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THE FOLKLORE OF CAPITALISM THE POLITICIAN'S HANDBOOK—A REVIEW

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ANYONE who has read Thurman Arnold's *The Folklore of Capitalism* will understand that no disparagement is intended in characterizing it as the politician's handbook. It is not a handbook of specific practices but of general ideas and principles. Whoever has a firm grasp of them and is capable of sober analysis of concrete situations can write his own shrewd recipes. These ideas and principles are fascinatingly illustrated with a wealth of data. But insight into their relevance and validity depends upon an appreciation of the author's basic attitude or point of view.

The point of view which we are attempting to sketch here is one which allows a place to the folklore necessary for social organization, which does not mislead us with respect to its function in society. It is the point of view of modern psychiatry without its classifications. This attitude has not attained the dignity of a formulated philosophy. It is one which the realistic politician has taken all along. The task of the philosopher is to make it respectable so that respectable people can use it [p. 142].

It is a book, then, *about* politicians *for* those who want to be politicians or to understand them, *by* one whose politics includes, among other things, a desire that respectable people become politicians. Let us note in passing that the author regards it as peculiarly important that *respectable* people (however they are defined) should become realistic politicians. Later on we shall examine the basic assumption in the light of which this preference becomes intelligible.

Insofar as it is a book *about* politicians and their ways, Arnold's *The Folklore of Capitalism* is a little masterpiece of insight, expository skill and suggestiveness. For him politics is as broad as social life. He demonstrates that if we take political behavior as the subject matter of our

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inquiry, little of our customary academic political theory touches it at any point. Where it does play a role, it merges into popular social theory which is little more than a kind of "ceremonial literature that reconciles conflicts by concealing them." Organizations are the *dramatis personae* of conflicts. To be effective, organizations must say one thing and do another. Those who judge organizations by what they say are confusing incantation with rational analysis. Those who would do the business which organizations must do, without these incantations, will find that their organizations will melt away. For it is "tears and parades. . . which are the moving forces of the world in which we happen to live." Whoever understands that will understand both why it is necessary to have a folklore, a set of myths, ideologies, and isms, and why this folklore must be irrational. "For the purpose of binding organizations together nothing makes as much sense as nonsense, and hence nonsense always wins." Here, too, we must stick a pin to which we shall return. Nonsense, by definition, always wins. Why then, one kind of nonsense rather than another, the nonsense of the New Deal rather than the nonsense of rugged individualism? In places the author suggests that the victory of one organization and its hallowed nonsense over another depends upon some standard or ideal by whose light individuals judge the fruits of public tubthumping and *sub rosa* practices. But it is clear that on the author's own view all standards and ideals are nonsense—high and profound nonsense to be sure—but nonsense all the same.

On the descriptive level of political behavior, creedal and practical, Arnold's book is a noteworthy achievement. Particularly for America whose intellectual life has been comparatively unaffected by the writings of Pareto, Michels, and the Marxian critique of ideology. Even if he has rediscovered truths that were already known, to have rediscovered them in the context he did—American folkways in economics, law and politics—is a genuine contribution to realistic stocktaking. No summary can communicate the freshness and incisiveness with which the illustrative material is handled. For example, I know of no clearer presentation of the discrepancy between institutional myth and practice than is revealed in Arnold's analysis of the mechanism of control in bankruptcies, in holding companies, and in taxation policies. We laugh when we read DeMan's account of the Constantinople date vendor who did a brisk trade to the cry of: "Hassan's dates are larger than they are! Hassan's dates are larger than they are!" But few are aware of the extent to which the American public reacts to generically similar slogans, symbols and "fundamental principles" in political life. Whatever the science of politics is, it must

recognize how easy it is for people to live by inconsistencies; and it is obvious that those for whom politics is an art must make knowing use of this.

The limitations of Arnold's book begin to emerge just as soon as we leave the level of bare description. The author has two uncoordinated theories of *why* social philosophies which have no significance nonetheless have effects. At times he writes as if allegiance to ideologies arises out of an original tropismatic reaction to words. People go counter to their own selfish interests and that of the community "out of pure mystical idealism" (p. 50). Indeed, Arnold does not hesitate to attribute the most overt forms of struggle to excessive metaphysical enthusiasm, thereby suggesting another causal explanation for the World War. "Most of the interesting and picturesque wars have been fought not over practical interests but over pure metaphysics" (p. 90). At other times he admits that social philosophies have no significance at all "except with reference to the conflicts out of which they arise." But what are the basic conflicts out of which social philosophies arise? Arnold does not so much as state an hypothesis concerning them.

