

# THE PLACE OF VEBLLEN IN THE HISTORY OF ECONOMIC THOUGHT

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## ACKNOWLEDGMENTS

Kyushu Sangyo University gave me the opportunity to study at Sydney University. During the term (1 Sep. 1995~31 Aug. 1996), I researched into two topics. One was “The Place of Veblen in the History of Economic Thought”. The other was “Beyond the Modernism of Karl Marx?”. A discussion of former topic is summed up in this paper. Further inquiring into it is my task in the future. I express thanks to many staff of Kyushu Sangyo University. In particular, my thanks are due to Professor Frank Stilwell of Sydney University. He provided excellent facilities and support for my study at Sydney University. He also read the manuscript of this paper and made valuable suggestions for its improvement. Needless to say, all shortcomings in this paper are wholly mine.

## I. VEBLLEN'S THEORY OF THE CHANGE OF CAPITALISM

Veblen's concepts of institutions, namely “industry” and “business”,<sup>(1)</sup>

are the linchpin of his theory of capitalism. Industry is the institution of production. Its purpose is to increase productive efficiency. Modern industry is characterized by the machine process. Business is the institution of commerce. Its purpose is to make money or investment for profit. Its materialistic basis is the machine industry. Its spiritual basis is the idea of private ownership, originating from the idea of natural right.

These concepts of Veblen are inseparably connected with his concepts of instincts. Industry is the concrete expression of “the instinct of workmanship”. This instinct has an anti-discriminating and peaceful disposition. This instinct likes efficient work and dislikes waste or uselessness.<sup>(2)</sup> Business is the concrete expression of “the instinct of acquisition or predatory”. This instinct has a discriminating and warlike disposition.

Considering the arrangement made above, Veblen seems to be a dualist and indeed he has been considered as one. However, this understanding is not necessarily right. It is because Veblen attaches greater importance to the instinct of workmanship than to the instinct of acquisition. Namely, he says that the instinct of workmanship is “the Supreme Court” of “judging the truth”.<sup>(3)</sup>

Now, capitalism is a complex of industry and business.<sup>(4)</sup> But, it is not a mere complex of them. Its essence consists in the rule of business over industry. In this system, therefore, industry is for the interests of business. Its reverse is never possible.<sup>(5)</sup> Veblen, stating this, has an insight into the perversion of capitalism. But he, being different from Marx, does not criticize capitalism in general.

The conflict between industry and business could not be found in capitalism in the stage of free competition. It is because a profit of business (industrial gain) was made by increasing the efficiency of industry. In this way, business greatly contributed the development of indus-

try.<sup>(6)</sup> Competition was made in the productions and this competition made the profit of business reasonable.<sup>(7)</sup>

However, the age of free competition came to an end before long. It is because the market could not absorb the number of increased products. This is what is called overproduction. Thus, the centralization and concentration of Capital was going on. Along with it, the monopolistic enterprise developed. This monopoly was moved forward by using stock. In this way, the age of joint stock company (the age of big business) has come.

In the age of joint stock company, business was separated from industry. Thus, industrial capital (tangible item) was changed into business capital (intangible item). Its capitalization is made not on the basis of the industrial equipment, but on the basis of "the respective capital gain". This method of capitalization, therefore, is accompanied by the danger of excessive capitalization (bubble economy).

Anyway, business now is not concerned with production. Its concern lies in the sales of capital stock. Thus, the business now has changed into the commercial or pecuniary institutions. Its work is to check efficiency of industry in order to obtain maximum profit. Thus, a conflict between industry (engineer) and business (business man) has occurred.<sup>(8)</sup> This describes Veblen's theory of class struggle.

Keen competition is now made in sales-propaganda. Extraordinary large sums of monies are spent on it. Many imitations are produced. In this way, waste or uselessness is widespread.<sup>(9)</sup> Along with it, the profit of business (pecuniary gain) is now obtained by checking the efficiency of industry, by protecting the trade mark, by manipulating the price system, and so on. It means to get something for nothing.<sup>(10)</sup> These profits are obtained by exploiting society or the expense of social interests.<sup>(11)</sup> This describes Veblen's theory of exploitation. His analysis goes on.

