CONSUMPTION AND STANDARDS OF LIVING

Consumption and Standards of Living

By

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To

JOHN DONALD BLACK

PREFACE

It has been sixteen years since Carl C. Taylor first interested me in writing a Master's Thesis on the standard of living. Since that time, ideas on this subject have been constantly evolving in my mind. In 1924, John D. Black enabled me to start the work which gave me a definitive idea of a complete family budget, F. B. Garver led me through the utility analysis, and P. A. Sorokin caused me to inspect Ernst Engel's studies in the original. I was also greatly influenced by a careful study of Frédéric Le Play's work, and by stimulating discussions with Robert E. Park on the psychological phases of consumption. After continued investigations in many parts of America, I was enabled to make studies in Canada in 1930, in Siam in 1930-31, among the Ozark Highlanders in 1932-33, and in Cuba in 1934.

From 1932 to 1936 I was aided in the preparation of this manuscript by funds from the Harvard Committee on Research in the Social Sciences. In 1932, through the interest of Max Handman, I was asked to include some of my materials in an analytical bibliography of existing budget studies to be prepared in coöperation with Faith M. Williams, United States Bureau of Home Economics. (See U. S. D. A., Misc. Pub. No. 223.) By 1935 the rest of my manuscript had become so large that I published the material on Le Play in a separate monograph (*Family and Society*, D. Van Nostrand Company, 1935). I am now publishing this third volume which I hope, in conjunction with the other two, will be accepted as a definitive analysis of this part of human behavior.

There are those who say that Social Science is logical, illogical, statistical, non-statistical, purely descriptive, evaluative, and what not. To me, it consists only of a systematic examination of facts and ideas and the relations between these two. In this work I have not only presented a comprehensive study of the pertinent empirical materials but have also ventured to discuss the existing ideas on the subject.

At various times I have been assisted by numerous persons. Particular mention should be made of Dr. Carl Kraenzel, J. W. Riley, Jr., Dr. Robert K. Merton, J. W. Boldyreff, Mrs. John Volkmann, and Martha F. Benedict. Gordon T. Bowden compiled the subject index. I also wish to thank especially the Harvard Committee on Research in the Social Sciences for supporting this endeavor, and the officers of Widener Library for their helpful coöperation.

On account of shortage of space, I had to eliminate a list of studies of food expenditures of the upper classes; an appendix giving further discussions of the consumption theories of J. B. Clark, H. J. Davenport. F. A. Fetter, E. R. A. Seligman, F. W. Taussig, T. N. Carver, G. P. Watkins, Hazel Kyrk, Elizabeth Hoyt, Warren C. Waite, P. H. Nystrom, Adam Smith, Thomas Robert Malthus, J. B. Say, David Ricardo, J. R. McCulloch, James Mill, W. E. Hearn, J. C. L. Sismondi, Frederic Bastiat, Adolf Wagner, Bruno Hildebrand, Lujo Brentano, Karl Bücher, Wilhelm Lexis, Kuno Frankenstein, Hermann H. Gossen, and P. H. Wicksteed; and a number of notes and statistical tables.

CARLE C. ZIMMERMAN.

Harvard University
April, 1936

CONTENTS

TABLES AND CHARTS

PAGE

To the Student who uses this Textbook:

This textbook represents many years of learning and experience on the part of the author. It does not treat of an ephemeral subject, but one which, since you are studying it in college, you must feel will have a use to you in your future life.

Unquestionably you will many times in later life wish to refer to specific details and facts about the subject which this book covers and which you may forget. How better could you find this information than in the textbook which you have studied from cover to cover?

Retain it for your reference library. You will use it many times in the future.

The Publishers.

CHAPTER I

The Problem of Consumption

Systems of living include the total efforts to satisfy desire.—Manners of living denote dominant values. Standard of living has various meanings.—The plane of living has been held to be actual consumption.—The standard of living has been held to be what ought to be consumed.—Standard of living has also been defined as what we want to consume.—This definition is part of the theory of progress.—This work uses standard of living to express the dominant values or the *particular* manner of living.—The plane of living represents the material aspects of the standard of living.—Complexity of the behavior cycles in a system of living.—A study of the behavior cycle enables us to differentiate material and non-material aspects of living.—Material living emphasizes economic goods, egoistic sensation, individual desire, immediate consumption, and individuation.—Non-material living emphasizes non-economic goods, non-egotistical sensation, social stability, deferred consumption, and socialization.—Material living follows Weber-Fechner principles of the relation between stimulus and response.—The problem of consumption is that of proper distribution of emphasis between material and non-material aspects of living.—The problem illustrated by international comparisons of cost of standard budgets.—The problem is involved in the studies of primitive life.—The religious systems differentiate themselves in their emphasis upon this problem.—It is a primary difference of opinion in economic thought.—We seek to find a solution by study of the consequences of numerous systems of living.

