically are identical with the community's interest. If the individual's interest be conceived as instrumentally effective participation in the social process--and I think it can be conceived correctly in no other way--then it necessarily follows that the individual's interests and the community's interests are the same.

Ceremonially, yes--the individual's interests are always divergent from the community's interests. And if invidious differences are born to man, then it is true that the individual's and community's interests diverge. But if that not be true, the contrary is the case: it is "better" for all individuals to participate as effectively (instrumentally) as they can. And that is exactly the interest of the community.

Returning to the effects of an idea, a predilection non-evidentially determined, determined on the basis of the attainment or maintenance of power, never solved any genuine social problem. It creates social problems. If you say the problem is solved, you are really saying that you have power.

Take the problem of slum clearance. We tried philanthropy when we first went at it, and the slums continued to grow. We tried limited dividend corporations--one of the most beautiful slum clearance projects of America was built that way in New York City--and the slums continued to grow, with all of the incidences of slum existence still there. We tried Jehovah's Witnesses; we tried education; we tried everything we could think of, and they still continued to grow.

When the fight arose in New Orleans, one of the worst slum cities in the world for about four generations, an argument something like this ensued: First, “Why, gosh. These people love the slums. People come from all over the world to wallow in them and get as sinful as they can, so it must be fun.” The idea is very common that if it is sinful enough it must be fun--a silly but prevalent notion. You find it applied to the law: if it’s illegal, it sort of must be fun.

First, slum dwellers like it. Second, the proof of it is that they are willing to pay for it, and if you took them out of their slum, you would do an injustice to them--destroying their homes in which they have bound up their lives; the old rickety house with germs five generations back, rats running all over. They love them; they would be uncomfortable in standard houses. And that’s all true.

Another kind of argument: society can’t afford it. Where is the money coming from? Another kind: if you plan, you are assuming some other theory of value than the utility theory of value, and if you are, you are a dictator. That’s what is meant by the often repeated dictum that if you scratch the skin of a planner, you will find a dictator. And they are correct, in the sense that planning anything is contrary to the utility theory of judgment.

A plan is explicit recognition of a problem in relation to which you have some way of judging alternatives. Your plan is a configuration of judgments of alternatives, which means that you can anticipate something before you act. That is to say, there is applicable theory in human affairs. That is to say that the answer that utility theory drives you to is untrue--that you can’t observe until after the act, so you can’t plan.

It is pretty easy to see that the utility theory of value does not serve the function it purports to serve: It doesn’t solve problems. It doesn’t permit the admissibility of a problem. It does not even permit recognition of a choice prior to the act. It does not ever permit human culture. All it permits is the corollary from the mores principle: whatever is, is. Which though true, is not helpful.

Then our problem becomes immediately apparent. That is, what is in fact used in the resolution of a problem? What is the theory of value--the criterion of judgment--used in choosing among alternatives. We shall get at it by looking at the actual operation of making choices among alternatives, and looking directly at what we are doing.

I want to look at this problem of the seeming involvement of pre-determinism in any theory of value other than an animistic one. The difficulty is conceiving genuineness of choices and, at the same time, granting continuity--in the sense I have defined previously. In its plainest form, it frequently appears thus: If it be true that things are causally determined, then are not the choices made equally determined by those causes? If the choices are what they are by virtue of the causally antecedent determinants, then how can you get genuine choice?

The argument has run in philosophy for at least 3000 years: you may think you made a genuine, free choice, but the causal antecedents of that choice were whatever they were before the choice was made, and they specified the choice, which seems to destroy the concept of genuineness. And if there be no genuine choice, then the whole analysis of value is beside the point. If there isn’t such a thing as reason, which itself is explicable in terms of causal determination, then you are reduced to the nihilist position. There is either a blind “dance of the atoms,” or

patterns which are internally consistent in causal terms, which means predetermination.

But if the causal determination is not exclusive of genuine choice, then predetermination doesn't follow, and it makes sense to look at the matter of value. The prevailing supposition-- often elaborately camouflaged--is that, if you have causal determination, you have predetermination. If the causal determination includes the theory of value, you have predetermination. If the causal determination excludes the theory of value, you have two choices, two possibilities: one, an animistic direction in which you don't have a dance of the atoms or, two, a non-animistic direction, in which case you do have a dance of the atoms.

Now beginning with our everyday experience, we know that an airplane engine isn't just a dance of the atoms. We know that rabbits don't come out of hats. We know that there is pattern in that sense. There is science, patterns drawn in causal terms.

STUDENT: *"Can't you have determinism in the universe as a whole, while having a large number of alternatives and, therefore, have genuine choice? Marx said history leads inexorably to the downfall of capitalism, but he recognized alternatives even in that deterministic proposition."*

That's the kind of confusion I was talking about when I said that no matter how you camouflage it, it is still there. You can say that the problem arises out of something else and, therefore, the problem is exterior to the universe. You can say that, being such, it is subject to identification exterior to the operation of the whole. But you can't have determinism and include in the universe the process of making judgments, and at the same time take the position that you don't have determinism in the process. You can't say that you recognize determinism in the universe as a whole, and then say that by increasing the number of alternatives you can increase genuine choices in one aspect of that universe.

You and Marx and Ricardo are all involved in the same confusion. It is determinist everywhere except in those who determine it, and they have free choice. Marx said two things at the same time. One: the five laws of capitalist development--the positive tendencies, continuous, uninterrupted, interminable in the universe of capitalism resulting inevitably in a contradiction. Two: human nature resulting in class conflict. Out of the chaos the proletariat will win, given the continuing factors of human nature--self interest, and a single class for whom self interest means no other classes, will lead to classless society. No other class could exist, says Marx, without the proletariat, without labor in his terminology. So you will have a class society so long as there is any class in power determining the relations of production other than labor. But when labor comes to power, as it does in the laws of the development of capitalism, all classes will be destroyed other than labor.

That is not accidental; it is not because someone says so. The theory of communism is why someone says so. Marx said this will come about because of the forces at play and because of the nature of human beings. His whole thesis is saying, "Rise up, workers, and shed your chains," etc., because this won't come about if you don't do something about it. At the same time, he is saying he has the

explanation of how you cannot avoid coming to that decision. To Marx's mind, he was saying you do it because you have to.

no lecture fourteen]

lecture fifteen

STUDENT: *"A professor in this school characterized Ayres as Ayres-ism. He considers an "ism" to be generic with mores, because it specifies right or wrong. I'm sort of confused.*

Your definition of an "ism" is, as I understand, a particular institutional structure, a particular pattern of institutions."

The gentleman is mistaken, if he wasn't being facetious. Ayres provides you with a way of judging an institution in terms of whether it is good or bad; he doesn't tell you which institutions are good or bad. There is no institution which as such is good or bad. An "ism" is exactly the contrary in its eventuation. What I speak of as an "ism," of course, is a system of theoretical structure which validates a particular institutional structure. The "ism" isn't the structure, but it validates one. What structure does Ayres validate? That is to ask, what "ism?" None.

The gentleman doesn't understand Ayres at that point. And that is what I tried to bring out in the discussion of the relationship between the mores principle and the utility theory of value. The utility theory of value necessarily, it seems to me, results in an ismatic approach to social problems, because you like the things you learn to like. And what you learn to like is a function of the cultural pattern within which habits are determined. Thus, any application of the utility theory of value gives you a theoretical structure for analyzing problems but cannot solve problems. It justifies existing institutions, as a corollary of the mores principle.

Ayres's work denies the validity of any institution as such. Validity in Ayres's analysis does not lie in institutions. As he says over and over, the locus of value is not in institutions. The sum result of Ayres's work in "ism" terms is the denial of "isms."

STUDENT: *"The common sense reaction to Ayres's approach takes the form of believing that, in some sense or other, there must be an "ism" to it, because to deviate from an actual relativism position means that you assume some doctrinaire position, and you get that dualism you described."*

Yes. The same thing the critics found with Veblen. He isn't going anywhere--where meaning an "ism," a particular pattern of institutional arrangements. And that's right. Neither Ayres nor Veblen is going any that kind of "where." On the other hand, that would seem to the student at that stage of the analysis to be key to understanding either. If you preclude the possibility of a natural-order basis, then something else is guiding the process as it goes we- know-not-where.

That kind of positivism is making strong replacement just as of now. We don't know "where;" agreement there. But we know there is a "where," and positivists think we will know when we get there, to some outside-the-process situation, unknown and unknowable, normative but "there." And of course they require an animistic teleology by virtue of habit or something--a particular pattern of human nature or God as the fundamental datum in understanding the social process. Another emanation of the mores principle. ....

Last time we were trying to get close enough to the value problem to see what we are up against. An item we ought to examine here is the effort in the

immediately current literature-- clearly discernible only in the last four or five years, since the war--to retain validification in terms of an unarticulated but nevertheless fairly definite pattern of institutions and, at the same time, to seem to have abandoned that basis. It is parallel to the heavenly city of the 18th century philosophers, who made the same effort to make sense out of what they knew, abandoning teleology but retaining the full stock of working conceptuology with which they had developed value theory.

It has taken the form of the requirement to recognize that we don't know, and cannot know, anything about where we are ultimately going, in terms of institutional structure. It is no longer Veblen's pre-Darwinian scholarship, but it is an effort to hold the same results after explicitly recognizing the necessity of abandoning the way those results were expressed in the literature. It is being done as, "We don't know where we're going, but we're on our way," still retaining the belief that there is a "where" to where we are going in terms of institutional structure. So the analysis now, in the last rampart of getting to a particular structure, is to deny knowledge of the structure and to deny the possibility of using it in the analysis of our experiences, yet managing to retain the same results of the old analysis: to wit, the validification of a particular institutional pattern.

This has been done at the philosophical level through the normative-positive distinction, and at the social science level, so to speak, through the intellectual permission furnished by that distinction to be concerned entirely with the operation of particular patterns of institutions without question of efficacy at any stage. The result is a simple catalog description, which itself cannot be accomplished without valuation. When valuation is inescapably and consciously encountered, the escape device is to the effect that it can be judged only relative to the culture which accredits it--any pattern of human behavior--and then proceeding as if no imputation of value had been made.

Thus, you see, the social analyst can reach exactly the same conclusions through what I have characterized as an imputation upon encountering the value problem, by virtue of the denial of the knowledge of ultimates which comes out of the normative-positive distinction in philosophy, the normative being unknown and unknowable in the sense that you can know positive data. So, I think, you will find the literature at that stage in most part: the amelioration of the naked problem as it appeared theretofore up until the recent repudiation of the utility theory.

Before that, the problem could be met head on and answered directly, and still attain the validification of a particular pattern of institutions. After the failure of the intellectual permission offered by the utility theory of value, recourse has been taken to what I have just stated in order to maintain validification of a particular pattern of human relations. That literature I expect to expand feverishly, particularly in philosophy and economics, before it dies altogether. There is an almost vehement fear of any effort at the organized representation of institutions in professional scholarship in the social sciences now, a fear of any effort to go beyond the normative-positive distinction or to question it, the reason of course being implicit in what we have already examined.

If you abandon recourse to the normative-positive distinction, you abandon "isms," and you abandon any hope of validating any particular "ism" as such. That is

why people become proponents and opponents of utility theory: Which pattern of institutions does this theory validate? The answer has proponents and opponents. When that possibility is gone, that is to say, when you abandon the normative-positive distinction supporting utility theory, then social theory can no longer perform that function of inconclusive debate. Then it becomes a science. ....

At any particular stage in the development of social theory, you will find feverish effort to maintain the answers which can no longer be maintained in the old form. A revamping of the theory, always the same answers. No one any longer asks such questions of areas of inquiry-- such as physics--where theories are constructed in view of the scientific criterion. But I would have you note that time was, not so long ago, when that was the most explosive question on this earth. When it became apparent that physics could no longer be used to validate one particular power structure or another, physicists were burned at the stake, they suffered physical torture because the earth revolves around the sun.

Even at the time of the publication of The Origin of Species and Ancient Law, Maine's study caused hardly a ripple compared to Darwin's. *[Today]* no sane biologist would question the validity of the question that Darwin was asking. They now disagree with Darwin mostly in the details because of subsequent analysis, but accept the validity of the question of whether and how species come to be. No one would have the slightest hesitation--even at Baylor University where it is explicitly forbidden by administrative fiat--to recognize the validity of that question. Since Hermann Joseph Muller's work, there is no ground for denying the validity of that question. But it occurs. Within my lifetime we have had trials and sent men to prison. Sir Henry Maine asked exactly the same question about the law, and no one raised an eyebrow. But today, Maine's Ancient Law is causing a revolution. In law schools today, students found in possession of that book are looked at askance by many professors. A hundred years since its publication. Why? The problem hadn't arisen then. Then you could still validate a legal structure through the utility theory of value and its applications, for the most part the theory of justice coming in through the mores principle.

A century ago, biological theory was new and was still used to validate institutional structure, to validate patterns of human relationships--racial discrimination, citizenship, property rights. Today, biology has nothing to do with those things, but then, biology was an area of vehement turmoil. And if Darwin's question were a genuine one, it knocked the whole business into a cocked hat.

What happened in biology and physics, and even earlier in astronomy, was the attainment of rational value theory that cut out the possibility of validification of a power structure through that area. That is the point at which the struggle gets bitter. In that respect, law is today where biology was 100 years ago. And since Veblen, political economy is in that stage, where the best scholars in the field suspect that it is no longer serviceable as validification of a particular institutional structure. That is to say, it has become a science. Not that it has solved all its problems, or even begun to find the questions that it should ask itself. But it has attained the possibility of scientific analysis, and that possibility stage causes the turmoil.

We have already seen that, in the actual resolution of a problematic situation, you can't use the utility theory of value. You can use it in your formulation and

explanation, but you can't use it in your operations, because it isn't true. That is to say, it isn't in conjugate correspondence with the facts of the case--the criterion of judgment permitting resolution of problematic situations.

