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THE AFFLUENT SOCIETY

John Kenneth Galbraith



A M E N T O R B O O K

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*To Emily,
Peter and Jamie*

*The economist, like everyone else,
must concern himself
with the ultimate aims of man.*

ALFRED MARSHALL

FOREWORD

SINCE I sailed for Switzerland in the early summer of 1955 to begin work on this book I have accumulated a large and cosmopolitan set of obligations. Thus a Guggenheim fellowship facilitated that movement as did my wife, Catherine A. Galbraith. She also typed copy, checked references, and revised proof and had a corrective influence when my skill in identifying problems too grossly exceeded my facility in solving them. I am grateful to the librarians at the Palais des Nations, as also at Harvard, for their help, and to the university students in Geneva on whom I first tried out the core of these ideas. I also used many of these ideas in a series of lectures given under the auspices of the Haynes Foundation at the California Institute of Technology in January 1957. I would like to thank the Foundation, the Institute, and my longtime friend Alan Sweezy for arranging this trial run and for allowing publication in this form. The chapter on poverty toward the end draws heavily on research financed by a grant from the Carnegie Corporation. My good friend and assistant, Ruth M. Parks, took responsibility for the whole tedious task of manuscript preparation, for which I am also most grateful.

I have never quite understood why publishers, who are said to be human, do not get tired of authors. Probably they do, but those with whom I have been so happily associated conceal it with a rare and kindly skill.

Two of my colleagues, Arthur M. Schlesinger, Jr., and Carl Kaysen, read the manuscript or proof, and I accepted nearly all of their suggestions. I owe debt to the much larger group of people who, by suggestion or persuasion, led me to problems or solutions I had not previously seen. Thus my colleague Seymour E. Harris, the most diligent and useful of all economists, began several years ago to question the current stereotypes on public finance. Had it not been for him, liberals would have been spared the present proposals for a greatly expanded use

of the sales tax. To go farther afield, Governor Luis Muñoz-Marín first persuaded me to question the wisdom of our preoccupation with more and more consumer goods as a goal. And any number of other points, large and small, were suggested to me by colleagues, friends and students. Authorship of any sort is a fantastic indulgence of the ego. It is well, no doubt, to reflect on how much one owes to others.

J. K. GALBRAITH

Cambridge, Massachusetts
March 1958

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CHAPTER I

The Affluent Society

WEALTH IS NOT without its advantages and the case to the contrary, although it has often been made, has never proved widely persuasive. But, beyond doubt, wealth is the relentless enemy of understanding. The poor man has always a precise view of his problem and its remedy: he hasn't enough and he needs more. The rich man can assume or imagine a much greater variety of ills and he will be correspondingly less certain of their remedy. Also, until he learns to live with his wealth, he will have a well-observed tendency to put it to the wrong purposes or otherwise to make himself foolish.

As with individuals so with nations. And the experience of nations with well-being is exceedingly brief. Nearly all throughout all history have been very poor. The exception, almost insignificant in the whole span of human existence, has been the last few generations in the comparatively small corner of the world populated by Europeans. Here, and especially in the United States, there has been great and quite unprecedented affluence.

The ideas by which the people of this favored part of the world interpret their existence, and in measure guide their behavior, were not forged in a world of wealth. These ideas were the product of a world in which poverty had always been man's normal lot, and any other state was in degree unimaginable. This poverty was not the elegant torture of the spirit which comes from contemplating another man's more spacious possessions. It was the unedifying mortification of the flesh—from hunger, sickness, and cold. Those who might be freed temporarily from such burden could not know when it would strike again, for at best hunger yielded only perilously to privation. It is improbable that the poverty of the masses of the people was made greatly more bearable by the fact that a very few—those upon whose movements nearly all recorded history centers—were very rich.

No one would wish to argue that the ideas which interpreted this world of grim scarcity would serve equally well for the contemporary United States. Poverty was the all-pervasive fact of that world. Obviously it is not of ours. One would not expect that the preoccupations of a poverty-ridden world would be relevant in one where the ordinary individual has access to amenities—foods, entertainment, personal transportation, and plumbing—in which not even the rich rejoiced a century ago. So great has been the change that many of the desires of the individual are no longer even evident to him. They become so only as they are synthesized, elaborated, and nurtured by advertising and salesmanship, and these, in turn, have become among our most important and talented professions. Few people at the beginning of the nineteenth century needed an adman to tell them what they wanted.