Man has been speculating about his systems of living for several thousand years. During this time he has proposed varied answers to the problems considered. This book is concerned with those problems.

Concepts

Before we can begin our discussion, it is necessary to define the fundamental concepts involved. By the term *systems of living* is meant the total individual and group behavior as it is integrated about the efforts to satisfy desires. Thus, an extreme emphasis upon fashionable clothing may lead to a relative decline in expenditures for food and other necessities. Or, deep interest in following out the tenets of a religious sect may lead to a general decrease in the consumption of economic goods.

The dominant values implicit in systems of living are denoted by the phrase *manners of living.*[1] Such values as frugality or luxuriousness, asceticism or self-indulgence, and stability or flexibility of expenditures provide the centers around which the systems of living are integrated. It is the differences in these values which enable us to discriminate between various systems of living. Hence, we may say that the manners of living provide the distinctive "coloration" of systems of living.

The current definitions of *standards of living* are so numerous and diverse [2] that it is imperative to distinguish between them and to indicate the usage in this book. These many definitions may be grouped into three classes: the scientific, the attitudinal, and the typological. The "scientific" formulation of the standard of living, according to L. L. Bernard, is the ideal level of expenditures set up by social scientists as a means to a sanctioned social end. He attempts to differentiate between the concept "plane of living" which is what people actually consume and the "standard of living" which is a theoretical level of living set up by social scientists who attempt to control society. His own statement of the case is as follows:

> Some fifteen years ago I began in my classes to emphasize the distinction between standards of living and planes of living. It seemed to me to be necessary for the sake of accuracy to limit the former term to those statements of an ideal or scientifically constructed scale of expenditures which had been worked out as a means to an approved social end. The standard is the product of science. Under the second term I included all types or levels of expenditures which occur in practice, whether they are regulated

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[1] Compare the similar definition by Hazel Kyrk, *A Theory of Consumption,* Boston, 1923, pp. 183-184.

[2] See Black, John D. and Zimmerman, Carle C., "Farm Family Living as a Field of Research," *Research in Farm Family Living,* Social Science Research Council, Bulletin 11, New York, 1933, edited by Black, John D.; Zimmerman, Carle C., "Objectives and Methods in Rural Living Studies," *Journal of Farm Economics,* 1927, pp. 223ff; Bernard, L. L., "Standards and Planes of Living," *Social Forces,* 7 (2): 190-202, 1928; Eliot, T. D., *Introduction to American Standards and Planes of Living,* Boston, 1931. This subject has been discussed by most economists.

by the concept of standards or are the result of merely accident, whim, desire, necessity, or what not.

> . . . To be concrete, and to talk in terms of the subject matter of this paper, we may illustrate the problem here being discussed by stating it in the form of a question. What will happen in terms of productive or living efficiency if the worker or citizen regulates his expenditures according to a scientifically determined budget which is planned with reference to his efficiency?
>
> This is the heart of the discussion of the problem of the standard of living. The problem is not to determine what people actually spend, but to find out what they should spend and how they should spend if they are to achieve certain ends which it is assumed that they desire or should strive for. The term "spend" is, of course, here considered to be equivalent to the term "consume," for expenditure is naturally the preliminary to consumption.[3]

This and the further argument of Professor Bernard involve the assumptions that man can control his own destiny, that there is close causal relationship between the level of consumption and the behavior of the people in which this level of consumption prevails, and the belief that social scientists already know or can find by investigation this particular level of consumption and put it into a standard budget for the use of the consumer. This philosophy implies a close causal relationship between the schedules of consumption of economic goods and the other activities of man. For if standardized budgets can be created to attain "social ends," it is implied that these social objectives are measured primarily by scales of expenditure. But this view fails to recognize that in a system of functional relationships, the level of consumption may be as much a determined as a determining factor.

The second, or "attitudinal" approach, conceives the standard of living as that which we want, as the attitudes which govern our expenditures, rather than the actual consumption of goods and services. The usefulness of this conception is greatly lessened by its highly subjective character. Every society is stratified into classes with different manners

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[3] *Social Forces* 7 (2) : 190 and 192.

of living. Most individuals want to emulate their "betters." [4] To use this wish for a higher scale of consumption as the defining characteristic of the standard of living is to rob the concept of any but nominal value. The danger in this usage is that the concept, with no objective limits, may easily be carried to ludicrous extremes, such as the wish to be a millionaire, king, or the like. Such phantastic yearnings are too far removed from actual behavior to characterize standards of living adequately.

Moreover, the belief that the standard of living should involve a higher scale of expenditure than that actually practiced rests upon a faith in linear progress; a faith highly elaborated and popularized in the eighteenth and nineteenth centuries.[5] Such views postulate conditions where the general level of consumption of the masses can be constantly increasing. Historically, perpetual continuance of such conditions have not been found.