What I hoped to make clear last time was that we are asking what criterion of judgment to use. We can't conceive a problem without an application of the theory of value. We can't solve a problem without the application of a theory of value, in the sense that the recognition of a problem means that something is wrong, missing, incomplete. Those are judgments--something is out of order, something isn't working. We are making what Lionel Robbins would call normative judgments, that is to say, value judgments There is no practical operation other than habitual or random which does not require the knowing and using of that which is supposedly unknown and unusable. So we might as well divest ourselves of that nonsense--to try to operate using something which is unknown and unknowable.

If we know anything at all, we know that we do make normative judgments. So we can set up a normative-positive distinction in human experience on other grounds. Those words "normative-positive distinction" can have an instrumental value. But in the sense in which it is now being used in the literature, there is no such distinction and can be no such distinction.

So we are confronted with recognizing the absolute necessity of the use of a theory of value. ....

lecture sixteen

We use the instrumental-ceremonial distinction to distinguish between genuine social problems and imaginary or artificial problems. There is a difference in the character of problems and in their solution. Genuine problems have to do with the efficiency of the economic process. Artificial problems arise from efforts to apply the wrong theory of value. ....

There is no other good in the economic sense than the maintenance and advance of the efficiency of the economic process--the provision of real income. That is what the instrumental theory of value asserts. And you cannot solve real problems that interfere with the efficient ongoing of the economic process by trying to apply the utility criterion of judgment to the solution of these problems which are of a different character. You can't apply the instrumental criterion at the same time that you apply a non-instrumental criterion. And if the problem is what it is by virtue of efforts to apply a non-instrumental criterion of any sort, you hit the missing middle. You don't partly apply one and partly apply the other to the same problem. What you are doing is trying to apply one to one problem and the other to another problem. Solutions like invidious differentiations, which may appear to an individual or a group or a community as having solved the problem, do not remove the incidences of the genuine problem. The solution to artificial problems is to stop trying to apply the wrong theory of value. They are problems of human folly which, when solved in invidious terms, not only do not solve the problem but create additional genuine problems. ....

lecture seventeen

The whole purpose of this course is to show that the determination of the criterion of judgment and its application in social analysis is exterior to a culture, that is to say, independent of a particular culture. They are part of culture, in the sense that they are humanly conceptual and come out of intellectual intercourse with other humans. But they are not simply what we have learned, as is the case with the corollary of the mores principle. That would be myth, non- science rather than science. Science is peculiarly a-cultural in the latter sense. ....

What I hoped to get into is the matter of the character of the social problem within a particular institution or a few institutions, as part of the whole of the institutional scheme. The tendency in that regard is to confuse a problem arising within a particular institutional structure with a particular item in that structure. The tendency is to try to look at that kind of social problem in the same sense that you look at a personal problem as distinct from a social problem, that is to say, as a matter of what constitutes the kind of given data, rather than which is the correct distinction between the personal and the social problem.

It seems to me the social problem arising within a particular institution within the whole cultural scheme of institutions is quite another kind, despite its similarity with any other social problem. And the distinction involves a preview, or at least some light on, what I shall call the principle of recognized interdependence and the principle of minimal dislocation.

A point I want to bring up before we proceed, however, is this matter of equilibrium and, of course, the parallel question of the equational theory of justice, which is one of the applications of the theory. Far and away the clearest and most sharply defined instance of it is in economics, in the mathematical presentation of the economic process by theorists like *[Pareto,]* Cassel, *[and Hicks]*. The best, and certainly most elaborately worked out, example of the general concept is the mathematical economic analysis, running in terms of demand and supply, or demand or supply, determined by the price of all other commodities, which gives you a series of equations. Since you have as many equations as you have unknowns or items in the equations, you can always find the numerical evaluation of any one in terms of the others. It takes various forms with various techniques: Cassel's is cost, Hicks's is indifference analysis.

What we have is cost, as well as utility, in terms of alternative utility in such analysis. Then, ostensibly, the problem of the missing middle between utility and disutility is erased, and we have what is generally attributed to the neoclassicists in economic theory: the difficulties involved in the utility-disutility bifurcation on a common attribute measurable in common terms, that is to say, price.

The fundamental philosophical question involved, of course, is troublesome in that utility and disutility are clearly identified as different kinds of experience, not different degrees of the same kind of experience. The whole history of the question of value has proceeded into a bifurcation, a resolution always called the great synthesis, an evidential demonstration of the *[unity of utility and disutility:]* inadequacy, nihilism, bifurcation, synthesis, nihilism, etc. That has occurred some four or five times within written history. And it is because of the missing middle *[--a discontinuity that is eliminated by a synthesis.]* The synthesis gets rid of the missing middle, and is accomplished in that fashion.

We have utility and disutility being conceived, in the earlier stages of this kind of analysis, as two different kinds of things: pleasure and pain. The resolution of it, the synthesis, was attained through the mathematical analysis. Its early stages in the hands of Jevons didn't seem to attain a real synthesis because it left so many problems unsolved. .... The real synthesis came later, by making both pleasure and pain utilities. Costs are not a different kind of thing. In this sense you have a missing middle, not minus and plus, but disutility and utility. The synthesis is constituted by doing away with the Stoics: it is not painful, but when there is more of something you don't experience *[abstinence, opportunity cost]* than of something you do experience, you have thereby sacrificed value, that is, utility. You have experienced a "real" cost, with a unified concept of what constitutes value.

Thus the synthesis. The problems that arise by virtue of the difference in character between pleasure and pain is erased. The minus aspect is what has been foregone in human experience by virtue of the operations looking toward the plus aspect--utility. That is the character of the new utilitarianism, as contrasted with primitive hedonism, the reason being-- again coming out of economics into philosophy and the other social sciences--that the problems arising in setting up the equational analysis in this stage of utilitarianism resulted in some very embarrassing answers--Karl Marx. And so the economists speak of this kind of analysis as real cost analysis--real cost as different from real rewards. And here it is comparative costs, costs being the same thing as rewards. Thus, you can set up a theory of wages measuring disutility and utility by the same units because they are the same thing. It is other things foregone, you see.

Ostensibly, this solved the problem of the missing middle by reducing both supply and demand to utility--comparative utility of any given means of experience to other means of experience both conceived in these terms. But does this solve the problem? Quite clearly, it will fit comparative consumer prices if the rest of the circle be given, like any other commodity price.

But--trying to help the devil prove his case--what determines *[the equilibrium relationship in comparative cost analysis]*? These supply and demand schedules still look just as they did to Smith or Ricardo or Mill. But they are conceived so as to avoid the problem of discontinuity between utility and disutility. .... The theory of wages, for example. You get marginal revenue or the marginal utility of all objects or of any commodity you want, either one. In this case, labor--and the marginal disutility of working conceived as what you could do other than work rather than the pain of working. The real cost is not the pain; it is what you could have done other than work. You could have gone fishing, etc.

Given all this, we have two questions to answer, and if we can't answer them, what do we mean by the significance of this theory? Do we mean that it explains something? If so, what? Well, we have a definite equational expression, given the accuracy of all the schedules. If the schedules change, we will have new relative exchange ratios among the means of experience. We will obtain equilibrium at some other point. But we haven't explained anything in the sense that it will help us resolve problematic situations. What is the old or the new picture good for? If it is completely without significance, why bother with it? If social science is to be

restricted to simple description or definition or identification, then what significance has it?

Explanation is something other than description. And I would have you note that the very spokesmen who insist that social science be restricted to a description of the run of the facts are the most dismayed when anyone suggests that social science is in fact worthless. What, then, is their idea of significance? Quite clearly they mean that this picture allows, or at least helps, us to know what we ought to do. But “to do” means motion, activity, and the laws of motion would not describe different equilibria. They would have to be set up in terms of direction and philosophies of change, as in the differential calculus. That is to say, the laws of motion would disclose to us why the picture is changing, and the “why” would have to disclose the character of the process of the shift. Such a concept of process does not permit cutting a cross section here and a cross section there and describing each (shades of John Bates Clark), and assuming thereby that you have a theory of the process as Marshall tried to get at it. You don’t get dynamic by putting cross sections of the static closer together. You don’t understand why people change by taking their picture more frequently. The data you record in frequent photography might be valuable in working out the theory of growth or of change, but they don’t disclose to you the theory of change. And they quite clearly don’t constitute a theory of change. ....

What I have said in substance is that significance in the analysis of the social process inescapably involves valuations. The process, as these spokesmen admit, constantly involves what goes on in the minds of--I would say “man,” they would say “the entrepreneur,” “economic man,” the man whose decisions eventuate in this or that.

What is wrong with the theory of mathematical equilibrium in so far as explanation is concerned? Accepting their specifications for the universe under consideration--in this instance, the determination of the character and the rate of provision of the means of human experience-- unquestionably relative exchange ratios in anybody’s economy are very important. They determine the extensive area of the character of the means of human life and experience, and therefore determine the character of that actual life and experience. Then what is the difficulty? Offhand it seems the approach is progressive. It has a single criterion of judgment, and thus ostensibly avoids the problem of the bifurcated connotation of utility and disutility. We have a way to compare one quantity of utility with another quantity of utility and, thus, satisfactorily arrive at a just--and therefore proper--exchange ratio and, therefore, a just determination of the character of the means of life and, therefore, a just determination of the character of human experience over any given time period. Then what is wrong, given the equational theory of price and of justice, or the equational theory of justice and the equilibrium theory of price, and given the imputed significance--though denied by the major spokesmen for the theory--,and given the specifications of the universe of relative prices? Let us look at it in relation to the specific example of the theory of wages to see what is wrong.

lecture eighteen

Last time we indicated the significant import of the equilibrium concept, particularly as it is thought to be susceptible to mathematical expression by virtue of decisions of persons who exchange items which have that attribute--utility. We noted that this expression attains the determination of justice and, therefore, propriety in the character of production and the quantity of production; and since the character and quantity of the means of life *[determine]* the character of experience, *[equilibrium specifies]* the social process itself.

Then we asked ourselves the question of what is wrong, if anything, with this effort to avoid the difficulties in the bifurcation of the plus-minus aspects of it which make it amenable to determination of equilibrium in mathematical terms, that is to say, using mathematical language. We had *[said that]* almost all economic theory is drawn in those terms, the only *[measurement of which]* being, in economics, that of price, the price theory of valuation. It is used by other social scientists in other terms--certainly by the *[political scientists]* and sociologists and anthropologists in most part--the idea that people seek satisfaction, which we had already noted in the most elaborate presentation, that of the marginal utility analysis in economics. It looks like hardly more than a description of a situation, allowing no possibility, at least offering difficulty, in getting to what those theorists usually call a “dynamic” explanation or expression in terms of process, the general procedure in that instance being chronologically very frequent cross sections so close together that you can draw a trend. And statistical analysis, you will note, uses that construct very extensively, and where correlations are established, it would seem to be a valid tool.

That is especially true in the examination of phenomena that do not involve the exercise of discretion, that is to say, immediately applicable in the area we call physical science. The difficulties arise by virtue of this attribute we call reason, and thus the choice-making function, and I fear that most of the mistakes made in statistical matters are a result of forgetting that human beings differ from other items, relationships between which may be analyzed through the use of that tool. It seems to me that the problem at that point has not been sufficiently examined to make any very reasonable judgments about where that kind of operation is valid and where it is not valid.

Where valuation is taking place about non-evaluating items, it is simply and clearly a problem primarily of mathematics, technique of expression so as to bring into view the determinants of the problem simultaneously, so to speak. But in the case of an analysis of the correlated behavior or the interrelationships among evaluating items--persons--another element is introduced which seems to me to do fatal violence in many instances to the application of this same theory.

STUDENT: *[Can’t you use the theory of probability with large numbers?]*

Yes, and of course that is done. The difficulty is that your problem almost always should not involve infinite numbers. To get to confident predictions through that technique, the numbers required for the theory of probability to give confidence is larger than the number of persons who are involved in an institutional situation. In the case of an individual family , or in the case of a particular wage dispute, the *[statistical]* correlation of various items which are variant through previously observed sequences, the simple function of which is identical with the one under

examination, will not tell you what will happen, even though your previous experience has been the correlation of 100% positive.

I think the theory of probability applies, certainly, but the problem is really not one of *[statistics]*, your problem is one of examining and determining what is involved in and what constitutes and what determines the evaluative process. The fact of valuation on the part of the items being examined, it seems to me, changes the assumptions, changes the items about which the assumptions are made in the case of non-evaluating items like molecules or worms or something. So the real problem you have to solve is not the problem you attack when you apply that kind of statistical measurement to non-evaluating items.

With humans, the problem is always one of determining the process of evaluation before you can proceed with the statistical tools of the items about which you presumably know its behavior evaluationally-wise, which is always the case in non-human or, at least, in non-animal activity. It is always true of machinery, but it is never true of human beings. You have a doubtful area all the way down, depending on the complexity of the evaluating activity that goes on in the living organism. Of course, we all know that in some sense or other almost all living organisms evaluate. Plants diverge by virtue of encountering certain stimuli, and they don't all diverge the same. There are individual differences.

STUDENT: *"Would you mind [repeating] that again? I seem to think that you said there was a degree of predictability in machines that there isn't in humans, and I'm sure I didn't catch it."*

Well, I'm sure you didn't too. The range of predictability in human behavior, I should say, is of course the same range--exactly what it is in the case of electron analysis, or stellar bodies, or chairs. Exactly: it is from zero to complete confidence. In the case of human behavior it has the same range.

That wasn't the point I was discussing at all. The point I was trying to make was the realization that the assumption underlying the application of this tool we call the "trend," which is simply a particular application of the theory of probability, becomes invalid when it is applied to relations between evaluating items, since it is drawn on the assumption that there is a non- evaluating situation among the items the relationship of which is under investigation. It is the process of evaluating that invalidates the presumption involved in the application of the central- tendency idea.