Now is the time of the credit economy. The use of loan credit is indispensable to expansion of capital. This brings about excessive capitalization and finally causes a crisis. But Veblen says that it is now the day of the chronic depression. This analysis, which coincidences Marx's law of falling rate of profit, is summed up as follows:

Modern technology makes constant progress. It means the constant declining costs of production. Thus, it is needed constantly to adjust the sum of capitalization to it. But, this adjustment cannot catch up to the speed of technological progress. Thus, the excessive capitalization constantly occurs. It means the constant declining of profit. Thus, the chronic depression becomes an everyday occurrence now.<sup>(12)</sup>

There are two ways to tide over chronic depression. One way is by increasing unproductive consumption. But, this way could not absorb the increased product today. Veblen, stating this, is not only ahead of Keynes but also beyond him. The other way is by the strengthening of monopoly. But however firm it may be strengthened, these still remains competition among the monopolistic enterprises. In this way, chronic depression could not be overcome.<sup>(13)</sup> Veblen's analysis goes on.

Industrial men (engineers) are being trained constantly by the machine industry. Therefore, they get scientific knowledge and come to think scientifically. This habit of thought is incompatible with the idea of private ownership, which is a kind of metaphysics. Industrial men, therefore, suspect the spiritual basis of business and are apt to accept socialism. Such industrial men are increasing day by day.<sup>(14)</sup>

But, this does not mean that socialism will develop necessarily after capitalism. It is possible for militarism to follow. Business tries to find a market abroad to tide over the chronic depression. This advance is accompanied by warship, the state serving the interests of business.<sup>(15)</sup>

This is the way to militarism. Thus, people become warlike and are awoken to patriotism. This habit of thought is incompatible with the idea of private ownership, which is semi-peaceful. In this way, the collapse of capitalism is unavoidable.<sup>(16)</sup> This is the conclusion of Veblen's theory of capitalism.

By the way, it was on the night before Veblen's death that the First World War (1914) broke out. Following a short while, the great depression (1930) occurred.

It is now clear that Veblen's ideas are closely related to Marx's. But, it does not mean that both of them are altogether the same. Veblen, being different from Marx, did not analyze capitalism in general. He analyzed capitalism in monopoly stage by using original concepts. Sweezy lacks to recognize this, when he says that regrettably Veblen does not reach Marx.<sup>(17)</sup> This way of interpreting Veblen is often found among academicians of Japan.

I believe that Veblen analyzes capitalism in monopoly stage by using original concepts. These concepts ("industry" and "business") could not be reduced into Marx's ("labour" and "capital"). Especially, Veblen's analysis of waste or uselessness has still significance now. His theory of excessive capitalization reminds me of Japan's bubble economy and the collapse of it. In addition, the crisis which Veblen clarified keeps going on

## II. VEBLEN AND MITCHELL AS INSTITUTIONALIST

In the History of Economic Thought, it has been said that Veblen is the founder of the American Institutional School and Mitchell is a successor to Veblen.<sup>(18)</sup> But, it seems to me that this opinion leaves room for consideration. Is there anything which connects Veblen and Mitchell as institutionalists?

Veblen and Mitchell emphasize that economists must study the change of institutions.<sup>(19)</sup> Both of them insist that economics must be a science of the change of institutions. In this sense, we could call them institutionalists (or evolutionary economists). The problem lies further ahead of this.

As we have seen, Veblen analyzed the change of capitalism and clarified the limits of it. He thought that institutional change necessarily go “beyond” capitalism. After that, militarism or socialism (“The soviet of technicians”) will come to appear. Thus, Veblen could be called Marx in America, though they are different from each other in the concept of human nature and institutions.<sup>(20)</sup>

Mitchell analyzes the change of institutions “within” capitalism.<sup>(21)</sup> He thinks that Institutional Change does not necessarily go “beyond” capitalism. There is surely a serious problem in capitalism, but this problem can be resolved “whithin” capitalism. Thus, Mitchell is a reformist.<sup>(22)</sup>

This difference is crucial. I cannot make light of it. This is the reason why I do not think of Mitchell as a successor to Veblen. Similaly nobody would say that economists of the German Historical School (reformists) are successors to Marx.