The third conception of *standard of living*—and the one which is maintained in this book—is the typological. According to this view, a standard of living is the type of behavior which most adequately expresses the dominant values found in the associated manner of living. In other words, it is a species of the systems of living. Thus, the description of a system of living as it is exemplified by the "representative individual" [6] corresponds to the appropriate standard of living, properly so-called. This behavior is neither average nor extreme: it is the type of behavior common to those who successfully represent the habits and values of the given group. For example, in a society where frugality is highly regarded, the abstemious individual who defers consumption and accumulates capital would best exemplify the behavior

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[4] See the "Plowman's Yearning" from early (pre-Domesday Book) literature as published in F. Seebohm, *The English Village Community*, London, 1896, p. 166. The plowman is not free. He laments his long hours of hard labor. Perhaps some day his lord will give him an outfit of oxen and a Yardland which will make him a *gebur* instead of a *theow* which he now is. In many senses, this is a universal type of wish. See also Sorokin, P. A., and Zimmerman, Carle C., *Principles of Rural Urban Sociology*, New York, 1929, pp. 310-311.

[5] See Bury, J. B., *The Idea of Progress*, London, 1924, pp. 1-26.

[6] This "representative individual" is homologous to Alfred Marshall's economic concept of the "representative firm." Also, compare this "representative individual" with the "historically dominant individual" in Max Weber's discussion of ideal types. Cf. "Wirtschaft und Gesellschaft," *Grundriss der Sozialökonomik*, Tübingen, 1925, Vol. I, Ch. III.

characteristic of the standard of living. The full significance and usefulness of this concept will become more apparent in the ensuing discussion.

The concept *plane of living* refers to the relative volume of *economic* expenditures. It represents the purely economic aspects of the standard of living. The distribution of economic goods and services which is characteristic of an individual or a group, then, is the plane of living.

The *behavior cycle* is a sequence of behavior from one state called rest to another state called rest. It is a purely relative concept. It may refer to the daily sequence of an individual's behavior from one period of sleep to the next, or the succession of behavior in an individual's life from birth to death. Physiological analyses of hunger make use of the concept. Hunger is a sensation caused by the contraction of the walls of the stomach; a sensation which varies in intensity according to the magnitude of these contractions. As a rule, hunger increases to a certain point and then, if not satisfied, tends to diminish.[7] If it is satisfied, the contractions associated with hunger cease and the organism attains a state of quiescence with regard to that particular behavior cycle.

If all behavior cycles were as simple as this physiological cycle, our task would be relatively easy. Unfortunately, the behavior cycles which constitute our immediate concern are far more complex, involving past experience, memory, and thought. There occurs a conditioning of elementary behavior cycles so that the human organism tends to become a complex of apperceptive masses. In studying systems of living we must recognize not only specific desires but also these interrelated conditionings. Each of these interrelated patterns of behavior involves not only unconditioned reflexes but conditioned ones as well. The cranial, sympathetic and sacral parts of the autonomic nervous system tend to interact in behavior cycles. In situations which evoke the major emotions, such as fear, rage, pain and intense excitement, the sympathetic nervous system discharges. The glands also play a rôle. Thus, anyone of the larger behavior cycles may involve not only the cortical aspect of man's behavior but also unreasoned activity. The meaning of

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[7] See Cannon, W. B., *Bodily Changes in Pain, Hunger, Fear and Rage*, (2nd ed.) New York, 1929, pp. 268-296.

desire thus varies not only with time or place but also according to the condition of the individual.[8]

These considerations concerning desires and the behavior cycle are involved in a discrimination between the *material and the non-material aspects of standard of living.* The distinction between these aspects is necessarily relative and rests upon at least five basic criteria. The *material aspect* involves (1) the consumption of a high proportion of economic goods, services, and advantages. (2) This consumption is primarily for the purpose of increasing "egoistic" sensation, *i.e.,* of increasing the extent and degree of direct sensory experience. (3) The primary interest is in the satisfaction of individual desires rather than in social values and social stability. (4) The marked emphasis is upon immediate rather than deferred consumption, upon the present scale of expenditures rather than security. (5) Emphasis upon the material aspect implies a high degree of individuation (which may, however, be derived from social norms [9]).

The *non-material aspect* emphasizes the directly opposed characteristics. (1) It involves the consumption of a high proportion of non-economic goods and services. (2) The foremost concern of such consumption is "altruistic," *i.e.,* involves desires based more upon feeling, thinking, ill-defined forms of uneasiness, and complex motives rather than direct sensory experience. (3) Interest is here primarily focussed upon social stability, and only secondarily upon the satisfaction of individual sensory desires. (4) Deferred consumption is much more marked than in the material aspect and may play a more important rôle than does immediate consumption. (5) Individuation is developed only to a minor extent as compared with a high degree of socialization.