We can go farther than that, I think. We can say that in any problematic situation in which it would appear desirable to apply that tool to the analysis of a particular problem--if you want to apply it to some aspect of the social process which appears to be incomplete or something is out of order or something like that--in the case of human beings you first have to work out the problem of value and evaluating before you can apply that technique. The technique is applied just like it is in physical science. It is applied as if we in fact do know the outcome of each individual item's response to the forces which comprise the data of the problem. We don't. That is my point. We don't unless we understand the theory of value, the theory of valuation, and the data which that theory indicates in relation to that particular item being investigated.

And a third point which I think we can see is that in collecting those data we do not, we cannot, be guided by the theory of probability itself, nor by the theory as it is applied in physics, because of the difference in character of the operation. An example of that appeared in an MBA degree examination I sat in on, in which the student had a minor in statistics. One of his professors happened to notice a chart in the room which showed the experience of haberdashery retail business over some twelve to fourteen years, and asked him to make an estimate of the correlation between the two variables involved; one was retail price, the other I forgot. The student guessed it pretty accurately at about 85%. Then it occurred to me that both the questioner and the candidate thought that was significant. I said, “Take a period in the highest correlation, from year X to Y; you’re in the business, and this is the run of the facts. You’re going to use this knowledge of correlations to determine what you are going to do this week. In the fall of this year, you have to decide how much and what kind of what to buy. The positive correlation here is pretty high, better than .8. Are you going to increase your stock, or are you going to decrease your inventory?” Well, he immediately saw the point, of course. What would happen is if he had, he would have been bankrupt within a matter of a couple of months. And bankruptcy to business is sort of like death to an individual organism; you aren’t any more.

My point was that you can’t predict the actions of human beings that way, unless you know why that correlation was established. And that “why” is the constant presence of evaluation in the process and the determinants of that evaluating process. The general principles necessarily have to continue, but the data that those principles identify suddenly reverse themselves at that point, and the correlation for a short period of boom is gone. It is reversed. You can’t predict that way, by virtue of the fact that human beings evaluate, unless and until you get the data which are not disclosed in such charts, those data being dictated by what is involved in the evaluative process.

Some time ago, we had illustrated utility and disutility in retrospect in which we had a bifurcation of two different things. It seemed to be a necessity of real cost analysis, the last determinants of it being the disutility analysis in the *[neo]*classical development in economic theory, along with positive utility in the earlier stages of the utilitarian doctrine, usually referred to as hedonism, and the reconciliation of that missing-middle situation by making this conceivable in these terms. Thus the synthesis. That is what Marshall was supposed to have done for the civilized community, and then on into philosophy and the social sciences, the familiar graphical presentation of it as it appears in economics as a determination of equilibrium price. And you can set that up in terms of comparative equilibrium price for any number of items, and through the equations represented by these schedules get the equilibrium point on both these axes-- price or measuring unit, and quantity-- between any two commodities.

That is raised to the level of general principle somewhat in this wise. As everyone knows, the economic process doesn’t stop, and in this sense you might represent it by circles and start anywhere you want. Start at consumption, and all the things that go on in the economic process resulting in more consumption, resulting in energy, etc., round and round, resulting in more consumption. The theories centered

on the theory of progress and how that circle got larger and larger, and thus it takes such forms as the Austrian development of roundaboutness, which is farther from any point you want to start at, and go back to that position. More indirect operations in the circle enlarge the community's--and thus each individual's--economic life and then society's life generally by virtue of the experience in it--the theory of capital formation making use of the development. You can start where you want to , it doesn't make any difference in this analysis. The neoclassical theory can be stated quite as well from one point in the circle as the other.

Somewhere around here, you have two stages involved in which this difference becomes a real problem--the one of wages, in which you're getting the equilibrium identified between this and this, or this and this, presumably in this and this, already having recognized the difficulty in here. Granting the attainment of *[equilibrium]*, and granting all the assumptions that go with it, then examine a position in this circle which involves, on the one hand, human experience which is completely in conformity with this basic idea, because all points on this circle are reducible in this theory to those terms. It is not the physical matters that are determined, it is the human incidence. And what human incidence? Utility. And utility can be defined in such a manner as to make that, in fact, a truism, where it is necessarily so.

My point will be that what you get then is a chronological presentation of a cross section of the situation which you purport to explain. And it becomes most apparent at two points ... when what that point is reducible to in the economic process is what you began with. That *[situation]* is most easily observable in the case of consumer goods and in the case of wages.

This buying of labor. In the case of wages, in Marshall's terms set up as an equilibrium position between the schedule of the marginal productivity of labor and the schedule of the marginal disutility of working. It is no different in any other social science except, in this case, there is interposed a price theory of valuation which gives you equilibration on this *[quantity]* axis, which avoids this difficulty by applying this concept in these terms. Now this *[supply]* schedule is presented on the assumption that, as anywhere else along here, the alternative foregone *[by working is the utility of not working]*--which is true as long as you are trading a commodity for a commodity. In the purchase of human labor, there are no *[positive alternatives]* involved. *[The worker]* can buy white bread or rye bread or whatever, but when you buy human labor, what are your alternatives?

This *[labor supply curve]* is set up like any other application of price theory, as if the alternative were what is presented here. The assumption is that *[the worker]* has the alternative between working and not working, and that certainly is true, isn't it? You don't have to work, you can starve to death, if you want to. But it isn't starvation that is presented as the alternative, because then it wouldn't be in this shape. I presume that you would hate to starve to death at one time as much as at another time.

When you take away real cost analysis and get to comparative cost analysis, which seems to have resolved the problem inherent in this bifurcation, you get yourself into the difficulty that I'm trying to focus on now. What is the alternative to work? What is assumed positive here is leisure, isn't it? And of course, as all of you

who have had economics courses with me in which this arises know, that isn't an alternative to employment at all.

Leisure, with very slight reflection--and how it has missed the economists beats me--is an attribute of employment, not an alternative to employment. It is an alternative to working when you are employed. It's an alternative available to those who have placement in the institutional structure we call employment. As a descriptive fact, it is not an attribute of unemployment at all. That's why we have always thought that unemployment wasn't leisurely at all. It is the most not-*[leisurely]* that you can imagine. In the case of non-availability of alternative placement in the economic structure, so as to receive income--which is the presumption of the theory we are considering--there is *[no leisure]* involved, yet all of it is "not working."

The assumption is that not working and leisure are the same thing, and in fact they are not. What we mean by leisure in these terms is an attribute of employment, meaning, of course, as the man on the street has always known, when you have a job, the time you are not working is the time you're off the job. You get off at 3 PM, and then you are at leisure until the next morning when you go back to work. But if you don't start to work the next morning, if you aren't placed in the institutional structure in that fashion, you're not at leisure from 3 until 9 the next morning. You don't have that experience during that time. What you have is something different. If you have a job, you just love to get off. But if you are unemployed, you hate to see 3 PM come just as much as you hate to see 9 AM come--in these terms. But if the terms are different in your alternatives, you've got these problems. And these problems already have been proven fatal by the very spokesman of this theory.

So what are you going to do, when half of the equation is human life? And that's true of the price determination of consumer goods as well as wages. In the case of wages, half of it is direct human experience. There is nothing in between, so that you do not have the alternative of imputation of the price theory of valuation through the price theory of valuation that you do in the case of commodities. In the case of consumer goods, half of the equation is human life.

The alternative to consuming is death, and death is not measurable in foregone utility. We have always known that, when you get down to rock bottom, the practical actualities of human experience *[are]* that human life has no price. It is priceless. We have always known that it doesn't fit the utility theory of value, and no one has ever questioned that. Yet, I will have you note in view of what we said last time, that if this theory's significance is not human life, then it has none at all. The commodity doesn't make any difference, as John Stuart Mill explains very carefully. It is its impact in terms of human life that makes the difference, that establishes that equilibrium. And it is presumed that human behavior is already known as chronologically anterior to the application of the theory of probability to the *[supply and demand of labor]*. And it isn't. Now, my point is this: you cannot determine wages this way. It can be shown, as John Maynard Keynes shows beyond any shadow of a doubt in anybody's mind, that that *[supply]* schedule does not exist. He puts it up so pat that it is a truism, and everyone agrees that all truisms are true. But they are sort of ridiculous if you try to make them something other than a truism.

The same thing is true in the determination of prices of consumer goods.

When you reach the point where the alternatives are in fact the inclusive ones, between consuming and not consuming, your whole pattern of presumptions falls to pieces. Everybody knows that when that is the set of alternatives, there are none. There can be no choice between life and death. That's why this whole recent question of allowing a physician to make a judgment in the case of a particular patient is absurd. Of course he cannot, and we cannot allow it on very valid, evidential, scientific grounds. You can't do it that way.

And if wages and consumer prices are not to be fitted *[into the circle of the economic process]*--and note that they occur all the way around here: always labor is being purchased, always consumers are buying products, always production, final stage, is being turned into human life, into human experience. You eat it and wear it out--and some things don't even do that. The more you use it the more you have, like music and love and bubble gum.

You can't *[use the comparative cost analysis]*. You have to make an imputation around every *[proposed alternative]*. And you don't know whether that line runs off down here in these terms, or whether it just goes right on down there, do you? You can't fit the theory of wages into this business. And I use the theory of wages an an item because it is in the literature, demonstrably, and so far as I know completely without refutation, as incompatible with *[comparative cost analysis]*. But if you go back to *[real cost]*, you encounter fatal difficulties to the general theory, you are applying, and you're bankrupt again. Thus nihilism. And what has occurred in response to the synthesis that has come out of the recognition of the problems involved here has been a tendency toward nihilism, and the impossibility of the application of the nihilistic pattern of intellectual operations to real problems has resulted in the *[birth]* of any number of positivisms, from fascism to existentialism.

So when we ask, for example, what sacrifices the laborer makes which fit this specification, you will find that there are none. Labor, then, is not a commodity except in the sense of one attribute: it is purchased and sold. The fact seems to me to be clear that unemployment does not have positive utility. Then what is the alternative which gets labor started around in the circle? In the mathematically equilibrated relationships that we have set up--and I certainly think it is a very valuable tool in analyzing the referential content represented by that circle--there is such a process, you know. If those gaps are to be bridged over, can we grant the assumptions upon which the general theory is built? If not, then how can all prices be defined in terms of all other prices of that circle? You have to have as many equations as you have unknowns, and you have as many unknowns as you have commodities. At least two of these items in the circle don't fit. You have two more unknowns than you have equations. And those two--prices of consumer goods and price of labor--don't have a commodity intervening which gives them a common attribute of measurement. ....

So you can't, it seems to me, apply the utility theory of value even through the concept of equilibrium, as giving you direction of analysis and arrangement of data for analysis. The data aren't there in two of your equations. You come up with an equation like this: x + what = what? And I suggest that you can't solve that equation. The reason is that one of the "whats" isn't there. When you have more unknowns than equations, you are wasting your time.

lecture nineteen

STUDENT: *"You indicated yesterday that any decision like mercy-killing would in fact be an irrational decision. You couldn't make a rational choice to follow that course of action."*

That's right. There are any number of ways of putting it. Perhaps the most succinct way is this: so long as one is alive, it means (incidentally, this is the same problem as in suicide exactly--*[the choice]* between life and death) he is operating at some level of efficiency. It may well be that, to him as an individual, it is intolerable. The pain may be excruciating. The interruption of his faculties--and particularly his intellectual faculties--may be such as to make him wish for death, and he may beg his friends to destroy him, or the community or his friends might consider it on their own. But the fact remains, and it is a fact, that he is operating at some level of efficiency, and the choice to destroy is zero in preference to that level. That's the inclusive way of putting it, I think.

There are other ways and other items which might help substantiate the position which seems to me to be irrefutable. You don't know the determinants of the future in the technological sense, including the individual's physiognomy, and you know that you don't know. Some of the greatest contributions to civilization in the whole development have come from persons for whom that decision would appear at first blush as rational as could be made. In the application of an instrumental theory of value, that decision is impossible. In the effort to apply the utility theory of value, that decision may be made. But happiness is not the end of life. As Einstein once explained, it is fit for a criterion of judgment only for a herd of cattle. And I am sure that cattle are much happier than most persons, in the ordinary sense of the word happy; they have fewer irresolvable problems (and that is what produces unhappiness) than have human beings. They are content, but who wants to be a cow? I think maybe a buzzard ought to be the happiest of all animals, but I don't want to be a buzzard. And to wish to decide to die, or to decide on your own or on someone else's death is a decision to be less than a buzzard. It is a decision to be less than a paramecium. It is a decision to be nothing. And nothing, I suggest, is always less than something, no matter how little something is.

There can be no rational decision to kill anybody, either yourself or anyone else. It can be very difficult to see when you are in a situation yourself in which the basis of reference for the problems at hand is extremely camouflaged by thunder and lightning, etc., in your own feelings. When you feel alone, when you are cut off from the basis of reference, from the social process, when you are cut off particularly by emotional dislocation and, therefore, in the extremist *[isolation]*, then it is very difficult to think about the matter. You get frightened and disturbed. And by disturbance, I mean disruption of the rational processes. And you get to where you don't care. What you mean by "don't care" is that you cease to be rational. And in that condition, you can choose death. It is the wrong choice, necessarily the wrong choice! Either for yourself or for anyone else. Society cannot permit on quite other grounds any individual to make it-- logically, society cannot permit them to destroy other members of a community unless it can be proven that their existence threatens to destroy the community. And that has never been proven.

Capital punishment is an irrational institution. We don't know the future. You can't allow it on another basis: a person having discretion over life and death of other persons, having the power to pronounce one or the other, to choose for other persons that alternative which is not a genuine alternative. Note that all alternatives are items within the life process. There are no alternatives outside of the life process, so far as social value is concerned. Dead people make no choices socially. There is no choice, therefore, between nothing and something. If alternatives mean anything, they have to both be positive. That is simply a question of the problem we have been considering the last two hours in the bifurcation of the criterion of judgment. A choice between something and less than something is not a choice. Choices are between somethings. So to act as if you were trying to make a choice between something and nothing is nonsense.