His failure to do so has a peculiar effect upon his own intellectual procedure. Most of his book, and decidedly the best part of it, consists in exposing the inspirational and non-descriptive character of the bulk of old-style capitalistic folklore, which is popularly called "hokum." But his strictures are very severe against the Utopians and rationalists and academic purists who think that a society can solve its bread and butter problem without hokum. Vital lies and illusions, he asserts, are even more necessary to sustain organizations than they are to sustain men. And in his criticisms, Arnold concentrates exclusively upon the hokum of the old style (Hooverian) folklore leaving untouched the hokum of the new style (Rooseveltian) folklore or, more accurately, mythology, since it has not yet been institutionalized. His contempt for liberals and radicals who are critical of both kinds of folklore is none the less apparent despite its restraint. In the absence of a theory concerning the interests which motivate ideologies, Arnold has no answer to the simple questions: Well then, what's all the verbal shooting about? On the basis of what data can you predict that one myth or another will be accepted? What set of considerations determines the type of ideology an organization will embrace?

The consequences of the failure to relate interests to social ideals lead to an ambiguous account of the nature of creeds and mythologies. We read that "institutional creeds, such as law, economics or theology, must be false in order to function effectively" (p. 357). Yet we are also told that

ritualistic beliefs sooner or later affect behavior, that institutions like personalities "become very much like the little pictures which men have of them" (p. 334). Mr. Arnold is not clear in his own mind (i) whether or not social doctrines are strictly meaningless, incapable of being confirmed or invalidated by relevant evidence, or (ii) whether they are all demonstrably false, or finally (iii) whether some are true and some are false. If he holds to the first, he must regard them as expressive statements. To differentiate them properly for scientific purposes, he must analyze the interests they express and translate them into *specific programs of action* as preparatory to intelligent evaluation. This he rarely does. If he holds to the second, then he must recognize that we are already in possession of a sufficient store of true information about the social process—sufficient to enable us to declare ideologies to be false—which justifies the hope that some scientifically valid social doctrines may be developed. Yet if I understand Mr. Arnold aright all social science is part of folklore. If he holds to the third, he owes the reader an account of the methods by which he determines the truth or falsity of social doctrines.

As a book *about* politicians, then, Mr. Arnold's discussion suffers from the failure to present some hypothesis which will account for the varieties of political verbal behavior which his own descriptive survey has uncovered. But as Mr. Arnold makes abundantly plain, his book is written *for* those who would be successful politicians (statesmen, publicists, professional revolutionists, etc.) and it must be considered from this point of view, too. In fact, it is a safe bet that Arnold's views here will have a practical impact upon American political life—right, center and left. The nub of Arnold's advice, based upon his study of the ways of man as a political animal, is this: fundamental loyalties must be given not to principles but to organizations (p. 384). Creeds and doctrines are the invisible but potent agglutinative forces of organizational solidarity and effectiveness. They must be judged only in relation to the techniques of political control. He addresses himself particularly to "respectable people with humanitarian motives" and tells them, almost in so many words,—"instead of cussing out the politicians, imitate them." Organizational myths must not be criticized, or weakened by logical analysis; nor, if practical results are desired, are they to be believed in. The populace loves large talk and circus play: it cannot be kept content with a mere diet of bread and cheese. Again Arnold's argument takes an ambiguous form. When he appeals to "respectable people with humanitarian motives" to take politics away from the "selfish" (p. 37) professional politician, the implied assumption is that the organization is to serve the *community* interest, what-

ever that may be. When he describes and defends the life career of the effective organization, he shows that its primary concern is to further the *organizational* interest and to take note of and appease conflicting interests only to the point where organizational security demands it. This curious reluctance to explore the relationship between concrete interests and organizational structure makes it possible for Arnold to insinuate that the respectable politician represents the interest of everybody.

It is in conjunction with this theme that Arnold realizes he is skating on very dangerous ground. After all, the most successful political organizations of our time are those headed by Hitler, Mussolini and Stalin. They have developed the most elaborate forms of hokum and have won complete freedom to carry out organizational policies. We must not be too superior to learn from them. Yet at the same time Arnold is obviously bothered by the fear that critics will point to these totalitarian regimes as constituting the *reductio ad absurdum* and, if I may be permitted the phrase, the *reductio ad nauseam* of his position. He is, therefore, compelled to be 'choosy' in evaluating their accomplishments. On other occasions, however, he is impatient with unrealistic philosophers who, starting from certain principles, try to separate the good from the bad in situations where they mutually involve each other. He writes:

The strength of Hitler lay in the fact that he put everyone to work and managed to develop national pride. His weakness lay in his persecutions. Such persecutions are not, I believe, *necessary* to the exercise of national power or the development of rational morale. The reason why they are apt to occur in times of change is that respectable people in such times are too devoted to principles to solve immediate problems or to build up morale by the objective use of ceremony [pp. 41-42].