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[8] See Cannon, W. B., *op. cit.*, pp. 32, 194, 245-7, 257-8; Ogden, C. K., *The Meaning of Psychology,* pp. 40-42; Perrin, F. A. C. and Klein, D. B., *Psychology,* New York, 1926, pp. 124-8, 152, 153; Head, Henry, *Studies in Neurology,* London, 1920, Volume II, p. 600; Bard, Phillip, "The Neuro-Humoral Basis of Emotional Reactions," *The Foundations of Experimental Psychology* (ed. by C. Murchison); Hoskins, R. G., *The Tides of Life,* New York, 1933, pp. 21-22, 41, 329; Kempf, Edward J., *The Autonomic Functions and the Personality,* Nervous and Mental Disease Monograph Series No. 28, New York and Washington, 1921, p. 1; Sherrington, Chas. S., *The Integrative Action of the Nervous System,* New York, 1906, pp. 329-33; Kempf, E. J., *Psychopathology,* St. Louis, 1921, p. 37.

[9] See E. Durkheim's brilliant discussions of the social basis of individuation in his *Division of Labor in Society,* New York, 1934 (trans. by G. Simpson), and in *Le Suicide,* Paris, 1897.

Consideration of the material aspect of the standard of living as primarily involving direct sensory experience of objects has led to the discussion of laws of sensation. The most important of these laws are the Weber-Fechner, the laws of diminishing and increasing utility, and those of logarithmic growth under conditions of increasing stimulation.[10] Our concept of the material standard of living[11] refers primarily to the direct sensory experience of goods and services which tend to follow the Weber-Fechner curves. On the other hand, the non-material standard of living may or may not follow these curves of stimulus and response. They probably do not. The relations between the individual and the objects which comprise his environment are much more complicated in the non-material standard of living than in the material. Motives are more "disinterested"[12] and results are predicated upon considerations other than direct sensory pleasures to the human organism.

The relations between the basic concepts which we have defined may be schematically represented in the following fashion:

SYSTEMS OF LIVING

(dominant values of which are called *manners of living*)

standards of living

(types of systems of living)

material aspects | *non-material aspects*

planes of living

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[10] In our subsequent analysis we shall show that these laws are but varieties of the same general principle.

[11] Throughout this book, the elliptical phrases "material standard of living" and "non-material standard of living" will be used instead of the more cumbrous phrases "material" and "non-material aspects of the standard of living" respectively.

[12] In the sense in which the term is used by Walter Lippmann in *A Preface to Morals,* New York, 1929, Part III especially.

In this book, an attempt is made to clarify the concept standard of living by pointing out that any particular field of human desire may or may not involve both material and non-material forms of behavior. An understanding of this principle should help us to evaluate more adequately the comparisons between and the judgments about systems of living. These judgments have been based for the most part upon indices of material goods available to the individual. By considering these theories in a broader context than is customarily invoked, we may be able to answer many questions concerning systems of living which have been troublesome for many centuries. This is the central purpose of sociological analyses of systems of living.

The Problem of Consumption

The problems confronting the sociologist who studies this subject are many and varied. One of these problems is the nature of any given system of living.

Is any part of man's system of living a separate unit or is it related to the whole of his values? Is there a material aspect of man's life which is distinct from other aspects? How does man's desire for food differ from his desire for clothing, housing, social life, religion, etc.? Can his total system of living be measured and understood from the material point of view? Is the problem of living to be settled primarily by a study of the economics of consumption? Can various systems of living be given corresponding economic values so that they can be compared or automatically graded according to their fundamental meaning for man? The general problem may be illustrated by the following specific case.

In 1929 the Ford Motor Company asked the International Labour Bureau to estimate how much the economic goods afforded by the lowest paid Ford workers in Detroit would cost the laborers in the fourteen European cities where the company either had or was planning to establish factories. The study was directed by the International Labour Bureau and was carried on with the aid of the different national bureaus of labor. An analysis was made of the goods purchased and used by typical Detroit Ford workers with an income of $1,720 American gold of the 1929 value. On account of the changed conditions in Detroit, this was equivalent to an expenditure of $1,550 in January,

1931. The comparisons were made as carefully as possible, consideration being given to differences in living conditions in the various countries and to differences in price levels between 1929 and 1931. The United States Bureau of Home Economics furnished the investigators with chemical analyses of the food materials and with samples of the fabrics and many of the other goods consumed by the Americans. It was found that the contents of the American consumer's basket would have cost a minimum of RM 5,135 in Berlin, RM 5,315 in Frankfurt, Kr. 4,795 in Copenhagen, Kr. 5,695 in Stockholm, Fm. 50,960 in Helsingfors, Fr. 31,595 in Paris, Fr. 29,490 in Marseilles, Fr. 33,995 in Antwerp, fl. 2,460 in Rotterdam, £220 in Manchester, £269 in Cork, Z. 8,890 in Warsaw, Pes. 8,220 in Barcelona, and about £T 3,687 in Istanbul.[13]