There are other grounds: an individual who is given discretion over another person's life or not-life must be remembered to be himself a choice-making individual, and he must be remembered to be subject to all the incidences--both invidiously and instrumentally--that other persons are subject to. This is what is wrong with government by the experts, you see, no matter how they are trained. The question then arises of ultimate (if the word has any meaning in this regard) power. Discretion--complete discretion--over other persons; power to decide that other persons don't exist. If any power is final, that power is final. And remember that as an institution where there is a plurality of persons involved in each position in the institutional structure, that person will have a tendency to act in terms of his power louder than in terms of the instrumental decisions and problems at hand. And that is where the two come in conflict, he is apt to ask of himself right questions and get the wrong answers through this device which has grown up, especially in the United States, called compromise, which is an attic door with a ring of justice to it.

By compromise, of course, what has occurred throughout the history of man is that he maintains his power even though he knows better. And always the compromise is on this score: that if he doesn't, someone else will. And since he will do it better than some scoundrel, he has to do it. That is the most direct, and nearly certainly the most ceremonially adequate basis for that kind of behavior. And you find it over and over again. I saw a governor of a state weep on that score, because he knew what he was doing was wrong, but he felt he had to do it. Well, the fact is that he didn't have to do it. What he meant was that if he didn't do it, those scoundrels would, and they wouldn't do anything but that. I told him he was wrong, and he was. You can't believe something you know darn well isn't so.

STUDENT; *"Isn't it true, though, that people who claim to be using the instrumental approach would make a decision as to the life or death of an individual or a group of individuals on the basis of that individual or group's impeding the efficiency of the community?"*

Yes. But to choose death to erase that impediment is to disallow all other alternatives, and the only place that is in fact disallowed is in self-defense. It is not true that there are no alternatives other than life or death, except in defense. When a man tries to kill you, the position arises in which you have a choice between your life

and his. But in no other instance do you have that choice. In no other instance are those alternatives the only ones. ....

A man stands before a judge for sentence, a sentence for conviction of the most heinous crimes you can imagine--and they have all been committed. The judge has other alternatives besides life or death to that man in reference to the security of the community. This man is in such a condition that, if you turn him loose in the streets, he starts killing everybody he sees right away. And there are people who are that way. They just like it, think it is fun. You still have another alternative for the protection of the community and the social process. However, when a man is approaching you on the battlefield with a bayonet, it is a different matter. That is why a decision to wage war cannot be made on rational grounds. A decision to defend yourself in war must be made if you are to proceed on rational grounds. Pacifism has no foundation in fact. Aggression is always invalid. Defense is always valid.

.... If it were not true that defense is rational behavior, then there would be no social process, because there always are persons who like to destroy. There is nothing easier than destroying the social process, if the community doesn't defend itself. ....

STUDENT: *"If you can protect yourself defensively, the argument always arises as to whether you wait until they strike, or protect yourself by stopping them before they get as strong as you are."*

Yes. The presumption in the case of a declared war, in which each side has proclaimed and demonstrated, and it is accepted by all parties involved in the institution of war with complete confidence that everyone is operating under the same immediate motivation--that is a situation in which it is in fact true that an attack may be a defense. But in a situation in which everyone denies that he intends to kill everybody, to assume that everyone does intend to kill everyone is in error. .... Now, that much I have said frequently in regard to the cold-war situation, that if it were true, in fact, that Russia eventually would try to destroy the United States, then you must conclude immediately that you must attack Russia tonight, with everything you've got.

Now, no one who talks as if they want war with Russia is willing to do it now. No one thinks he is prepared to make that decision now, and correctly so. Those persons don't want war with Russia. They want a continuation of a differentiated pattern of *[income distribution]* in the U.S. They aren't fighting for a war with Russia. They are scared to death of a war with Russia. .... What they want is a continued favored position in this economy. And the problem internally can be very well camouflaged if enough noise is made about the wolf over on the other side of the hill. It's an old, old human trait. If you can get people to look up at the stars, you can walk by unnoticed. And if you can get people frightened of something over the hill, they forget that you are bad. And when the community begins to notice that you are really bad ..., you will find accompanying the recognition of guilt, a very loud inclination to draw attention elsewhere. .... The art of camouflage, a form of the moron's defense, a form of naiveté. ....

There are persons in both Russian and the United States who have an invidiously vested interest in maintaining the blockage of the cooperation of the two

communities. This raises a problem for a particular institution charged with the immediate decision as to what behavior shall occur in the field of international relations around the world, in view of the fact that both contending parties view this set of facts: that until ways are found in which or through which the two communities can correlate their behavior to the benefit of both, the prime function of the responsible individuals in both communities is to make sure that the other community does not gain the right to resolve the pattern of that correlated behavior, that is to say, to be sure that in any eventuality you will be able to defend yourself against their arbitrary decision of your fate. The U.S. State Department is largely charged with that function at the moment, realizing that in case of an actual effort of an authoritarian dictation, ... the eventuation of the physical struggle that necessarily results is a problem of what the other two billion people in the world feel and think. Who wins the support of the other two billions decides who could, if he would, impose his will on the others. ….

lecture twenty

…. I didn't intend to give a treatise on romantic love; however, I think it is very important and, incidentally, is the most nearly vacant spot on our social analysis. Something ought to be done about it. But it is a complicated operation. I don't know how you would go about it. Most social analysts don' have the emotional power to experience it anyway. ….

Last time I indicated that I should like to discuss this matter of the comparative isolation of social problems in relation to the total complex of institutions within which the problem arises. What I wanted to get you to see is the relationship between that and the personal problem and the lack of synonymy between the two. And, as I indicated, this involves an articulate comprehension of the second principle of institutional adjustment in some preview sense.

All social problems, of course, involve disrapport, dislocation, conceived some way or other--non-fittingness, something missing or incomplete. When that occurs in a social process, in a system of institutions ... Let's say these are different institutions, blocks of which we separately identify, all of them made up of still smaller institutions, etc. All of them comprising the total complex of interrelated patterns. When we get large areas of that in terms of persons and patterns, we speak of it as culture, do we not? A matter of the culture.

Now, problems social in character are always arising within this process. Incidentally, now it is quite clear that the whole world is interrelated in many institutional ways--particularly economic. Events on *[an island]* in the Southwest Pacific affect what happens in the lady's dining room in New York, and the stock market, and the price of coconuts, you see. We are in fact a world economy in a very real sense.

Now a problem arises, let's say, in this institution. It goes without saying that you cannot do something about something which you don't know something about. You cannot make choices when those choices are not within your area of discretion. And it seems to me that there are two ways in which this exclusion of possible alternatives can occur. The primary one is a matter of understanding: *[when]* you can't see the connections between the problematic situation at hand

and institutional factors which are in fact related to it. Example: American labor vote. They aren't bargaining for wages; they are trying to get more money per unit of labor. And they bargain about it, and each uses whatever coercive stratagem is at hand. Finally, they come to some sort of an agreement, and the agreement we call a bargain. Both sides agree.

In 1948, American labor was asking for something which destroyed the effect it hoped to obtain through obtaining *[higher wages]*. We were very close to the M point *[of true inflation]* in that year. Labor got in some measure what it was asking for, and the results were exactly opposite of what it hoped to obtain through getting what it asked for. And that bewildered them. They were doing what they knew how to do: asking for more money. And management was doing what it know how to do —it has always done it that way—asking for less money for wages—for employees other than management.

Always before (with the possible exception of about 30 days in 1920) we had been operating far this side of the M point and, therefore, it had always been true that what they asked for eventuated in what they wanted: a higher standard of living. When they could get what they asked for--more money per unit of labor--it always resulted in their getting what they wanted--a higher standard of living, a more extensive participation in civilization, more of the means of human experience, higher real income. But now it resulted in exactly the contrary because of the difference in economic relationships ... between prices of labor and prices of other things. They didn't understand the M point; they didn't know that such a thing existed. It was never mentioned until last year in the University of Denver *[Gladys Myers Foster, "The M point & the theory of real Y." Master's thesis June 1949].*

Now what can they do? .... Nothing, in the sense of applying theory available to them. What happened *[was]* they tried it a few times and got a few rounds of wage increases, and prices rose a little more each time than wages. Now labor said, "Just a minute!" We have been thinking this way, but it isn't so; something is wrong. It seems that when we get these *[wage]* increases it increases effective demand too much. How can we get more without getting an increase in effective demand more than the increase in wages? Offhand it seemed the only way was to get more money; that is the way you get "things" in our community.

But *[our community has]* thought up some odd things--like Social Security items, vacations, casualty protection, insurance--all sort of things, but no more money, you see. Let's suppose (this is hypothetical, but not altogether divorced from the run of the facts) *[the unions]* were successful in getting some of these things, while in the meantime other things happened that pulled *[aggregate demand]* back down from the M point. .... Other things happened which shifted the level of employment down to about here. What really happened was that the population increased during the period and just stretched this line way out, so labor then operated there.

Then they had the same problem under a different set of circumstances, a set of circumstances which led them originally to apply for more money wages always. Then let's say they are successful for the next two or three years, with increasing

unemployment, in getting more non-market-effect real income. .... Then the market impact of their original attainment begins to take effect in the form of effective demand in the market, and prices go up at the same time that they are not getting increases in real income.

This is what is happening to American labor today. They are beginning to say, "Now, wait a minute! Last year it looked like we would get a higher income if we could get all wages down uniformly, or at least not let them get up any more, and get our gains through non-take-home pay which would affect the market in the form of consumer demand, and thus raise prices through the action of the multiplier effect. Now we've done the other thing, and real wages are going down again. What's wrong?" They still don't know about it. But suppose they did understand that. Then their course of action to attain what they want--a higher level of participation in civilization--would involve a different course of behavior than has ever been followed. They would not then sit down across the table and bargain, and stop there. To attain what they want to attain, they will have to analyze this *[M-point variable]*, and then try to do some things to this *[variable]* to get what they want that used to come out of the simple operation *[of bargaining]* by virtue of the long-continued level of employment below the M point.

So far, my point would be this: that no economic problem is isolated from any other aspect of the economy, in fact. That is what we mean by an economy: that all of the products are economically interrelated. That's what constitutes an economy. And we have said that the economy now is, in a very definite way, worldwide. You might still find some autonomous, as it were, economics in a smaller size. You might find some in which complete autarchy exists. But they would have to be very primitive cultures. They couldn't have the means of experience that we are familiar with. You can't, therefore, isolate a problem in fact.

But every economic problem is, in that sense, isolated. Every time the smallest thing is wrong in any aspect of the social process, you can't go all over the world and all over all social processes and institutions, and make all adjustments--as if you were omniscient--that would result in the perfect alleviation of the problematic situation. It just can't be done. One of the specifications of the area of consideration of the problem is the one I have indicated--*[the M point]*. You have to know about it. If labor understood all that it seems to me labor now could understand, their behavior would be very different than it now is. Understanding is one of the determinants of the area of consideration of alternatives.

lecture twenty-one

Last time we were considering the matter of the equilibrium concept--how the utilitarian application works out through it--and we found that it doesn't work. We found also an effort to explain the economic process in that fashion. It results, at best, in a way of presenting an individual situation as of a particular moment, and offers no way to get at the dynamic, the process aspect. In fact, I should say that it helps very little in extensive explanation. In some instances--for example, the direct comparative estimation of human instances of consumer goods and wages, or the price of labor--we found that it offers not only no explanation, but no

definition. It does not offer identification because the conditions of the analysis are not present. Which ought to lead us to suspect the analysis in some wise, by virtue of the character of the difficulties involved in *[assuming]* positive-negative aspects in terms of difference in kinds of human experiences, not only degrees.

The resolution of the problems which arise in the bifurcations of the concept of human motivation, I think, cannot be successfully attained in terms of utility at any stage in the development of that theory. I can see some possibilities of explaining comparative price, not in terms of utility but using price as a theory of valuation with a different theory of value. Of course, the significance of price theory as it now stands is that it is evaluational theory appertaining to the utility theory of value. I suggest further that the search in those terms seems hopeless; we cannot attain applicable theory. That is to say, we can find no way through that kind of theory to a formulation of a comprehension which would permit us to solve problems with which we are necessarily confronted. So I would suggest its abandonment for that purpose.

I am not here suggesting its abandonment for whatever purposes can be accounted for by it--I don't know what they are, if any. What it comes to is, the reason it is inapplicable is that it is untrue and, as I hope you have already seen, applicability may be discerned in terms of truth. That's why, in the original stages of our examination of this kind of theory, I suggested the applicable and non-applicable distinction, because in a very real sense applicability is inescapably conjoined with validity--applicability in the sense of resolving problematic situations. And as we have seen, there is no escape from the compulsion toward that function. And furthermore, that if there be any other compulsions involved, I don't know what they are. No one has ever pointed them out.

However we go at an application of the utility theory in any of its forms, we come out at the point at which applications to the real problem confronted by real persons necessarily occur, and it is not applicable, working into direct judgments of human relationships in the form of the theory of justice. Not applicable in the sense that it does not offer any way to gather the data which disclose the justification of the data--the resolution of problems involving justice.

In the strictly economic sphere of the exchange of commodities and/or factors of production, we find not only is it not applicable in the sense that it does not result in any possibility of selecting the data and arranging them for analysis--not only does it not do that, it also forbids that being done. And consequently it can very easily be reduced to the absurd--in parallel with the example we recently used of the choice so-called between life and death--in which a community, on the basis of the utility theory of value, could destroy itself quite "rationally" in very trying circumstances, thereby negating all human experience including the valuation one.

And so we are left with the necessity of filling that void. That effort has been repeated over and over again, of course, falling into one of two categories in relation to rational behavior: one, in which *[there is an a priori and arbitrary assumption of an infinite number of teleological theories of value; and two, in which there is a one-choice theory of value and an infinite number of theories of valuation.*

In the first category], the question of the beginning datum may be set forth arbitrarily, and then formulations which work out into specifications of human

behavior which seemingly follow from it--in the John Stuart Mill sense of continuity, meaning juxtaposition conceptually rather than similarity conceptually, chronologically or otherwise--juxtaposition in such a fashion as to get at what we sometimes now speak of as the William James problem of the nature of the cause. In that category, you can say anything you wish: “In the beginning there was ...” or “At bottom there is this ...,” and then proceed accordingly either positional-wise or similarity-wise, to *[explain]* “why” this sort of thing.