It has been said that when a great mind commits a blunder, it does not content itself with an ordinary one. And when a hard-boiled realist goes soft, we get an uncommon variety of naïve mush. How does Mr. Arnold know that the persecutions were not necessary to put everyone to work and to develop national pride? To put everyone to work in Germany meant the establishment of labor and concentration camps and the abolition of the right to strike. Is this possible without persecution? To build up morale by the objective use of ceremony meant the suppression of all those who argued that the racial myth and the legend that Germany had been stabbed in the back by the liberals and socialists was not justified by the evidence. What method does Arnold know of keeping critics of fraud and nonsense silent different from those employed by Hitler? And to put the responsibility for persecution upon those who are too devoted to principle is tantamount to blaming them for not doing what Hitler did before

Hitler did it. From a narrow organizational point of view, and only from that point of view, the criticism is just. If an organization is to survive, it must beat the other organizations to the gun. But from the same point of view, it is the sickliest sentimentalism to bewail or question the necessity of the means employed to achieve the end. Insofar as Arnold touches the means-ends problem, his thinking is in the pre-reflective pupa stage.

Even more grotesquely naïve is his treatment of Stalin's regime. He quotes a piece of apologetic writing by Walter Duranty according to which Stalin is "making men out of mice" (including the mice who made the revolution of 1917) by encouraging games, publicity stunts, and celebrations of the power of the Communist Party. This is good as far as it goes. As Duranty says it makes the Russians "men, not mice or slaves." The pity of it on Arnold's view, is that Stalin spoiled matters by "abandoning this technique for a great purge." What Arnold does not see is that Stalin has not abandoned this technique but accompanied it by a purge, that one reinforces the other, and that with greater or lesser intensity, Stalin's regime, like all minority dictatorships, has been one continuous purge. And whom has he purged? The critical, the courageous and independent—the mice that were already men.

There is a reason for this glaring blind spot in Arnold's normally acute political perception. It is to be found in a revealing analogy which runs through this book as well as his *Symbols of Government*. The ideal politician is cast in the role of a trained psychiatrist. His function as head of the state organization is to make the patients (citizens) comfortable and "as little of a nuisance" to themselves as possible. They can even be permitted their rantings (ideologies). The latter have only diagnostic value. They indicate the types of insanity by which the patients are afflicted. No psychiatrist who knows his profession would dream of refuting them as part of his curative technique. The world may be regarded as one vast madhouse whose needs are ministered to by trained psychiatrists in the guise of patient politicians. This interesting analogy explains why Arnold is so indifferent to the kinds of ideologies which flourish in the political world and lumps them indiscriminately together. That is why he resents normative judgments as meddling intrusion by preachers and moralists who really constitute just another class of patients. That is why the methods of Hitler and Stalin seem to him unnecessarily crude.

Now there may be some justification for Arnold's lack of first hand knowledge about Germany and Russia, particularly if he relies upon journalists who write like government officials. But his unfamiliarity with the procedures of insane asylums is difficult to explain for one who thinks in psychiatric metaphors. The regime which provides material comfort

and freedom from the most luxuriant fantasy can only operate if it has at its disposal padded-cells, straitjackets, and, in extreme emergencies, the black bottle. On Arnold's own analogy, there is no more sense in *approving what* Hitler and Stalin have done and *disapproving how* they did it than in praising the cures asylums effect and, in the present stage of knowledge, condemning their methods.

That Mr. Arnold appreciates, despite his flirtation with the metaphors of psychiatry, the danger of making a fetish of organization as such, is clearly expressed in the purpose of his book. We will recall that the author's declared objective indicates it is a book *by* one whose politics includes the desire that respectable people become politicians. It is in developing the implications of this objective that Arnold's actual, even if unformulated, theory of social causation appears. And in developing the implications of Arnold's theory of social causation, we shall make the startling discovery that he is committed to a point of view which, on *his* own analysis of the nature of folklore, is mythology.

Loyalty to organization rather than loyalty to principle is the first lesson which Arnold would have the realist in politics learn. Once this is granted the author makes no pretense that organizations by themselves are sufficient for good government. He is aware that a political machine can become corrupt and tyrannical. Its mythology may have such cohesive force that the corruptions and tyrannies may not even be risky for its own survival. How, then, safeguard against them? Arnold's answer expresses the only theory of social causation to which he clings consistently—and unconsciously—in his book. Our safeguard is the character of the men, the personality of the leaders, who dominate organizations. In discussing the rise of new organizations, he writes:

All he [the observer] needs to worry about is the character of the people who are gradually coming into power. Does he think they are good organizers and at the same time tolerant and humanitarian? [p. 342.]