Lumping Veblen together with Mitchell under the name of institutionalist carries the risk of voiding the substance of Institutional Economics. So, I think that the two types of Institutional Economics should be distinguished according to the difference of their views of change.

In addition, it has been said that Mitchell makes Veblen’s economics scientific and develops it. I have also some doubts about this opinion. At least I cannot agree with it without any conditions. What is the meaning of “science” or “development” in this context?

Generally speaking, Veblen's concept of instinct has not been taken seriously. In fact, Veblen himself admits that this concept is not scientific.<sup>(23)</sup> If so, it should be asked why Veblen does not deny this concept and uses it.

Veblen wrote a book on the basis of this concept. This is *The Instinct of Workmanship and the State of the Industrial Arts*. Veblen shows his historical philosophy in this book. Therefore, this book corresponds to Marx's materialistic interpretation of history. I do not know the reason why *The Instinct of Workmanship* has been overlooked by researcher into Veblen.<sup>(24)</sup> To speak of Veblen without referring to this book is like to speak of Marx without referring to the materialistic interpretation of history.

Anyway I believe that Veblen's concept of instinct, especially "the instinct of workmanship", is at the center of his economic thought. In other words, this concept contains Veblen's spirit of criticism of capitalism and his perspective of what will come after capitalism. Thus, this concept works as a guideline when Veblen analyzes the change of capitalism.<sup>(25)</sup>

But, Veblen's concept of instinct can not be examined quantitatively. In this sense, it is surely metaphysical and not scientific. Therefore, Mitchell denied this concept without further inquiring into it. In this way, Mitchell constructs his so-called "quantitative"—in this sense "scientific"—economics.

But, in doing so, Mitchell loses not only the spirit of criticism of capitalism but also the perspective of what will come after capitalism. Besides, he loses the recognition of the fundamental conflict peculiar to capitalism, which is the linchpin of grasping capitalism. In the end, he says that capitalism is the best system which we have ever had.<sup>(26)</sup>

Can we say that this Mitchell makes Veblen's economics scientific

and develops it? It is difficult to answer this question. Because it depends on how to look at economics as a social science.<sup>(27)</sup> But, at least we will be able to say as follows: Mitchell makes Veblen's economics flat and narrow, even if Mitchell's economics is quantitatively (scientifically) minute and fine. In short, Mitchell's scientific economics is produced by making Veblen's economics hollow.

What is needed today is Veblen's spirit of criticism of capitalism and his perspective of what will come after capitalism. We now need to examine it and learn from it, because the problem inherent in capitalism has not yet been resolved. The critical situation is still continuing.

The above mentioned things about Mitchell is true of all economists of the American Institutional School. Namely, not one economist of the American Institutional School accepts Veblen's concept of instinct. All of them deny or ignorance it. But, as we have seen, Veblen's concept of instinct ("the instinct of workmanship") was at the center of his economic thought. Therefore, to deny this concept means to deny Veblen himself. In this sense, there is no real successor to Veblen among the economists of the American Institutional School.

Thus, it can not be said that Veblen is the founder of the American Institutional School. He, as we have seen, analyzed the change of institutions "beyond" capitalism. He thought that the collapse of capitalism is unavoidable. While, the economists of the American Institutional School remains concerned with analyzing the change of institutions "within" capitalism. All of them are reformists.

### III. TWO TYPES OF INSTITUTIONAL ECONOMICS

Generally speaking, the term "Institutional Economics" has been used as pointing to the American Institutional School. Namely, Institutional



Economics belongs to the American Institutional School. But, what is Institutional Economics? There are many kind of views about it.<sup>(28)</sup> In short, we have not yet reached the common definition of Institutional Economics. Some argue that Institutional Economics has never existed. We should not necessarily laugh at this view.

Surely, many debaters admit the existence of Institutional Economics. They say that Institutional Economics is Anti-Classical Economics. Then, what is the difference between Classical Economics and Institutional Economics? There are also many kinds of views about this point. There are various differences held by scholars. This is the reason why we should not necessarily laugh at the view of denying the existence of Institutional Economics.