The study had many limitations, such as the fact that single family houses with gas, electricity, central heating, and a bathroom, which are common in Detroit, are rare in the European cities. Furthermore, most of the children's clothing is made at home in Europe, whereas most of it is bought in America. These limitations are recognized by the authors in their careful presentation of the study. In their attempts to compare living conditions, they did not follow the ordinary direct comparisons between countries but used a method of "link comparison." [14] Nevertheless, the fundamental assumption still is evident, that the differences between these widely separated systems of living can be measured primarily by the differences in the economic levels of the people. The significance of the comparison becomes clearer when a specific case is discussed in detail.

According to an official study by the Deutches Reich in 1927-28, the family of an average German laborer had an income of RM 3,325, a white-collar employee (*Angestellten*) RM 4,712, and a German minor official (*Beamten*) RM 5,349.[15] These averages represent the house-

[13] Internationales Arbeitsamt, *Beitrag zur Frage der internationalen Gegenüberstellung der Lebenshaltungskosten,* Studien und Berichte Reihe N, Nr. 17, Geneva, 1933. The money signs preceding the amounts refer to units of currency used in these countries.

[14] See also Staehle, Hans, *Ein Verfahren zur Ermittlung gleichwertiger Einkommen in verschiedenen Ländern.* Lecture delivered in Lausanne, 1931.

[15] See *Einzelschriften zur Statistik des Deutschen Reichs,* Nr. 22, "Die Lebenshaltung von 2000 Arbeiter-, Angestellten- und Beamtenhaushaltungen," Berlin, 1932, Teil I and II.

holds of 896 laborers, 546 white-collar employees, and 498 officials. Approximately 90% of the family income came from wages and salaries, chiefly those of the head of the household. According to the assumptions implied in the international analysis, the difference between the system of living of the German laborer with his income of RM 3,325 and of the lowest paid steadily working Ford employee with purchasing power equivalent to RM 5,135 in Berlin or RM 5,315 in Frankfurt is approximately the same as the difference between the German laborer with his income of RM 3,325 and the German minor official with his income of RM 5,349. It is implied further that the German white-collar employee with his income of RM 4,712 does not consider his system of living as far above that of the German laborer as does the Ford employee in Detroit with his 1929 income of $1,720.

Such is the conclusion to which one is driven by this comparison of the systems of living, whether the analysis is by the direct or by the "link" method. The conclusion derives from certain preconceptions concerning the nature of a system of living which have become exceedingly popular since the sixteenth and seventeenth centuries. The purpose of this book is to examine some of these preconceptions to determine, first, the extent to which such comparisons are justified and, secondly, the cognitive value of such comparative figures, either within a national boundary or between nations. Our conclusions should apply equally well to comparisons between rural and urban aggregates in the same society, to comparisons of living at different times, and to comparisons between individuals of different social classes. A further aim of this work is to describe our systems of living so that we may enhance our understanding of them.

An adequate description of our system of living involves a careful consideration of many systems and a meticulous study of the numerous parts into which the total profile of economic desire has been distributed. One must determine the proportions of attention devoted to the material and to the other forms of desire. What general relations are to be found between the material and other desires as the profile of economic desire changes? How far can a system of living be separated into mutually exclusive or water-tight compartments? How far can individuals be compared on the basis of their economic purchasing power within the same general system of living? How closely is the personality of an individual related to his capacity for satisfying material desires? In other words, do continued increases in the possibilities of stimulating any particular desire result in a repetition of the same general type of response? Can a given system of living be interpreted mechanistically? Do changes in real income affect the personality of an individual in the same way as changes in stimulation affect response in a psychological laboratory? How much importance is attributed to economic goods and how much to ways of consuming these goods? What are the non-economic characteristics of a system of living and how important are they? The answer to our major problem as to the nature of a particular system of living depends, to a considerable extent, upon the answers to these various questions. Obviously, we cannot answer these questions conclusively and definitively. Nevertheless, a careful analysis of this problem is of paramount importance for the social scientist.

History of the Problem

It has been a perplexing problem to determine the proportion of attention which has been devoted to the satisfaction of material and non-material desires. In studying primitive peoples, there have been widely divergent conclusions about this problem depending somewhat upon the views of the particular investigator. According to Malthus, the primitive generally lives in a condition of scarcity which requires relentless pursuit of food.

> Must it not then be acknowledged . . . that in every age and in every State in which man has existed, or does now exist,
>
> That the increase of population is necessarily limited by the means of subsistence,
>
> That population does invariably increase when the means of subsistence increase. And,
>
> That the superior power of population is repressed, and the actual population kept equal to the means of subsistence by misery and vice.[16]

[16] Malthus, T. R., *First Essay on Population, 1798,* with notes by James Bonar, London, 1926, pp. 140-141).