It would be wrong to suggest that the economic ideas which once interpreted the world of mass poverty have made no adjustment to the world of affluence. There have been many adjustments, including some that have gone unrecognized or have been poorly understood. But there has also been a remarkable resistance. And the total alteration in underlying circumstances has not been squarely faced. As a result we are guided, in part, by ideas that are relevant to another world; and as a further result we do many things that are unnecessary, some that are unwise, and a few that are insane. We enhance substantially the risk of depression and thereby the threat to our affluence itself.

II

The foregoing tells the purpose of this book. The first task is to see the way our economic attitudes are rooted in the poverty, inequality, and economic peril of the past. Then the partial and implicit accommodation to affluence is examined. The next task is to consider the devices and arguments, some elaborate, some meretricious, some in a degree dangerous, by which, in vital matters, we have managed to maintain an association with the older ideas which stemmed from a world where nearly all were poor. For no one should suppose that there is anything convenient or agreeable about the assumption of affluence. On the contrary, it threatens the prestige and position of many important people. And it exposes many

of us to the even greater horror of new thought. We face here the greatest of vested interests, those of the mind.

Finally, as we escape from the obsolete and contrived preoccupations associated with the assumption of poverty, we are able to see for the first time the new tasks and opportunities that are before us. This is not as reassuring as it sounds. One of the best ways of avoiding necessary and even urgent tasks is to seem to be busily employed on things that are already done.

Such is the purpose. But first there is some preparatory work. For we have not clung to obsolete and impalpable assumptions concerning our society purely as the result of obtuseness and ignorance. Powerful as these influences may be, they are not that strong. On the contrary, in matters of social discussion, there are active and pervasive influences which bind us to the past and which, on occasion, even cause us to try to recover the moribund. We must first be aware of our captivity by these forces if we are later to engineer an escape. That is the task of the next chapter.

III

No one will think this an angry book. Some may think it lacking in that beguiling modesty which is so much in fashion in social comment. The reader will soon discover that I think very little of certain of the central ideas of economics. But I do think a great deal of the men who originated these ideas. The shortcomings of economics are not original error but uncorrected obsolescence. The obsolescence has occurred because what is convenient has become sacrosanct. Anyone who attacks such ideas must seem to be a trifle self-confident and even aggressive. Yet I trust that judgments will not be too hasty. The man who makes his entry by leaning against an infirm door gets an unjustified reputation for violence. Something is to be attributed to the poor state of the door.

Originality is something that is easily exaggerated, especially by authors contemplating their own work. There are few thoughts in this essay, or so I would imagine, which have not occurred to other economists. The reaction of many will be to welcome the elaboration of ideas to which evidence has already brought them. But these are also days in which even the mildly critical individual is likely to seem like a lion in contrast with the general mood. These are the days when men of all social disciplines and all political faiths seek the

comfortable and the accepted; when the man of controversy is looked upon as a disturbing influence; when originality is taken to be a mark of instability; and when, in minor modification of the scriptural parable, the bland lead the bland. Those who esteem this world will not enjoy this essay. Perhaps they should return it to the shelf unread. For there are negative thoughts here, and they cannot but strike an uncouth note in the world of positive thinking.

IV

No student of social matters in these days can escape feeling how precarious is the existence of that with which he deals. Western man has escaped for the moment the poverty which was for so long his all-embracing fate. The unearthly light of a handful of nuclear explosions would signal his return to utter deprivation if, indeed, he survived at all. I venture to think that the ideas here offered bear on our chances for escape from this fate. Illusion is a comprehensive ill. The rich man who deludes himself into behaving like a mendicant may conserve his fortune although he will not be very happy. The affluent country which conducts its affairs in accordance with rules of another and poorer age also foregoes opportunities. And in misunderstanding itself it will, in any time of difficulty, implacably prescribe for itself the wrong remedies. This the reader will discover is, to a disturbing degree, our present tendency.

Yet it would be a mistake to be too gravely depressed. The problems of an affluent world, which does not understand itself, may be serious, and they can needlessly threaten the affluence itself. But they are not likely to be as serious as those of a poor world where the simple exigencies of poverty preclude the luxury of misunderstanding but where, also and alas, no solutions are to be had.