Anyway, Institutional Economics could certainly be defined as Anti-Classical Economics. Considering this definition only, however, we would have to say as follows: Not only the American Institutional School but also The German Historical School and the Marxian School belong to Institutional Economics. The problem remains unsolved if we accept this definition. What point of Institutional Economics is different from Classical Economics? Without finding out this difference, we could not assert positively for the existence of Institutional Economics.

As for the definition of Institutional Economics, Gordon's gained a wide but uncritical acceptance. As known well, he selectes seven items as the features of Institutional Economics. Namely, Institutionalists think as follows:

- 1) Human behavior is not only restricted by the environments of institutions or cultures but at the same time reacts upon them.
- 2) This interaction is a process of evolution. Therefore, an evolutionary approach is needed.
- 3) Industrial technology and pecuniary institutions, the relation

between them being to some extent contradictory, play an important part in the process of evolution.

- 4) Economics researches conflicts of interest.
- 5) Conflicts of interest need to be regulated.
- 6) A human being is not the mere automatic controller seeking maximum profit.
- 7) Economics has to attach significance to the historical or inductive method and to incorporate the results of neighbouring sciences.<sup>(29)</sup>

Then, where is the difference between Classical Economics and Institutional Economics? We do not find this question in Gordon. He only lists features mentioned above on the same plane, despite their aspects being different. In addition, as Gordon also admits, these features are not peculiar to Institutional Economics. They are found to some degree in Classical Economics. In this way, the existence of Institutional Economics cannot be asserted positively by Gordon's definition.

Montaner (*Institutionalismus als Epoche amerikanischer Geistesgeschichte*) says that the essence of Institutional Economics consists in the study of "the change of institutions".<sup>(30)</sup> Namely, the economics which studies the change of institutions is looked upon as Institutional Economics. Therefore, Montaner thinks of the other features of Institutional Economics as deriving from its essence. This is the reason why Montaner's writing of Institutional Economics is organic and systematic. Then, is the study of the change of institutions peculiar to Institutional Economics?

Montaner says in a passage that the study of the change of institutions is found in Classical Economics. But, its study is made light of as being secondary.<sup>(31)</sup> In this way, Montaner admits that the study of the change of institutions is not peculiar to Institutional Economics. It means that Montaner fails in the definition of the essence of Institutional

Economics. Thus, the existence of Institutional Economics could also not be asserted positively by Montaner's definition.

So, I ask as follows: Why does Classical Economics make light of the study of the change of institution? This question leads us to ask as follows: Is the difference between Classical Economics and Institutional Economics brought about by the difference in their view of "change"? On this point,<sup>(32)</sup> we can take some useful suggestions from Hamilton.

Hamilton (*Evolutional Economics : A Study of the Change in the History of Economic Thought*) says that the essence of Institutional Economics lies in Darwinism. According to Darwinism, change is looked upon as a normal situation and the unchanged (equilibrium) as a temporary phenomenon. Then, is this Darwinism peculiar to Institutionalism? Hamilton says that the essence of Classical Economics lies in Newtonism. According to Newtonism, change is looked upon as a temporary phenomenon and the unchanged as a normal situation.<sup>(33)</sup>

We can now assert positively the existence of Institutional Economics. Also, the answer to the question asked to Montaner can be given now. Namely, Institutional Economics should study of the change of Institutions, based on Darwinism. Classical Economics should look upon the study of the change of institutions as being secondary, based on Newtonism.

Then, are there any problems in Hamilton's definition? Its definition is too comprehensive to solve the following problem. Namely, not only the American Institutional School and the German Historical School but also the Marxian School belongs to Institutional Economics. Therefore, Hamilton's definition carries the risk of making Institutional Economics an economics of little substance.

So, adding Montaner's definition to Hamilton's, I define Institutional

Economics as follows: Institutional Economics studies “the change of institutions” on the basis of “Darwinism”. I also classify Institutional Economics into two types. Namely,

- 1) The type of the Marxian School, which analyzes the change of institutions “beyond” capitalism.
- 2) The type of the German Historical School, which remains in analyzing the change of institutions “within” capitalism.