Further, Malthus describes the depravity of material conditions in such groups:

> When population has increased nearly to the utmost limits of the food, all the preventive and the positive checks will naturally operate with increased force. Vicious habits with respect to the sex will be more general, the exposing of children more frequent, and both the probability and fatality of wars and epidemics will be considerably greater; and these causes will probably continue their operation till the population is sunk below the level of the food; and then the return to comparative plenty will again produce an increase, and, after a certain period, its further progress will again be checked by the same causes.[17]

> . . . the existence of the Eareeoie societies . . . have been so often described, that little more need be said of them here, than that promiscuous intercourse and infanticide appear to be their fundamental laws. [18]

On the whole, Malthus conceived the standard of living among primitives as one in which the individual devotes practically all of his attention to the necessities of life.[19]

The belief that primitives devote practically all of their attention to the material forms of human desire has been voiced almost unanimously by the evolutionary or Darwinian school of sociologists and economists who have studied primitive systems of living. Such, for instance, is implied in the view of economic evolution popularized by Karl Bücher.[20] The savage was held to be the complete opposite of modern civilized man. He lacked the religion, the morals, and the tender emotions characteristic of civilized man; he was promiscuous in his sexual relations; he possessed no system of law; he thought illogically; and his culture

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[17] Malthus, T. R., *An Essay on the Principle of Population*, 5th ed., London, 1817, Vol. I, pp. 32-33.

[18] *Ibid.*, p. 106.

[19] Occasionally he contradicts this view. For instance, he says that "The only advantage in it [savage life] above civilized life that I can discover, is the possession of greater degree of leisure by the mass of the people." *Ibid.*, 6th ed., Vol. I, p. 89.

[20] Bücher, Karl, *Die Entstehung der Volkswirtschaft*, Tübingen, 1922, Vol. 2, pp. 235-236 (the third edition is translated as Industrial Evolution, New York, 1901); Leroy, O., *Essai d'introduction critique à l'étude de l'économie primitive, les theories de K. Bücher et l'ethnologie moderne*, Paris, 1925; Wodon, L., *Sur quelques érreurs de méthode dans l'étude de l'homme primitif*, 1906.

was expressed in brute methods of obtaining a living. "The savage tends to think only of himself and only of the present." [21]

The opposite point of view has been set forth in both theoretical and factual studies [22] which claim to show a high development of all forms of desire in primitive life. Not only does the savage cultivate his garden; he derives aesthetic pleasure from doing so. To gain social prestige he may produce a surplus of perishable crops, a large part of which must inevitably decay before it can be consumed. He has a system of law and order and his culture is functionally interrelated to carry out his "design for living." The highly developed non-material phases of his system of living enable him to perform the various activities needed for survival. When these values break down, his society goes to pieces. In short, primitive man has only a material expression of desire, according to one group of theorists, and is completely encompassed in other strong systems of values, according to another.[23]

The same differences of opinion as to the material and other forms of desire in systems of living is to be found in the treatises of the early sacred and semi-sacred theorists who have written the folklore, the philosophy, and the divine commandments given to so-called civilized man throughout the ages. Important in Chinese thought are the Confucian classics which emphasize a balanced system of living consisting of both material and other forms of desire. The Shû King, one of the

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[21] Bücher, *op. cit.*, 1901 ed., p. 14. See also Firth, Raymond, *Primitive Economics of the New Zealand Maori*, London, 1929, p. 1 *et passim* for a comprehensive view of theories concerning primitive economics.

[22] See A. R. Brown, B. Malinowski, the "functionalist" school of primitive sociology, the admirers of primitive and peasant man from Montaigne in his essay on "Cannibalism" (*Essayes*, tr. by John Florio, Vol. I, Everymans Library Edition, p. 224 *et passim*), through J. Rousseau down to the present time, L. T. Hobhouse, G. C. Wheeler, M. Ginsberg, and many others.

[23] For further reading on this topic, see Rivers, W. H. R., *Essays on the Depopulation of Melanesia*; Tozzer, A. M., *Social Origins and Social Continuities*, New York, 1928; Dixon, R. B., *The Building of Cultures*, New York 1928; Lévy-Bruhl, L., *Primitive Mentality*, London, 1923, p. 21 *et passim*; Allier, R., *The Mind of the Savage*, London, 1929; Hoyt, E. E., *Primitive Trade*, London, 1926, p. 28; Malinowski, B., *Argonauts of the Western Pacific*, London, 1922, p. 173; Müller-Lyer, F., "Origins of Capitalism," in Davis and Barnes, *Readings in Sociology*, Boston, 1927, p. 70; Thurnwald, R., *Economics in Primitive Communities*, 1932, pp. 278-88; Radin, Paul, *Primitive Man as a Philosopher*, New York, 1927; Richards, A. I., *Hunger and Work in a Savage Tribe*, p. 56 *et passim*; Malinowski, B., *Sex and Repression in Savage Society*, New York, 1927; Malinowski, B., *Crime and Custom in Savage Society*, London, 1926; and Hobhouse, L. T., Wheeler, G. C. and Ginsberg, M., *The Material Culture and Social Institutions of the Simpler Peoples*, London, 1915; Fortune, R. F., *Sorcerers of the Dobu*, London, 1932.