If he does, there is no reason to worry about programs, principles and institutional abuses. He has just got through showing that good organizers cannot be tolerant and that their humanitarianism extends only to those who are acquiescent and tractable, but we pass this minor inconsistency by. The significant thing here is the decisive role which Arnold assigns to the individual, to the good man in government. And not only in government! Even in economics different types of men will give rise to different types of mercantile organization. Specifically, the reason why the "ten-cent store chains" have contributed so tremendously in reducing the cost of living whereas the "grocery chains" have conspicuously failed is attributed to the different types of men who have come to the top in

these organizations (p. 351). Naturally, there is the inevitable reference to Henry Ford. The author feels that if Henry Ford had gone into the grocery business (perhaps any business), "he would have accomplished the same kind of results as he did in the automobile business."

I am not interested in criticizing the author's theory at this point. My concern is to show that he holds it. It makes intelligible his purposes, his criticism of existing politicians whose techniques he approves, and his explicit identification of *organizational structure with personality structure (passim)*.

We now rapidly approach the *dénouement* of the author's argument. Organization is the instrument of political action. Men determine the quality of organization. Therefore we need *good men*—the respectable, the humanitarian, the sensitive—in order to have good government and good society. These men will presumably still remain good even though they employ the techniques of politicians from Machiavelli to Stalin. But this is not the main point. The main point is that Arnold is committed to ethical judgments—ethical judgments, which he began by declaring to be the bane of intelligent political analysis, to be part of the meaningless mythology of principle. There is no place for a theory of the good in Arnold's analysis but its upshot makes the existence of the good man central. How the good man is to be distinguished from the bad, what schedule of ends and theory of means characterize his thinking and action, what *kind* of organization he wishes to build, what specific *program* of institutional reform he must espouse here and now—all these remain unilluminated. Failing to realize that politics is a branch of ethics, the author is forced into a left handed acknowledgment of the central place of ethical judgment in his own analysis. Unaware of the implications of his own analysis, he does not feel called upon to develop a theory of the good or even to qualify his original position according to which ethical judgments, strictly speaking, are nonsense statements. His brilliant treatment of illustrative material suggests a plausible theory of the good as intelligently evaluated interest, but he passes it by.

Surprising as it may seem, once the author abandons the purely descriptive level his thought is astonishingly naïve. His methodology is naïve. His theory of social causation is naïve. His unexamined common-sense ethical assumptions are naïve. And in places where he is aware of a difficulty but not of a solution his logic is naïve.

This combination of realism concerning techniques and naïveté about principles is nothing new in the history of social thought. It is generally allied to a social interest. In our own day the social interest which gives a philosophy such as Arnold's driving force is the vocational need of the

intellectual worker and professional who make a career in public service or the business of government,—a group which regards itself as independent of other classes, in fact as a special class whose function is to mediate between others. It constitutes the permanent staff of officials who observe with amused cynicism or resentful irritation that the more things change (in ideology) the more they remain the same (in practice). In periods of relative stability, it is content to identify its interests with those of the dominant group in the economy. In *effect*, as Arnold himself observes, that is the function of all government, in ordinary times, despite its mythology of universalism. In periods of transition, however, where social tension becomes so great that it threatens the prestige and security of the dominant group in the economy, and with it the tenure, power and privileged routines of the masterful servants who always *imagine* that they rule behind the scenes, a dissociation of interests takes place. If the dominant group adopts an intransigence which bids fair to carry the public servants (bureaucrats or political engineers or technicians—you may take your choice) down to a common ruin, the latter look around for a “leader” who can save what can be saved. In the last resort this means a kind of Bonapartism. But if the leader can serve as the symbol of the vague aspirations of the dissatisfied multitude, as a symbol of distrust of the old myths and acceptance of the new, he can more easily do the practical things which must be done to save the existing economy. Roosevelt is Arnold’s leader. Although the theme and implications of his book involve enduring problems, its present impact must be considered in the light of the present clashes of interest in America. But this is a large subject and these pages are not the place for it.

THE FOLKLORE OF MR. HOOK—A REPLY

THURMAN ARNOLD*

THE Editors have requested a comment on Sidney Hook’s review of my book, *The Folklore of Capitalism*. I comply because perhaps a brief statement of my position will serve to clarify the differences between our respective points of view. At the outset, I wish to say that Mr. Hook’s very generous praise of parts of the book is particularly gratifying since it comes from a scholar for whom I have the greatest admiration and respect.

If I were to describe the differences in our attitudes, I would say that Mr. Hook is an inspirational philosopher attempting to discover and analyze ethical formulas while I am an unphilosophical observer attempt-

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