Needless to say, the American Institutional School belongs to the type of the German Historical School, providing that Veblen is excluded. Veblen as institutionalist, who analyzed the change of institutions “beyond” capitalism, belongs to the type of the Marxian School.

Surely, most economists of the American Institutional School accept Veblen’s key concepts of analyzing capitalism. For instance, “Making Money and Making Goods” (Mitchell) and “Going Business and Going Plant” (Commons) correspond to “Business and Industry” (Veblen). But, this acceptance is made in name only, because the basis of Veblen’s concepts is denied.

Its basis (“the instinct of workmanship”) contains Veblen’s spirit of criticism of capitalism and his perspective of what will come after capitalism. However, not one economist of the American Institutional School accept it. Thus, Veblen could not be looked upon as the founder of the American Institutional School.

Veblen analyzed the change of institutions “beyond” capitalism. In this respect, there is no difference between him and Marx. But, Veblen’s concepts of analyzing capitalism were different from Marx’s. On this point, they have to be distinguished.

It is certain that Veblen’s concepts could not be formed without American Pragmatism. In this sense, he is an American economist. But, accepting American Pragmatism, Veblen recasted it. In this process,

Marx has a great influence on Veblen. As for the spirit of Veblen, he is successor to Marx. In short, Veblen (Marx in America) could not be wrapped up by American Pragmatism. While, the American Institutional School is very pragmatic in the field of economics.

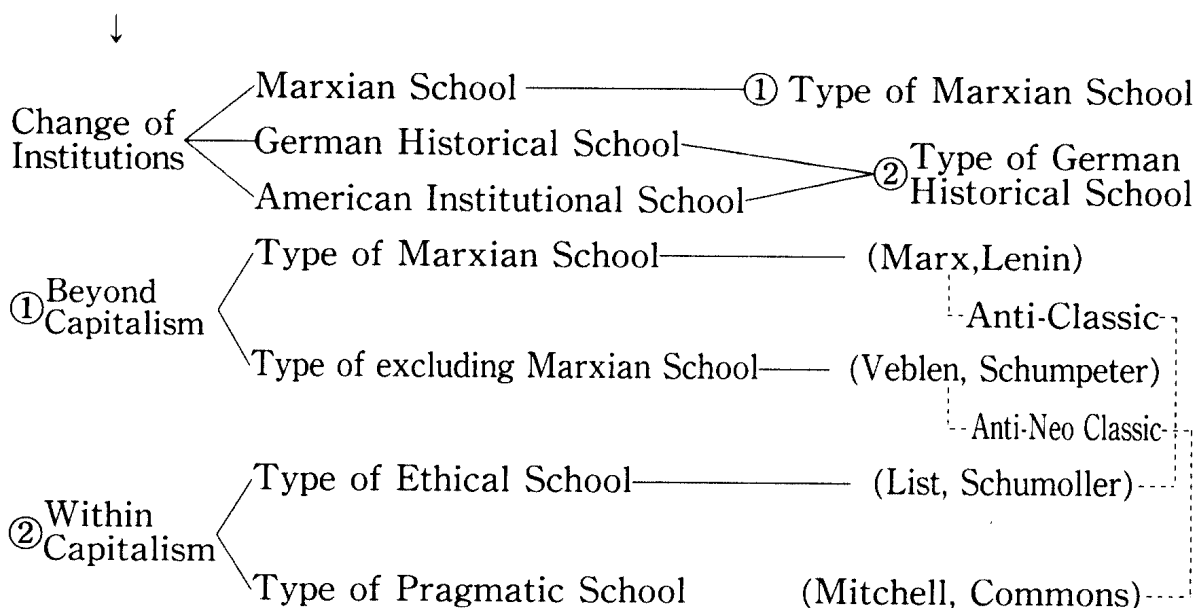
The American Institutional School remains concerned with analyzing the change of institutions “within” capitalism. Thus, most economists of the American Institutional School are reformists. On this point, there is no difference between the American Institutional School and the German Historical School. But, it does not mean that the two schools are altogether the same.<sup>(34)</sup> According to Montaner, the American Institutional School (the German Historical School in America) is “pragmatic” economics. While, the German Historical School is “ethical” economics.<sup>(35)</sup>

Lastly, the relation between Veblen and the American Institutional School is equal to the relation between Marx and the German Historical School.