most ancient of the five great Confucian classics, which contains selected speeches and documents of the Chinese princes from the twenty-fourth to the eighth centuries B.C., may be considered an ancient version of the ideology of modern social planning.[24] In the philosophy of government known as *The Great Plan,* written sometime between 1231 and 586 B.C., it is dogmatically stated that of the eight objects of government, "The first is food; the second, wealth and articles of convenience; . . ."[25] Subsequently are listed the five sources of happiness:

> The first is long life; the second, riches; the third, soundness of body and serenity of mind; the fourth, the love of virtue; and the fifth, fulfilling to the end the will (of Heaven). Of the six extreme evils, the first is misfortune shortening the life; the second, sickness; the third distress of mind; the fourth, poverty; and fifth, wickedness; the sixth, weakness.[26]

But China also has its Tâoism which counselled attention primarily to the non-material things in life. The followers of this cult emphasized primarily the less materialistic forms of desire. It is implied that a system of living emphasizing material desire excludes attention to the other values.

> Who loves large stores
> Gives up the richer state.[27]

In the same way, the Hindu peoples had the Vedic Hymns[28] and the primitive editions of the Laws of Manu,[29] which counselled and implied the co-relationship of material and other forms of desire as opposed to the books of the primitive Buddhists,[30] as well as the works of Jainism,[31] which imply that the material and other forms of desire are antithetical.

> If a man becomes fat and a great eater, if he is sleepy and

24 See *Sacred Books of the East,* Ed. by F. M. Müller, Oxford, 1879, Vol. III, pp. 47 *et passim.*
25 *S.B.E.,* Vol. III, pp. 142 ff.
26 *S.B.E.*, Vol. III, p. 149.
27 *S.B.E.*, 1891, Vol. XXXIX, p. 87.
28 *S.B.E.*, 1891, Vol. XXXII.
29 *S.B.E.*, 1896, Vol. XXV.
30 *S.B.E.*, 1881, Vols. X and XI.
31 *S.B.E.*, Vol. XXII.

rolls himself about, that fool, like a hog fed on wash, is born again and again.[32]

This same argument is to be found in most other great religions and philosophies. Each appears to express the idea that both the material and non-material forms of human desire are valuable, or that only the non-material is really important. The existence of this argument implies people who give varying amounts of attention to the material and non-material forms of human desire.[33]

When we consider the writings of economists, differences are again stressed. The argument is most clear if we contrast the school of thinkers who believe that prosperity is based upon immediate consumption with those who consider saving and abstention as being the essential. Bernhard de Mandeville in his *Fable of Bees* held that nations were made great by attending primarily to the material forms of desire. On the other hand, Adam Smith glorified saving as the basis of national success.[34] Economists since Mandeville and Smith have held both points of view with equal vociferousness. One group emphasizes that the development of the material forms of desire through the spending of wealth makes the social system work smoothly.[35] "People must spend

[32] *S.B.E.*, "The Dhammapada," Vol. I, p. 78.

[33] Compare the differing prescriptions to be found in various parts of the *Zend-Avesta* and the *Pahlavi* texts (SBE, Vols. IV, XXIII, XXIV, XXXI, V, XXXVII); *Talmud*, Vol. III in the Sacred Books and Early Literature of the East, ed. by Charles F. Horne; the King James' Version of *The Holy Bible*, Oxford, 1891; *The Apocrypha*; see Hammurabi, *The Oldest Code of Laws in the World*, tr. by Johns, Edinburgh, 1903, pp. 9, 26-28; Erman, A., *The Literature of the Ancient Egyptians*, London, 1927, pp. 57, 60, 71, 83, 239; *The Koran*, SBE, Vol. VI, 1880, pp. iii, lxxi, 31, 32, 97-8, 133, 181; also *The Koran*, SBE, Vol. IX, 1880, pp. 19, 58, 143-4, 260-1, 289; Plato, *The Republic*, New York, 1928 (Modern Student's Library edition by Chas. Scribner's Sons), pp. 168, 146, 137, 372, 543, 313; Aristotle, *Politics*, tr. by B. Jowett, Oxford University Press, 1923, Book I, 1253b, Book II, 1266a-1267b, Book IV, 1295b, Book VII, 1329a; *Lucretius: On the Nature of Things*, tr. by J. S. Watson, Bohn's Classical Library, London, 1904, Book II, pp. 54-44, Book V, pp. 233-234, 244; *The Discourses of Epictetus*, tr. by George Lond, London, 1877, pp. 388-389, 395, 401, 409, 411; *The Works of Aurelius Augustine*, ed. by Marcus Dods, Vol. I, "The City of God," Edinburgh, 1881, Book V, pp. 223-224, Book IX, p. 462, Book XIII, p. 535; and *Aquinas Ethicus*, tr. by J. Rickaby, London, 1896, being a translation of the principal portions of the second part of the *Summa Theologica*, I-II, Q IV, Art. 7, pp. 29-30; I-II, Q XXX, Art. 4, pp. 106-7; II-II Q XXXII, Art. 6, pp. 386-387; II-II, Q CLXXXIV, Art. 8, pp. 402-403.