Note that what we are starting with here is the non-evidential determination of the basic data, and since those data determine the character of your answers to all problems within the known data of those problems, and since, as it were, one answer is as good as another, then you can predetermine your answers by preselecting your data and then choosing the criterion, or what results in the criterion, by choosing the basic data accordingly. That is to say, you can work your problems backwards.

I would suggest that is a complete circumvention of the problem. We say you can work your problems backwards. What we are saying, of course, is that you can select what you wish would be an answer to the problems, to remain on safe ground, and work back through analysis, disclosing at final conclusion the basic datum, or what Dewey calls the “island of confidence” from which, then, in your demonstration of the validity of that answer you may start, thus attain a true tautology; and thus all non-evidentially determined value theory <u>necessarily</u> is a result of the predilection of the answers to be attained to particular social problems and/or personal problems. I would dare say that no such formulation ever emanated from the so-called “inherent propensity of man,” or from an unfertilized original egg. Formulations are bred by the experience men have in the problems of actual human relationships and thus, for example, men constantly are making God in their own image.

In terms of applicability, the criterion required cannot be of that character. Nor can it fit the second category, which does not rest upon either the presumption *[of teleology]* involved in the first category or upon an evidentially established datum in-and-of-itself, or what we call independent identification, which simply means quite the contrary of the necessary way of saying it in the first instance. That is to say, in terms of relationships with other phenomena rather than separate and apart from them--subject to identification other than in terms of itself. That is to say, explanatory in excess of a truism. To say that something is itself doesn’t explain anything; indeed, it does not even identify anything, if identity is to have any other meaning than a truism, and if so, then rational inquiry is beside the point.

The utility theory of value falls into the second category and is presumed to be evidentially established by virtue of many observations of its actual involvement as the motivation in human behavior. I suggest, however, that if you will follow our discussion of it in either direction from here back or from back here, you will find it involved in the same tautology; that it may be used--not by virtue of its identification but by virtue of the character of the evaluation theory--to prove anything you will care for me to prove. Unlike the category one instance I mentioned a moment ago, *[with]* utility theory the character of the answers secured through effort at applying it is not determined by the character of the concept of

utility, as is the case in category one. In the case of utility--and this is its unique advantage, especially for propaganda purposes, to say the least--anything can be proven with it. Not by the determination of the basic datum, but by the determination of how that basic datum is determined, of how it is compared in terms of more or less as an attribute of alternatives among which choices have to be made, so that if we are to identify significance in terms of resolution *[of problems]*, ... it involves something other than human discretion in terms of predilections or wants or desires.

Then it seems to me that it necessarily follows--and in human history has followed--that neither category permits any possible recognition of significance at all--none at all except as a mistake in human affairs may serve as an object lesson in what not to do. No problem—not even the minutest one--was ever solved in either fashion, category one or category two. The applicability of the infinite variety of theories of value in category one, and the applicability of the infinite variety of theories of valuation in category two--all separately and cumulatively and combinedly--have exactly no significance as significance is conceived in terms of resolution of real problems. The only significance they could have is the same significance that a disease has: it itself constitutes a problem. It is not the criterion of judgment. It is not the way of going about comparing items, alternatives in terms of good and bad, and cannot be. And so the criterion of judgment must be quite otherwise. We are forbidden, in honest comprehension, these two categories.

Then what is the criterion? We have said that if we are to *[keep]* our investigation in the area which could have some significance, that is to say, could have some applicability to real problems, then we are forced to find it in terms of applicability, applicability being spoken of here as meaning successful resolution of problematic situations. And I should like to spend a few minutes on the identification of successful revelation or clearer comprehension of the criterion itself.

I have presented the position that problems can be categorized any number of ways, and that one aspect of all problems--which you could use as a way of getting at what we have heretofore spoken of as real problems and imaginary problems--is, in real problems the inclusion of factors other than those which are subject to predilection. And I'm not sure that all problems are not of that character. But I'm not sure that they are either. At least we know there are problems of that character. ....

And when we say the successful resolution of a problematic situation--the situation including items other than and in addition to purposeful human behavior--then it necessarily follows that, in such problems, resolution would include an adjustment of those things which are within human discretion, because the solution of a problem means human behavior, doing something about. Many problems would disappear with the disappearance of non-human factors that are not within human discretion, but we do not speak of such instances as the resolution of the problem. More properly we would speak of it as the disappearance of the problem. ....

What we mean by the resolution of a problem is purposeful human behavior. You don't solve problems by accident. But with the categories of value theory, both in the sense of valuation and in the sense of value being arbitrarily

determined, you can't resolve a problem except by the sheerest accident, that is to say, lacking comprehensible relationship between items in sequence--that's what we mean by accident. There is no correlation in terms of conscious comprehension. Example: disease. *[Its resolution]* has to effectively correlate the items in a particular sense--irrespective of predilection, of the mores and folkways, or what have you.

And it is that particular sense that characterizes the character of value. The nearest that we have come to it in philosophical consideration, I think, is called instrumental correlation, which has the distinguishing characteristic of inescapability. Not only the distinguishing characteristic of inescapability, but the distinguishing characteristic of continuity in the sense of continuing interminably, without termination. And also a third attribute peculiar to it, that the continuity is not situational. Things that exist are not the same things that exist later, but the character of the relationship continues to exist. Instrumental correlation. And it is on that score that the situational picture in getting at dynamic explanation, as we usually say it, is avoided. It is thereby that we have avoided the problems with taking cross sections in examining process and getting them as close together as you can in the hopes of explaining the cross section.

Getting cross sections closer together is the same situation as the hare and the tortoise. The hare never catches the tortoise, you see, by simply setting up your analysis with conceptual tools which give you intermittencies. The old Greek argument about every time the hare moves as far as to where the tortoise was when he started moving at any particular time, by that time the tortoise would have moved some distance. The hare is going twice as fast as the tortoise but he never catches him, because ... you reduce the distance between them to an infinitely small distance. However small the distance, if it is positive at all, every time he gets to where the tortoise was, the tortoise has moved so the hare never catches him. That's the kind of situation this kind of theory gets you into. ....

That isn't the way the social process operates. That isn't a process. It has a use, but it doesn't constitute explanation. .... *[Comparing cross sections]* doesn't explain anything, of course. But it might help you begin to locate the area in which you might find explanation. When you attain explanation, my point is, it has to be in terms which do not postulate *[intermittencies]* if it is to be continuous--which is a peculiarity of the instrumental concept of continuity. *[Cross sections cannot be situational or occupy time; they must be in terms of process to maintain continuity.]*

Now note the confusion that frequently has occurred in social analysis--and this is particularly true in economics--trying to explain a process through getting these cross sections close together--J.B. Clark. The reason is that efforts to apply either of the two categories of valuation or value theory leave nothing except this study and a very close juxtaposition of whatever these things are *[that you measure. Like a motion picture].* Thus you "see" motion, but you don't explain anything.

The confusion about continuity that I would like to get rid of at the moment is the notion that simply, first, anyone who has looked at the philosophical problems much--the real, practical , fundamental problems involved--is sometimes

thinking as John Stuart Mill did, of continuity as meaning lasting a long time. Then one of these cross sections may be true or untrue, depending on how long it has lasted--a situational pattern of human relationships, of institutions. If it has lasted a long time, *[it is assumed to prove it is more correct--more instrumentally specified than ceremonially.]* Not at all. *[Lasting a long time]* has nothing to do with continuity in the sense that I am trying to identify it.

Stability is more nearly the correct symbol for what they call continuity. That a pattern lasts a long time does not prove anything; long life doesn't prove validity. Long life is not continuous with anything in the ceremonial sense. And the relation between the ceremonial specification and this non-applicable value theory in the two general categories I indicated is pat, complete, and inescapable. There is no other way to get an an explanation of *[ceremonial patterns]* except through non-evidentially determined criteria. That is what makes it so easy for the mores principle to take on the corollaries it has taken on, and to creep into the very carefully thought analysis so easily, even into our thinking and behavior. The only thing continuous about this process is that ... there is change, which we have known forever. *[They]* say the only thing we know for certain about anything is that it changes; then they proceed to say that it changed from here to here, as if they said something significant. But the significance is only in terms of description, not explanation.

The factors must be set up, if they are to attain continuity in the instrumental sense, as non-intermittent in any sense, right on through. And that has been our experience. The actual run of human experience has been non-intermittent fact. You don't experience, and then not, and then experience and then not. You experience, period! All the time. That's why, you see, you can't escape the consequences of your own behavior. If you could do that, then you could wipe them out in between, but you can't do that. The best thinkers on the matter have been getting at that ... for two or three thousand years: your sins will find you out, as it were. All the great religious thinkers have been getting at it; there is no in-between space.

So our problem is to get value comprehended which permits continuity in that sense. .... Continuity and process--some sense of process, never in terms of situation. Situations vary, we know, and looking at these cross sections has revealed that they change and are different.

lecture twenty-two

Last time we noted that, in order to attain continuity, the theory of value must be set up to be processional and not situational. It must be, so as to identify it in terms of progress rather than in terms which are useful in identifying a certain situation, because situations change. The theory of social value has to be in terms of the social process, and it has to be applicable to social problems that arise in that process.

And this is the point of the distinction which is frequently made in relation to ultimates, with the semantic difficulties *[of distinguishing ultimate in the sense of continuous with the universe of application from ultimate in the sense of final cause]*.

In one sense of the word, there are ultimates in the sense of continuing factors, continuous with the universe of identification. The specification of the universe is itself the identification of such continuing factors. If you can separately identify anything, you have thereby come into comprehension of continuing factors, things which distinguish it and thereby identify its limitations chronologically and otherwise. So, to say, "There can be no theory of this or that" is to deny that "this or that" is a separate identifiable or conceivable item. For example, to say that there can be no such thing as human nature is to say necessarily that you can't separately identify human beings from other phenomena. And of course you can. So, there are necessarily ultimates in the sense of continuous with the universe of application or identification.

The controversy, however, is confused by imputing something of that sense to another sense of ultimates which ..., so far as our experience is concerned, can't exist. And that is the ultimate which you might characterize as final, in the sense of final causes. Now, in the first sense, there is a finality involved. But that first sense allows correction and situationally variable specification. In the second sense, *[the finality is something outside of our experience, outside of]* the process we call the universe.

Everything we know about human behavior occurs within the social process and has come from our experience within that process. Those are the facts which are to be explained in social theory, and no one has ever presented one item of evidence that he has had social experience outside of that process. .... No one has ever presented any evidence of any kind that he has received comprehension of that process other than by looking at that process.

There are indeed many claims to revelation about that process. Unfortunately, it seems to me, most of these have been figures of speech which someone with considerable insight is using to explain what he has observed in the social process, but which the naive have taken literally to constitute the specification of that process. I repeat: no one has ever received, so far as we call tell, any evidence about the social process from any other source than the social process.

In that sense, then, there can be no teleological determination of that process. The locus--where you look because of where they are--of the evidences about the criterion of judgment, about alternatives arising in that social process, is within that process. It cannot be anywhere else. It is inconceivable that it could be anywhere else. *[But]* it is very easy to involve ourselves in the assumption that value--the criterion of judgment--of necessity lies outside of the process, that it cannot serve as the criterion of judgment unless it is outside that process. *[That assumption],* when it becomes available, whatever its shape ... working down toward applicability to particular problems, is some kind of teleology. That's what we mean by teleology: an outside-of-the-process directional determinant or identification.

I am willing to lay the charge that most so-called instrumentalists are involved-- particularly in the more complicated areas of human experience such as aesthetics--in that imputation. Though stating and comprehending quite clearly what I shall here call the instrumental theory of value, they nevertheless proceed to work with the assumption that it isn't a theory of value; that, in order to be a criterion

of judgment, it has to have its locus outside of that process. And the reason for that, I think, is not clearly understood, and I should like to explain what seems to be the reason.

In the operation we call thinking, quite clearly you don't get anywhere with a truism except an exercise. For example, to define a word you have to use other words than the word you are defining. A good dictionary never says a mouse is a mouse. It says what a mouse is with some other words. The other words may simply be saying mouse in several words instead of one, and in a sense that is what should be done. In a sense that is how we come to identify what a mouse is--through several looks at the thing the symbol stands for.

In that same sense, independent identification of a universal criterion of judgment ... within the process to which it is universally applicable, would seem to be necessarily involved in saying that a mouse is a mouse. It is antipathy toward that previous position, which is simply a matter of not having thought through the matter very well. That little simple thing has permitted us to succeed in not looking at the problem directly. It is through that gate--and I have observed people over and over again running in and out of that gate--that we have been permitted with some semblance of self-respect to get involved in activities which successfully camouflage the issue at hand.

That is why I said to the class this morning, if you want to save your face, talk about the words instead of the problems. Raise questions about the words. Of course you won't solve the problem, but you will indeed save your face. And of course here, we have no faces to save; we shan't consider them worthwhile in our present exercise.

In the second sense, there can be no outside-of-the-process locus of value. .... If value cannot be located within the process, then it cannot be located. There can be no such thing really as value. It would have to be a figment of the imagination.

STUDENT: *"There seems to me to be a paradox involved here. Having said in the past that the social process is constituted by a complex of institutions ..."*

No, I didn't! If I did, I ought to be bumped on the head.

STUDENT: *"All right, then of what is the social process constituted?"*

Of the interrelated activities of human beings, which are carried on through institutions.