All things mentioned above could be illustrated as follows:

Classical Economics (Classism ←—Newtonism)

Institutional Economics (Institutionalism ←—Darwinism)



**COMMENTS BY PROFESSOR FRANK STILWELL**

1. Is it true that Veblen paid much attention to analysis beyond capitalism? He was certainly very critical of capitalism, but did not develop an analysis of post-capitalist society. In this respect, I think he is different from Marx.
2. Darwinism is a useful concept for distinguishing the institutionalist's concern with change. But note that the principal applications of Darwinism in the social sciences have been conservative, e. g. Hebert Spencer's "Social Darwinism" (flowing through into the ideas of modern Chicago economists).
3. Your analysis of Mitchell would be more interesting if you wrote a short summary of his principal ideas. Personally, I regard Mitchell as the founder of econometrics, Commons was more typical of American Institutionalism.
4. I have made some suggestions for improvement to the English expression. There is also some repetition between the three parts of this paper, I think. However, the overall argument is very interesting and clearly preserved.

**NOTES**

- (1) "These institutions—the economic structure—may be roughly distinguished into two classes or categories, according as they serve one or the other of two divergent purposes of economic life. . . .they are institutions of acquisition or of production. . . .they are pecuniary or industrial institutions. . . .they are institutions serving either the invidious or the non-invidious economic interest. The former category have to do with business, the latter with industry, taking the latter word in the mechanical sense" (*Thorstein Veblen, The Theory of Leisure Class: An Economic Study in Evolution of Institutions*, New York: Macmillan, 1899, p.208).

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- (2) *Ibid.*, p.15.
  - (3) *Ibid.*, p.99.
  - (4) “The material framework of modern civilization is the industrial system, and the directing force which animates this framework is business enterprise. . . . This modern economic organization is Capitalistic System or Modern Industrial System, so called. Its characteristic features, and at the same time the forces by virtue of which it dominates modern culture, are the machine process and investment for a profit” (Thorstein Veblen, *The Theory of Business Enterprise*, Clifton: Augustus M. Kelley Publishers, 1973, p.1).
  - (5) “Those elements in industrial world that take the initiative and exert a far-reaching coercive guidance in matters of industry go to their work with a view to profits on investment, and are guided by the principles and exigencies of business” (*Ibid.*, p.2).
  - (6) *Ibid.*, pp.181-182.
  - (7) In this way, Veblen recognizes that profits are created by the process of production. This recognition prevents him from being so-called circulationism. However, he does not analyze the inner mechanism of creating profits, as this was not of concern to him. His emphasis lies in analyzing the capitalism in monopoly stage.
  - (8) I have no idea why class recognition is lacking in American economic thinkers. “Only Veblen is excepted from them” (C.H. Page, *Class and American Sociology*, New York: Schocken Books, 1940, P.X.). In addition, he predicts a kind of social revolution on the basic of this class recognition. But he does not look upon the social revolution as being inevitable.
  - (9) Thorstein Veblen, *The Engineers and the Price System*, New York: Augustus M. Kelley Bookseller, 1965, p.108.
  - (10) Thorstein Veblen, *The Theory of Business Enterprise*, Clifton: Augustus M. Kelley Publishers, 1973, p.159.
  - (11) This sentence reminds me of the following scene in Japan. A head of a

manufacturing industry types on the keys of his computer in his room. He says, "This brings me more gains than making goods."