STUDENT: *"Then the social process is constituted of interrelated activities of humans ... and, since the locus of value is within the process, then value comes from the interrelated activities of human beings?"*

We might quarrel a little bit about the "comes from," but I'll go along with you. That is correct, but there is no paradox involved in it. The institutional structure is that through which the social process is carried on. It is the specification--in its least accurate form by Dr. *[Robert H.]* Montgomery--of the rules of the game. An institution is a prescribed pattern of correlated human behavior, and no one has ever said it better than that that I know. Why? Because you can't

hold to a teleological construct and admit that is what institutions are. You can't even admit that things we call institutions exist therein. Because they then become human inventions, and there are teleological recourses involved. ....

I used the examples of Maine's Ancient Law and Darwin's Origin of Species, in which the very crux of the problem we are discussing was made so plain in Maine's work that to some modern scholars--I mean in the last twenty years--it hurts, it slaps you in the face. *[When published,]* it didn't cause more than a ripple, while Darwin's Origin of Species, though it wasn't even concerned with institutional affairs directly, caused a turmoil. It was concerned with genetics, of how it comes about that species were differentiated. Yet it raised quite a racket, did it not? The situation in that illustration now is exactly the opposite, because the evidences are sufficient that we can proceed with confidence in the biological area up to and beyond the point that Darwin acceded to. The reason it then caused the racket--and even bloodshed--is because then biology was still useful as a device for maintaining or attaining a particular institutional structure. It has since been robbed of that function, and now we can talk about it intelligently, I would say. We can talk about it without raising a racket. We can inquire into it without fear.

But try it in law. Try it in the law journals. No one has had the courage or the understanding or whatever it is to try it as yet. But it is coming. There have been hints of it now for thirty or forty years, and every slightest hint of it in the law journals has raised a racket. Maine's Ancient Law didn't even prove the case to him, so he didn't know what he had done. The data he collected--magnificent inquiry--told something that the state of understanding in the legal theory at the time did not permit him to conclude. What he proved is the mores principle in law, and law has always by its bare operations evidenced an outside-of-the-social-process locus of the criterion of judgment. The law is the law! Meaning that it has validity as such, not in reference to the process of which it is a part, but in reference to something else making it what it is, and you can't question that something else. The basic data then become the law, and if that be true in regard to any institutional device, including the law, then the whole of the examination of the utility theory of value, and the whole of social science is pure, simple, palpable nonsense, other than as entertainment value. Then again, all you need to do is to decide what you like, and that is that. Then you don't proceed in the way of science, you proceed in the way of propaganda. Since you know the answers, of what account is analysis? Since you know what the answer is to be or should be, then what you need is to go directly to that answer.

With the scientific method, you discover ends, you bring into view further ends as you proceed. There is no ultimate end ... because the ends you bring into view are situational ends, and there is no "ultimate" situational end within human experience. *[But with an outside-of-the- process criterion]*, since you have no experience with it and can't use reason in analysis, you will have to rely on something other than evidence. And what else in ... prescriptions of correlated human behavior can be used to determine institutional structure? The one other thing: the use of force, and that is what we have been doing. What do you think war is? What do you revolution is? What do you think the fighting is about? It's a use of force to install and maintain a particular pattern, that is to say, the initiation of

the use of force in an effort to determine institutional structure. There is no other use of force with which I am acquainted, or with which I have ever heard of anyone else being acquainted. You can either use science or you can use force, and it is not accidental that teleological analysis always includes the coercive enforcement of the prescription. ....

lecture twenty-three

Last time we were concerned with getting in view the value problem. The character of the theory, I think, is that it has to be in terms which permit direct identification of the *[social]* process, and the locus of the criterion must lie within that process if we are to know anything about it. And if we are here to consider something about which we know and can know precisely nothing, then it seems to me that we are wasting our time. Add to that the realization that we do, in fact, act--necessarily and inescapably--within a criterion, through the application of a criterion. Then, of course, we are forced to the conclusion that, since our behavior historically has not been simply random--a dance of the atoms--, since there is continuity in some sense other than simple chronology, then necessarily we have been applying a theory of value, and it is located within that social process.

The sense of continuity which we have been looking at ... is not of lasting a long time, and certainly not lasting a long time situationally. But it is in a very clear way cumulatively developmental. And in that attribute, C.E. Ayres finds the theory of progress. I illustrated it this way last time. Suppose you start somewhere, wherever you can pin together the evidences and run *[the development of civilization]* over time this way. .... *[Each cross section is different from the others]*, but is continuous with them in causal terms in either direction ...

Now there is the other aspect of our experience which is non-causal in its explanation. It is really an explanation which isn't an explanation; it is an effort to apply a theory which is inapplicable to the real problems involved, and thus the restatement of the problems as something other than what they really are. And that has found perfect humus--food and form--in efforts to apply the utility theory of value, by virtue of what I said time before last, in the two categories of ways of getting at predetermined answers: 1) through an a-prioristic identification of the theory of value itself, allowing an infinite variety of specifications at that level or of that criterion--and thus in the sense of rational consistency specifying all the answers subsequent to it, since it in itself is situational and its application does not give you direction; deviations from it are bad and movements toward it are good--and 2) the category of a unified and consistent and unchanging--a one-choice--theory of value with an infinite number of theories of valuation. This permits valuation analysis to attain the same answers as in the first category, that is to say, the attainment of answers which of themselves have been predetermined situationally. ....

It is at this point that trouble develops in the educational process of coming to understand, of pushing that point *[of causal understanding]* out toward confrontation with the problem. *[Our students]* ask us to tell them the answers the first day. You don't do that; our character and nature don't permit us that kind of locomotion. As Lewis H. Haney pointed out *[History of Economic Thought]*, we

are all in that sense emburdened, equipped with an institutionally determined set of tools and, insofar as we don't have other tools and must carry on the functions for which we use these tools, we use them--or try to.

In that sense, in the second category we have attained the same results with an almost astounding elaboration of the refinement of the theory of valuation. We have succeeded in maintaining the age-old answers, which all along have the major content of being disconnected from the problematic situations where they arise. What has resulted ... is the mores principle and its many corollaries, one of which is that the possibility of culture patterns is infinite. You can find, in regard to any particular function carried on by any particular institution in any particular culture, other cultures which deviate from it in an opposite sense. You have polygamy and polyandry; in their generic relationship they are opposite of monogamy. You have capitalism, communism, fascism, feudalism, etc. with all sorts of institutional structures. There is no limit to the possible variations, and those patterns coexist at any particular time and follow each other over time in any particular physical community.

For the moment, let's look at a particular community over time; then we will look at the difference here of many communities over the same time.

In a certain community--say, Western Europe--you have certain divisions: Greek culture, Roman civilization, feudalism, etc. We say, "the fall of Roman civilization:" something happened here that permits us to speak as if the Roman civilization fell, and then there was feudalism after the falling. Where we can't be very sure, we say "the Dark Ages," indicating the absence of whatever it is that was before and after. Sometimes, the more naive of us speak of a "great civilization," and the pictures of it in modern paintings are much in our own image except for the dress style: luxury, fountains, cool water, beautiful maidens, buildings requiring a lot of labor, etc. And right in there the Dark Ages, which was neither capitalism nor European feudalism; the institutional structures were different.

But note that some particular prescribed patterns of correlated behavior are the same. .... For example here *[in capitalism]* the most nearly sacred institution is private property, while here *[in feudalism]* it is the greatest sin. In a brief thousand years, private property had come to be the foundation stone of civilization itself. And if you don't think they could say it then like they say it now, go read Marcus Cato in the halls of the Roman Senate, and you will find that--as he put it--and as the Chamber of Commerce and the Baptist Church still do--, "The very columns upholding civilization are at stake gentlemen." Therefore, ending every speech with "*Delenda est Carthago*," "We have to go kill a bunch of folks. They're getting to thinking they are as good as we are." The pattern of the total structure is different, but many parts are identical with previous theory.

Now, what fell with Rome? What was different? Well, a power system fell. And ever since Edward Gibbon, the historians have been saying that over and over. But they haven't been saying a "power system" fell as frequently as a "civilization" fell. A particular pattern of institutions was radically changed. Many of the items were used in the subsequent pattern, or were current at a subsequent stage. .... We say that with the disintegration of the Roman authority, the Dark Ages came into existence, and the German communal villages which had

preexisted, which were coexistent with this but were very different in institutional structure, developed into a feudal institutional structure.

What happens when you change civilization in this sense? .... Items like architecture might be very different, the family structure might be less different. But a major difference is the theory of valuation. The way we now analyze the development of western culture--the articulate and erudite writing of the community--it is the utility theory of value all the way through. But there are all sorts of different theories of valuation. .... These discontinuous changes come from the shift in the *de facto* exercise of coercive authority. All of you are acquainted with events that occurred in that area: how the Roman military machine went to pieces, in the sense that it became a bunch of gangsters on the one hand, and a non-participating population on the other. In Rome itself, there came to be what historians generally speak of as the mob, that is to say, the Roman people. The Romans had learned to live by predation rather than production, and they continued to do so for a long time. Then, in an effort to maintain that situation, there developed a whole galaxy of problems; we would call it unemployment. The Nazis called it the German army--a non-participating group, the mob.

And when the so-called fall of Rome came in the fifth century, it wasn't those barbarians coming in and taking over Rome, was it? Who was it *[defeated]* Rome at the so-called fall of Rome? Wasn't it *[a barbarian who, with his army]*, had become Romans? They were the local political machine, they ran the army, they were professional fighters. ....

It got to a point for a lot of reasons, including the continuous raping of the provinces and non-participation in Rome, *[that local leaders didn't care who ruled in Rome]*. The local boys began to find ways to circumvent successfully the powers sent against them, because they were trained in that machine. .... They were peasant farmers who had become professional soldiers. And they began to think in terms of imposing their will on other persons, and the way to do that is with the sword. So they became rebels, not in the revolutionary sense but in the political sense. Out of that grew the manorial system. The latifundia became manors.

Now, note, you can't explain that in terms of capitalism. You can't validate their position by conquest capitalistically. .... *[So they validated it as the will of God. The landlord became landlord by fighting for the land.]* Feudal customs grew out of his possession of armor and military skill and protecting the voluntarily associated members of his community. Agreements became laws by feudal custom, and were enforced by the Church. If it had pleased God to call the landlord into that situation--especially in the second generation--then what can you ask further than that? ....

The point is this: the theory of value and/or valuation during Roman times was different than and non-continuous with the theory of value and/or valuation in feudal times. And the institutional structure was discontinuous. The total feudal structure was replacemental of, not developmental of, the total Roman structure. .... The transition of actual power always results in the use of whatever is available for maintaining the new pattern of power--institutional devices and whatever you can invent; it always requires new inventions. So the structure rapidly becomes very different in its particulars and in its totality. And the difference in the totality is the

result of the change in the theory of value and/or valuation *[that accompanies]* the attainment and maintenance of power, coercive authority, enforcing one's discretion over the behavior of other persons.

And that is what, I am afraid, the historians have been calling civilization. They lament the Dark Ages. They indicate that something was light before *[the fall of Rome and dark after.]* But people ate as much--indeed, they ate much more--after than before. They wore more clothing, they lived in better houses, more of them could read and write, they were acquainted with a larger part of the world, they had more leisure time, they associated more nearly amiably with each other, there was much less bloodshed, they had less disease.

What fell wasn't these accomplishments. The instrumentalities of human experience were more and more provided. Architecture didn't go backward, nor did glassmaking nor shipbuilding, etc. These items were continuous. They plowed land after just like they did before, except better. Their plows were better. They didn't build roads, not because they couldn't but because the military use of those roads had disappeared. The police power was exercised locally, not a thousand miles away; not from Rome but from the guy on the hill in the big manor house.

Now note that the theory of value and valuation in technology is exactly the same after as before. It is continuous. While we can characterize the institutions as replacemental, the technology is continuous--the continuous recombination of accomplished knowledge and understanding, and its extension into hypothetical situations in the future. Invention was the same thing after as before. Things were invented for the ends in view, and though it be true that "invention is the mother of necessity," it is also true that "necessity is the father of invention."

Incidentally, Veblen's quip that invention is the mother of necessity seems to me to be a good example of what blocked his accomplishment of the theory of institutions. He *[couldn't]* grant the rationality of human behavior even where its rationality is in fact determined. It is "incontinent habituation." Somebody sort of invents something, that is sort of an accident, and then you become sort of habituated to it, and thus it becomes a necessity. That is true: you like what you have learned to like. ....

Now note that no matter what, the power transfer results in a change in its rationalization because of the change in its power pattern. In Germany, from the capitalistically useful theory of valuation--the price theory--they shifted in a very brief time to Nazism, to authoritarian rule with a personal dictator determining what is right and wrong. No continuity in this sense. It is replacemental and, therefore, not true. It isn't in conformity with the facts.

And what are those facts? The continuing factors are the locus of value, if continuity means anything other than lasting a long time. Continuity is the locus of validity and the content of civilization. The Greeks had a superior civilization. They knew the arts and the sciences, and they knew how to apply them to the problems of their life. But when we say that civilization fell when Rome fell, what fell? Not civilization. Not the arts and sciences, but power. There has never been a lost art, with very minor exceptions. ….

lecture twenty-four

STUDENT: *"There is something which bothers me about the non-developmental character of [institutional change]. I get sort of an inevitable idea out of the supposition that power begets power. Power systems once established aren't modified, they are replaced. And yet you are connoting that once a person attains to power he thereby continues to seek ego satisfaction by virtue of [the continuity] of that problem."*

I'm glad you asked that question, because it occurred to me last time after class that that might have been heard out of what I said ...

That isn't the case. We said something like this. The two kinds of validification and explanation *[are the instrumental--within-the -process and, therefore, continuous--and the utilitarian--outside-of-the-process and, therefore, discontinuous].* Things that are invented *[in the arts and sciences]* are capable of instrumental correlation with other items in the general social structure, which are carried on through *[institutions]* but under a different theory of valuation. The theory of valuation other than the instrumental theory of value comes after a pattern is sufficiently widely established to permit habitual behavior and defense and attack. *[The non-instrumental theory]* is not and never is the deliberate application in the invention sense. It becomes the common sense and then is articulated, as is always the case with nonscientific theory, and is sometimes the case with scientific theory. The difference is not discernible by virtue of its tardy articulation, tardy to application. The difference is such that scientific theory can and frequently does precede the actual application, whereas nonscientific theory cannot be and never has been functional in that sense.

Thus you will find that, in every field of inquiry which is separately identifiable for purposes of analysis, up to the point of the shift to the scientific theory of valuation and value, that accomplishments become established irrespective of, always contra to, the theory of valuation being used. At that point of shift, however, the situation in that regard is exactly reversed. This is the relationship between alchemy and chemistry; between social studies and social science. We are now right there. Up to that point, alchemists learned a very great deal about science. They learned it in spite of the theory of valuation and the theory of value, not through applying them; not even through efforts to apply them. They learned it through manipulating the items with which they worked. The Aristotelian logic which the feudalists tried to apply to the problems of biology of their day resulted in no advance. Example of monks and the number of teeth in a horse's mouth. What they concluded through trying to apply Aristotelian logic in no sense added anything to science. They learned not through efforts at application, but in spite of them.

Counting things is a scientific procedure as such. It requires setting up a taxonomy of some sort in order to know which things to count. It requires classification and identification. And in looking at these things and counting them, they were not applying Aristotelian logic at all. In the absurd illustration above, there was no need to observe the facts, and they got the wrong answers.

The theories of physical relationships *[are discontinuous]* up to the point of deliberate application of instrumental value criteria. From that point on, never again do you have to start counting the teeth in horses' mouths. You know the theory of

genetics, you don't have to count the teeth of every horse that comes into your pasture. Up to the point of deliberate shift from explanation in terms other than instrumental verification, theories are replacemental. They are neither applicable nor cumulatively developmental. From that point, theory always proceeds *[developmentally]*.

Pre-Copernican astronomical theory was useful in invidious differentiation, and caused bloodshed when someone watched the sun. We got telescopes, astrolabes, and lots of things, and the evidence piled up to such a point that the general principles became apparent and were stated. Up to that point, we discovered our stars and planets by searching the heavens.

How do we discover a stellar body today? First, we discover where it is, what its mass and velocity and orbit are, and where it ought to be at a particular time. Then we look at that area until we find it. Almost every discovery of stellar bodies in recent years has been that kind of operation. Why? Because we have scientific theory applicable to finding stellar bodies. .... How could you do that with pre-Copernican theory? You couldn't. You found them, and then you said something about them in conformity with the criterion of judgment used in that area.

Experience precedes pre-scientific theory, always and necessarily so. Science, therefore, is capable of prediction, and the test of its completion, of whether or not it is science, is its predictable capacities. If you can't predict with it, it either isn't science or it is too immature to handle the problem at hand. Pre-scientific theory in every area of inquiry means, of necessity and inescapably, that its application can't predict anything. But note, from the very earliest social order about which we know anything, persons carry on the social process through institutions and perform what I refer to as the instrumental functions of institutions. There is science involved.

Now the prevailing theory of valuation is still largely nonscientific. We are still arguing about whether human behavior is subject to rational analysis. And I have tried to illustrate for you the impact that scientific method has had on social analysis, and how we strain to maintain the old answers while admitting science. *[Throughout human history]* instrumental functions have been carried on, and by virtue of the character of the case they cannot be carried on under any other kind of comprehension than the instrumental criterion. And that makes our practice advance a little, because people keep counting teeth. Nevertheless, the articulate and accepted theory in social analysis has always been utility. Lack of applicable theory explains the sterility of social analysis throughout history.

Economics became known very early as "the dismal science," and, of course, it is far and away the maturest of the social sciences--in the sense of elaborately developed theory. Economists keep counting things, but they can't get answers, or predict anything, or solve problems.

The father of modern economic science, William Petty, went out and counted things. Then he set up judgments--Political Arithmetick, he called his book--trying deliberately to get science into the analysis. But he confused science; he associated it with things you can count. He knew things in a sense different than the scholastics knew. .... Francis Bacon was pleading for science in physical analysis, in biology; and Pasteur was pleading for a shift in the theory of valuation.

And note that, once the shift is attained, never again is it subject to use for invidious purposes. Before the shift, solutions were attained irrespective of theory, and frequently in spite of it. That helps explain why many institutions are quite clearly non-instrumental in their function. They have been peculiarly amenable to these general theories of valuation, useful for invidious differentiation, whether useful instrumentally or not. But the instrumentality keeps getting bigger and better. ....

Europeans frequently speak of Americans as vulgar because we talk so much about the tallest buildings and the biggest ranches, etc. Well, we are vulgar in a sense. But there is more than an accidental connection of validity in that "vulgar" talk. More and better of the means of life is the real validity involved in that kind of assertion. And you will find peoples who have not found any way to work out their major problems, rationalizing their own ineptitude, their own "less and poorer" by calling it *[culture]*. Frenchmen today call Americans vulgar, saying they "don't know how to live." Phooey! They may know how to live, but it is not because they don't have the means of life. .. They talk about the noble existence of the peasant. Of course, the bedbugs eat him up at night, his food gives him the colic, he is illiterate, vulgar and obscene, and dies by the time he is fifty. You may have ample means of life and still be vulgar, but it isn't because you have the means of life that you don't know how to live. ....

At the point where a community takes a deliberate decision to investigate its social affairs scientifically--in terms of its instrumental function, just like the physical sciences--from that point on the relationship between theory and practice, as it were, reverses itself. From that point on, the general theory constantly is applied and is applicable, depending on the accuracy and maturity of the theory, not on the character of the operations. From that point on, it flowers. ....

Our knowledge of man--from the dawn of written history to now--occupies just the last two minutes of a twelve hour clock tracing the world's history. Only minutes ago he learned to apply the instrumental theory of communication. When he reached that point, he started to solve problems very rapidly. .... Just now we are beginning to struggle with social theory in those terms. We have been fooling around with it in the shadows, but deliberately for a couple of hundred years. In the Age of Reason, we decided to do it that way. We didn't know enough psychology and anthropology to understand the character of our basic data. Now we do, and the challenge *[to culture]* is being made.

Count the automobiles in America today, and look at the auto production capacity. You find no synonymy. No matter what the firms and the price theory of valuation say, we know we can make more cars than we are making. The *[Second World War]* demonstrated it to us, as the First World War did. But we still say, "Supply and demand will work it out to the maximum." We know that the market does not solve it. And in America, we have known it for 150 years, and since Veblen we have had the courage to say so. .... Now we are demanding that war and unemployment be whipped. We are demanding to have the experiences which the arts and sciences make possible, and we will not take no for an answer because we can already see the criterion of judgment.

And, incidentally, the articulate realizations come out of America by virtue of that peculiarly fortunate *[frontier]* experience through which the American people

went. It is struggling out through philosophy and the social sciences, and is now ready for articulation. It has been a rough go, has it not? The whole world has condemned that kind of thinking because it does violence to all their *[traditions]*.

All “isms” are equally nonsensical, in the sense that they are non-significant, non applicable. .... Scientific knowledge gives you that particular advantage of the possibility of *[application to and understanding of]* the basic continuing factors in human experience. It gives you the possibility of sophistication. ....

The scientific concept of value is seen to be in terms of process, since the whole of our experience has been with process. To be a true concept--to be in conjugate correspondence with its referent--it must display the attribute we call continuity. Therefore, to be a valid concept, we must bring our ideas into correspondence with the evidential facts of the process--the only uniformly identifiable continuum in our whole social experience, the causally determined sequence of events we call the social process.

So it is in that process itself that we can correctly identify the locus of value. In your reading of C.E. Ayres, you will note that it is to this point that he carries his search for the same thing we are in quest of here. But we will have to go beyond that. Identifying the locus, or where it is, does not identify its character. The locus, the social process, may be gauged in two ways: 1) direction and 2) condition.

In regard to direction, we have seen that this concept may be and is used in the sense that judgments may be and are made with reference to whether the process is towards--i.e., directional--or away from, a particular pattern of invidious differentiation, that is to say, a particular institutional structure within which the process is carried on.

But in this instance, the structure must find its validity outside and irrespective of the process; and to attain such a separate identification, the structure must in fact be independently determinate of the remainder of the process. On this score, all the evidence proves, I think, that the character of the process and the institutions are not independent but, in fact, related; two faces of the same process. And not only is direction so identified invalid, in that the referent for direction cannot be established in fact, but the criterion of judgment is devoid of truth, in that the referent for the idea is in fact discontinuous: the institutional structure itself and the constantly changing social process. So we must disregard, or at least lay aside as untrue, the direction concept as we have identified it here as a criterion of judgment.

The other way to gauge the social process--the condition--we may use to identify how efficiently the process is carried on or is proceeding. But, here again, the referent we seek is not yet specifically identified, for condition also can be conceived in two ways:

1) As a degree of efficiency in maintaining or attaining a particular pattern of invidious differentiation--a particular institutional structure--and this criterion can be applied to the whole or any part of the process. But this concept of the criterion of judgment displays all the difficulties of the direction concept; it is, in fact, fundamentally the same concept, and those difficulties are fatal. Hence, efficiency itself does not end our quest for a direct identification of value.

2) As a non-invidious or instrumental judgment that can be applied to any part or the whole of the social process: how efficiently the non-invidious functions of the process are being carried on.

Immediately you will remember that that is the very aspect of the social process which we have identified as the continuum, which does not change in character, only in degree or magnitude. And you will remember also that it is this form that is continuous, and necessarily so; but you will also note that it differs from the other concept of how the condition or the efficiency concept can turn. It differs from the other not in its universality or possibility of application in the universe, but in the fact that it is continuous in the sense that its referent maintains its same character. And, of course, in the non-differing aspect it too can be applied to any degree of any art at any time, but it can do so without changing the character of that with which it purports to be in conjugate correspondence. It has real and uninterrupted continuity; its referent is continuous with all the evidence, it is continuous causally with all that is concurrent with it, and what can possibly be conceived as succeeding over time is conceived only as causally continuous with it.

Hence, in fact, we must say that this concept has continuity and applicability throughout the universe of its identification. We must conclude that this concept of the criterion of judgment of social value satisfies all the requisites of truth: it is true not only by virtue of the impossibility of anything else fulfilling those conditions, but also by virtue of the positive identification of that fulfillment. Hence, whether your proof runs to the matter of exclusion or independently of that, you are forced into accepting the same referent into the identification of value as instrumental efficiency. It is that simple.

On that positive side, looking at the run of the facts drives us into that position. Fundamental social value cannot be anything other than instrumental efficiency, because with anything else, the very process being judged ceases to be, and all value in it ceases to be. Continuity becomes a meaningless sound, and truth becomes a lie. ....

The area of discretion in social problems is limited to institutional structures; answers to problems take the form of institutional adjustments, making choices of how to correlate human behavior. The given data include the theory of human nature--individual psychology--and non- human factors--physical facts. Facts display no contradictions or discontinuities in causal terms; only ideas display discontinuity. Institutional adjustment means choosing another way of correlating behavior from that displayed in the problematic situation; otherwise the problem remains. Choosing is done by application of a criterion of choice.

Scientific analysis cannot proceed without resolution of the value problem. Social analysis requires identification of inclusive and continuing factors in the social process, and having in view hypotheses about purposeful behavior. Any analysis which assumes all of the existing institutional structure is without significance.

lecture twenty-five

.... And so this concept of value--the criterion of judgment--satisfies all of the requisites of truth. Value is the kind of efficiency which I refer to as instrumental. It can be shown quite definitely without exception that at the attainment of

[instrumental understanding] in any area of investigation, any area of problems envisioned by human beings, from that point on that part of the content of human experience has flowered in an astounding fashion. It was that about which Madame Curie was speaking when she laid out her prayer for the human species in terms of science. It was that about which Thomas Jefferson spoke. ….

So the cold hard facts are not so unpalatable; they are rather glorious things, facts. But that is one fact which has been difficult for us to get out hands on. The difficulty is not complexity in the ordinary sense of requiring much practice; the difficulty as always lies in the dislocation occasioned to preconceptions of things we hold dear. .... We have been cruel because we have been ignorant, and many of our truths appear as lies and many of the lies we live appear as truths because of the structural concept of the criterion of judgment. Since there is no escape from the cold hard fact of the *[instrumental]* criterion of judgment, in that the incidences of problems remain until that criterion is used, and since we have solved many social problems, it therefore necessarily follows--and is historically revealed--that that is the criterion of judgment we have used, though we have tried to use many others.

lecture twenty-six

STUDENT: *[When you have a number of alternatives, how can you tell which is more or less efficient?]*

.... That question arises out of a number of things. *[It comes]* out of the whole development of the analysis of the scientific method which has been circulating in the community since the 1870s and in some degree prior to that time. You find its essential structure in *[Francis]* Bacon's *[Advancement of Learning, 1605]*. What it does is identify science with counting. And, of course, Bacon was not that naive and meant "more" or "less" which is correctly conceived.

You have to have a concept of more or less which, in a sense, is going behind value. The form it has taken in social analysis--and particularly in economic analysis--is the theory of valuation. The way it has been associated with counting has been the notion that if an *[item]* is subject to mathematical handling, then it is subject to scientific method, and if not, not; or that numerical identification permits accuracy, whereas other kinds of identification do not; or if you can conceive something to be more than, or more like in any sense, it is therefore subject to mathematical comparison.

The form it has taken in the economic literature is through the utility theory of value and into the price theory of valuation, in which you get a way of numerically identifying something which itself is not subject to numerical identification directly. Thus the significance of price theory beyond business administration price accounting. That is to say its economic significance, without which it would have no significance at all.

The next step in the prevalent discussions of the scientific method immediately involved the assumption that, for comparison of an attribute in one thing as compared with the same attribute in another thing--value, for example--, you necessarily require a unit of measurement; not necessarily numerically identifiable, in the more advanced discussions, but at least comparable in some quantitative sense. Then the real assumption that that unit, or that "moreness or lessness," is at

least subject to common statement, common caption, common attributes. And that assumption is the error.