- (12) Thorstein Veblen, *op. cit.*, pp.177-255.
- (13) *Ibid.*, pp.225-267.
- (14) *Ibid.*, p.380.
- (15) *Ibid.*, pp.285-286.
- (16) *Ibid.*, pp.391-400.
- (17) P. Sweezy, Veblen's Critique of American Economy, *American Economic Review*, 1958.
- (18) Joseph Dorfman, *The Economic Mind in American Civilization*, New York: Augustus M. Kelley Publishers, 1969, Vol.4, pp.352-353.
- (19) "A man who realizes that he is studying an institution keeps his work in historical perspective, even when he confines himself to analyzing the form that the institution has assumed at a particular stage of its evolution. By so doing he opens vistas enticing to future exploration, instead of suggesting a closed system of knowledge" (Wesley C. Mitchell, *Backward Art of Spending Money and Other Essays*, New York: Augustus M. Kelley, Inc., 1950, p.256).
- (20) As for the concept of human nature, Veblen, being different from Marx, is Anti-Benthamist. Veblen does not admit the rationality of human behavior. As for the concept of institution, Veblen, being different from Marx, does not think that institutions could be reduced to purely economic factors. In this way, Veblen's economics becomes a kind of cultural science.
- (21) See, Kenji Sasano, *Seido Keizaigakusha Mitchell (Mitchell: An Institutional Economist)*, Nakanishiya Japan, 1995, pp.188-209.
- (22) "As yet there is not much to report beyond the dazed perception that social organization is more flexible for good and ill than we had realized, more amendable to purposeful control, and more exposed to man-wrought disaster" (Wesley C. Mitchell, *op. cit.*, p.391-392). "Our first and foremost



- concern is to develop some way of carrying on the infinitely complicated processes of modern industry and interchange day by day...What is lacking to achieve that end, indeed, is not so much good will as it is knowledge—above all, knowledge of human behavior” (*Ibid.*, p.50).
- (23) Thorstein Veblen, *The Instinct of Workmanship and the State of Industrial Arts*, New York: Augustus M. Kelley Booksellers, 1964, p.2.
- (24) “Veblen declared that *The Instinct of Workmanship* was his only important book” (Joseph Dorfman, *Thorstein Veblen and His America*, Clifton: Augustus M. Kelley Publishers, 1972, p.324).
- (25) See, Kenji Sasano, *op. cit.*, pp.244-247.
- (26) “This practical subordination of our common interest in making goods to our individual interest in making money produces grave consequences. But before enumerating them it should be emphatically stated that the money economy is doubtless the best form of economic organization for promoting the common welfare that men have yet devised” (Wesley C. Mitchell, *op. cit.*, p.144).
- (27) Being different from natural science, social science is a historical science. Social science studies the objects which human beings have produced in history. So I believe that there is a difference between social science and natural science not only of object but also of method.
- (28) See, David Hamilton, *Evolutionary Economics: A Study of Change in Economic Thought*, Albuquerque: University of New Mexico Press, 1970, pp.1-6.
- (29) Robert A Gordon, *Institutional Elements in Contemporary Economics, Institutional Economics: Veblen, Commons, and Mitchell Reconsidered*, Berkeley and Los Angeles: University of California Press, 1964, pp.124-125.
- (30) “Da von psychologischen Standpunkt aus die ursprüngliche menschliche Natur bemerkenswert stabil ist, müssen die meisten der offenbaren Verhaltensweisen unter Bezugnahme auf die vorherrschende institutionelle Struktur erklärt und gedeutet werden. Dieses Vorgehen ist in seiner

Notwendigkeit nur dann verständlich, wenn die jeweilige institutionelle Struktur als das Ergebnis eines kumulativen Wandlungsprozesses erkannt wird" (Antonio Monterner, *Der Institutionalismus als Epoche amerikanischer Geistesgeschichte*, Jübingen: J.C.B. Mohr, 1948, s.90).

- (31) *Ibid.*, s.28.
- (32) "Institutional economists consider the concept of change to be an important distinguishing mark of institutional economics. Some have emphasized one difference as most important and some another, but the fact remains that all are agreed that institutionalism differs on this one question—change. The failure of all to agree on any other single difference would seem to indicate that change may be the key by which the difference between classical and institutional economics may be explained" (David Hamilton, *ob. cit.*, p.16).
- (33) *Ibid.*, pp.18-28.
- (34) For instance, Mitchell severely criticizes the German Historical School. See, Wesley C. Mitchell, *ob. cit.*, p.363.
- (35) Antonio Monterner, *ob. cit.*, ss.118-127.