In science, there is no common unit of measurement for efficiency in continua comprised of different items, events, and/or objects. And especially in continua which have no common immediate functions. Example: compare the efficiency of a telescope with a combustible engine. There is no unit of measurement for the telescope.

All things have the attribute of value, and thus are subject to comparison in value terms. How do you know, then, if one is more or less than the other? Every problem specifies the units of measurement. The facts of the problem specify the theory of valuation applicable to it. It is from those facts, and reference to relationships of those facts, that that unit becomes available or not available. Its availability--either actually or possibly--has nothing to do with the validity of the criterion. The criterion of judgment stands on quite other grounds, irrespective of the particular items which specify the particular valuation operation.

.... It is quite a legitimate question for a community to ask, “Do we need a telescope more than we need a hydroelectric plant?” How do you form an answer to that? There is no unit of measurement. It is a function of the facts which comprise the problem. There are a great many units for which we have no measurement: beauty, roundness, straightness.

STUDENT: *“How do you apply “the” theory of value to music?”*

Thank you. I wish I had thought of that. It is the best example of what I was trying to say. We don’t have a unit of measurement, any more than we do for roundness. Music is an example of the application of aesthetic theory which is peculiar in the sense that it is separate from all other applications in a very clear-cut and understandable way. Most of the fine arts-- which are applications of the theory of aesthetics--have common attributes in sufficient number that you can sort of compare them. But you can’t compare music to anything but music. There is some sound/rhythm aspect of music in verse; a little. What does music tell you about? Poetry has other attributes than sound; it tells you something.

There is no unit of measurement of social value. But we have to make judgments on it. There are times when, individually and as groups, we have to make judgments as to whether we require more music or more telescopes.

lecture thirty

Our last discussion was concerned with the principle of recognized interdependence. I tried to point out what seem to me to be some of the difficulties and confusions in understanding that principle. ....

Developments in technology bring about problematic situations in the institutional sphere in the social sense. Such developments cause what are frequently referred to as “changing conditions.” It is a different world than it was twenty years ago. The technologies have changed, noticeably, and they have brought about conditions which we call social problems.

Not only is technology determinate of social problems, in the sense that it creates such problems. It also is determinate of the solutions to such problems, in

the sense that it constitutes the basic data which must be taken as given in social problems. Note that I do not say that technological factors determine the structure of institutions in their instrumental aspects or their ceremonial aspects. They determine the problems. Technology has been subject to the instrumental theory of value in a fashion which has permitted it to be expanded and developed in an amazing way in the last 100 years, at the same time as social analysis has been subject to efforts to apply non-instrumental criteria. ....

The most significant word in the second principle is “recognized.” The thing that most often confuses us at this point is that scholars seem to think that adjustments can be made completely outside of and irrespective of the recognized interdependencies. For example, most student presume that if a group is forced through coercive power to behave in their interrelationships in ways contrary to what they recognize ought to be, that that in some sense does violence to this principle. No, it does not. *[Coerced behavior]* does not bring into consideration the determination of how that recognition may be brought about, which involves the ceremonial-instrumental distinction applied to this item. The simple fact is that you literally can’t correlate your behavior in a fashion which you do not understand. It need not mean that you approve it, although most frequently a majority of persons in any community approve the established order. We like what we have learned to like.

And that has no correlation whatever, Marx to the contrary notwithstanding, to its incidences upon the persons whose opinions are in question. I suggest, for example, that the most conservative element in American society today is the organized labor group. They are most reluctant to envision any change in the more nearly fundamental structure of our community. Their almost sole effort as a group is to try to use it for their particular benefit, as compared to other members of the community, in the same way that any other business trading group envisions that same process. Yet I think almost all members of that group would agree that labor is not peculiarly advantaged in our structure, that if anyone gets the raw end of the deal, it is labor.

So I repeat that it is not true that there is any correlation between the support of a particular pattern of institutions and the advantages gained therefrom. The American Civil War is another example that those who are least advantaged most vehemently support the system under which they are least advantaged. The war was fought by the poor whites of the South; and if anyone ever got a raw deal in history, it was the poor whites in the South. So is the Spanish-American War. It was pretty much a commercial enterprise--witness the fact that the President of the United States had in his pocket complete acquiescence to all our demands when he went before Congress to ask for a declaration of war. It was not those demands that we were after. Yet the business community was not notable for its sacrifices in that endeavor. The men who rode up San Juan Hill were not big businessmen. They were the Rough Riders, the Teddy Roosevelt type of people--the boys who rode the range and drove the railroad spikes. They were the type that made Roosevelt president when they began to suspect the war’s commercial character. They were the guys who first supported the war most vehemently, not those who were peculiarly advantaged by it. My point is that there is no correlation whatever between

real economic interests and active conscious support of particular institutional patterns.

As I tried to make clear in our discussion of the principle of technological determination, what determines the pattern of active behavior in correlated fashion may come from either of two sources: understanding or coercion. It comes from both. In so far as behavior is invidious in character, it can come from no other source than coercion. There is no instrumental explanation of invidious differentiation. What Thomas Jefferson said in his most famous dictum is literally true: all men are created equal. And, for that matter, all men die equal. The only way you can enforce invidious behavior is through coercion. If you can't explain it, what else can you do?

And that is why no community can long tolerate the absence of theory, applicable in the sense of explanation of its institutional structure. Lacking explanation is the same thing as saying there is no validity in it. As long as people have the capacity to reason, validity is inseparable from purposeful behavior. You have to validate your behavior individually and as a community. You have to explain or recognize that you have no reason, that you are not really human. And we know better than that. Even with the ultimate of coercive power, you still can't make people correlate their behavior in a fashion unless they understand that fashion. You can't play football unless you understand the rules; whether you think they are good or bad, you have to understand them. *[The Bolsheviks tried to enforce]* communism on the Russian peasant right off the bat. And he didn't understand and they didn't get any production. He didn't know how. And that is always the fatal danger in trying to impose an institutional structure on anybody as the only way to carry on a particular function.

It is in that sense that the principle of recognized interdependence is literally, universally, and uniformly true. It still is true that you can correlate behavior on quite other grounds than coercive authority. And the question of coercion never enters in the other kind of correlation. Coercion doesn't make sense, unless somebody goes crazy. The only legitimate use of police power in the instrumental sense is protection against irrational behavior. In the ceremonial sense, of course, you can't do without police power in quite another sense.

So it is that the immediate specification is a pattern of recognized interdependence, which may be brought about either by understanding or coercion or any mixture of the two. They frequently conflict. The preferences of those in the possession of coercive power-- (and it seems to me that the most pervasive and the most persuasive coercion can be exercised through control of the economic process; it takes the least manpower that way--you don't even have to have an army, just cut off their income, or make receiving income a matter of conforming to certain patterns of correlated behavior)--those who really determine policy, may differ from the understanding. .... What happens when those two come into conflict? A great many things. So long as the non-choice determinants of the problem exist, the human incidences of the problem remain and the prompting toward resolution remains.

There is no escape--by whatever application of whatever power--from the human incidences of problems. Especially economic ones. It just happens that we can endure loneliness or anger or any other illth longer than we can abstain from

eating. That is why the economic aspects of our problems are most frequently in focus. People can go along for generations not belonging, being lonely. What they do in that case, of course, is create patterns within which they can belong. If the prevailing structure doesn't provide it, it comes underground and grows up. They develop institutions of their own. The unemployed do it. There is no escape from the continuing incidences, and thus you will find sooner or later successful protrusions creeping into the pattern which theretofore was completely ceremonial, thus breaking it up.

There is a compulsion toward progress, and I suggest that the whole of human history bears out that thesis, and thus fundamentally, optimism is the correct position. It is in fact true that you can't live anyway without being optimistic. You can't survive without it. And that is when they accuse you or me of being a "dreamer"--when we're being optimistic.

If you are a student of social science, and thus your attention is constantly brought to focus upon the problematic aspects of the social process, it is very easy to get pessimistic about the deal. All those problems--and they are there. But human progress is contained in their resolution.

*****

Notes by Marc Tool, 1950

Current social science inquiry is emburdened with a normative-positive distinction. There is a tremendous fear of going beyond it. When it disappears, there will be no way of validating a particular institutional structure.

[Accepting this distinction means that] social inquiry must be positivistic to become scientific. Normative judgments are thought to rest on the notion that value is unknown and unknowable. That position is invalid on grounds that all behavior, other than habitual or random, involves a comprehension of an effort to apply a theory of value. It is in fact necessary to apply a criterion of judgment.

All forms or varieties of the normative-positive distinction *[assume]* a fixed missing middle:

a) Lord Robbins: "Positive" is that which is observable in a descriptive sense, characteristically identifiable and non-evaluational; "normative" is evaluation, judgmental, an operation of the mind.

b) Theory of knowledge: "Positive" is "what goes on here," known in a different way than the "normative," which is concerned with "what ought to go on here."

c) Philip Blair Rice: "Positive" refers to phenomena that are factual or evidential, although agreement on evidences may differ in comparative estimations. "Normative" refers to the privacy of direct observations. He distinguishes between the public and private character of direct observations. "Normative"

refers to, or is grounded in, subjective knowing, personal feelings as evidences.

A common attribute to all sets of distinctions is the supposition that any real difference is a difference in causal determination or evidential determination. Positive is causal, normative non-causal. Example: economics perceived as a positive science tells you how to get to where you want to go. Consideration of where you want to go is a non-economic inquiry.

Positive identification of theory of value

Social analysis, if it is to be more than a catalogue of descriptions, must involve the effort to apply a criterion of judgment. It is not concerned with what we would like to have as a criterion of judgment, but rather with what in fact is an applicable theory of value.

Since all purposeful behavior is initiated by a choice from among alternatives, ... the "what is" is a consequence of what someone thought ought to be prior to its initiation. Hence, it involves the application of the theory of value. "What is" came to be by virtue of a deliberate choice, preference, exercise of reason, application of a theory of value.

Compulsions exist in alternative-choosing situations. To see or recognize an alternative *[requires recourse to value theory].* A common attribute of alternatives is that they seem to offer problem-solving functions.

Personal interests and social interests are different only under the utility theory of value: one member of the community is thought to be able to gain at the expense of the community. Instrumentally, there is no difference between individual and social interests.

In order to attain continuity, the theory of value must not be situational, but rather processional. It must be in terms of social process. Since there is no evidence of experience outside the social process, the locus of value must necessarily reside within it.

Teleology--outside-of-process directionally determined--is claimed by other theories. It is resorted to in order to avoid violating predilections for answers already obtained. Example: Sir Henry Maine showed that law is teleological, with outside-the-process warrantability. It always includes coercive violence as an instrument of institutional structure specified by teleology.

Two ways to get predetermined answers are 1) a priori theories of value, the criteria themselves being situational; 2) a unified theory of value, with an infinite number of theories of valuation.

Since most behavior is not random, and shows continuity other than chronologically, humans necessarily have been applying a theory of value. Ayres's Theory of Economic Progress showed that continuity should be perceived

[scientifically] not in the sense of lasting a long time, but as cumulatively developmental, continuous in causal terms. Other aspects of human experience are non-causal in character. In the technological continuum, the theory of value is continuous throughout; the locus of validity is in technological connectedness.

There is an infinite variety of institutional patterns over time. There is a replacement of power systems, not of civilizations. In a sense these replacements are not causally connected; they are discontinuous. But instrumental content is identifiable in causal terms in successions of power systems, because such systems carry on instrumental functions at some level of efficiency. The perception of both instrumental and ceremonial functions of institutions permits escape from the seeming paradox between technological and institutional continua.

The causal potency of institutional behavior carrying on instrumental functions is in the validity of the idea, its correctness. The causal potency of institutional behavior carrying on ceremonial functions is in the application of coercive force. Such force has an instrumental function, i.e., to determine who shall have the next opportunity to make choices rationally.

The Theory of Institutional Adjustment

Principles are inclusive and continuous factors of the social process; they permit of no exceptions in application. Situational elements, such as cross-section views of the process, are not continuous.

1) The Principle of Technological Determination

Accomplished facts exterior to the area of human discretion specify the character of problems and the areas of discretion. The caption “technological” has come to connote not only mechanical-engineering aspects, but all physical aspects. With Ayres, it is still more inclusive. Its central referential content is the things we think of as human contrivances, physical in character. This aspect is the aggressor in bringing on problems.

Institutional invention is not dependent upon technological invention. Since the instrumental functions of institutions are processional in character, institutional invention is cumulative also; it depends upon things in combination. Most inventions are rearrangements of existing parts; some, however, create new items or parts.

Cultural lag is an erroneous concept. It assumes that the structures of institutions are determined by the character of technology. Structures of technology are determined in the same way as structures of institutions. Both technology and institutions are capable of being used instrumentally or ceremonially; both display the same process of invention; and the validity of both is determined in the same way. They are interrelated, but neither determines the other. ....

2) The Principle of Recognized Interdependence

The immediate determination of institutional structure is a deliberate decision, constituted by effective agreement as to correlated patterns of behavior among those whose behavior is to be correlated by the structure.

Revolutions fail because they try to stop the social process and start over. All adjustments which are made must be capable of being instrumentally incorporated into the existing institutional structure, so as not to contravene the instrumental functions of those institutions involved which are not considered problematic.

3) The Principle of Minimal Dislocation

Institutional adjustments are limited to areas which satisfy the requirements of successful incorporation. This principle specifies which adjustments are available. It does not specify which ones to choose.

A community is restricted in progress to the extent to which it does not comprehend the relationship between problematic institutions and the rest of the social structure. The level of enlightenment determines the rate and extent of institutional adjustments which can be made. Therefore, progress begets progress. There is no such thing as a mature economy in an instrumental sense: the more mature the economy, the more rapidly it matures. The attainment of plenty does not reduce the margin between what is provided and what could be provided--the level of employment.

*****