[34] Smith, Adam, *Wealth of Nations*, New York, 1901, Vol. II, p. 18.

[35] T. R. Malthus, Thomas Chalmers, J. C. de Sismondi, P. J. Proudhon, Louis Blanc, François Vidal, J. von Kirchmann, Theodor Hertzka, Carl Rodbertus-Jagetzow, Lord Lauderdale, John A. Hobson, R. E. May, Mentor Bouniation, Thorstein Veblen, W. T. Foster and Waddill Catchings, and others.

for prosperity." Consequently, prosperous nations are those in which material desire is emphasized. Another group of thinkers holds that the other forms of desire emphasized by the psychological act of saving (abstention) make a country prosperous.[36] Consequently, prosperous peoples are those that produce and save. The viewpoints of these men as to the attention which should be paid to the material and non-material forms of desire, as illustrated by their opinions on saving or not saving, differ as much as the previous discussion concerning the theories of primitive men and the religious points of view.[37]

These differences of opinion have arisen especially between the productivity and distribution economic theorists. Many economists maintain the theory of *laissez faire,* in which the social system is supposed to maintain its equilibrium because each producer attempts to better himself. For consumption purposes or his own use he secures most of his production as a reward for his efforts. The believers in *laissez faire* hold further that production and consumption are self-regulating because the individual consumes his income in such manner as to build up his moral character and the other forms of desire in accordance with his productive needs. Alfred Marshall, who makes this point most clear, thus made economics a "science of man" as well as a "science of wealth." Thus, in general,

> . . . man's character has been moulded by his every-day work, and the material resources which he thereby procures, more than by any other influence unless it be that of his religious ideals . . . [38]

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[36] David Ricardo, James Mill, John Stuart Mill, J. B. Say, J. R. McCulloch, Alfred Marshall, Jean Lescure, and hundreds of other economists.

[37] An outline of these theories may be found in Wesley Mitchell, *Business Cycles,* New York, 1927, 2nd ed., Ch. 1 *et passim*; Jean Lescure, *L'épargne en France*, Paris, 1914, p. 5 *et passim*; and in Bergmann, Eugen von, *Geschichte der nationaloekonomischen Krisentheorien*, Stuttgart, 1895, Chs. I-III. See also Hamilton, J. H., *Saving and Savings Institutions*, 1902; Keynes, J. M., *The Means to Prosperity*; Marden, O. S., *Thrift*, 1918; Robertson, J. M., *The Fallacy of Saving*, London, 1892; Manteuffel, Carl F. von (called Zoege), *Das Sparen, sein Wesen und seine Volkwirtschaftliche Werkung*, Jena, 1900, Ch. III.

[38] Marshall, Alfred, *Principles of Economics*, London, 1916, 7th ed., p. 1; see also J. B. Clark, *The Distribution of Wealth*, New York, 1924; Parsons, T., "Wants and Activities in Marshall," *Quarterly Journal of Economics*, Vol. 46, Nov. 1931; Parsons, T., "Economics and Sociology: Marshall in Relation to the Thought of His Time," *Quarterly Journal of Economics*, Vol. 46, Feb. 1932.

This implies that material and non-material forms of desire develop together because the psycho-social character of man "grows" with his economic rationalization. Those who produce efficiently have the greatest amount of goods for the satisfaction of material desire and, at the same time, their characters. Their fortunes may be used as an index of the degree of satisfaction of other desires.

Opposed to this idea is the theory that labor produces all wealth so that any unusual agglomeration of property or control of material goods in the hands of one person is largely the result of exploitation.[39] A good illustration of this point of view is to be found in Marx's *Capital* or in Veblen's *Theory of the Leisure Class.*

This brief sketch of theories indicates that there have always been differences of opinion concerning the standard of living. It also shows that the nature of the system of living is little understood. Entirely different points of views on every phase of the problem have been presented throughout the history of thought. Recognition of the influence of material consumption upon personality is obscured in a maze of conflicting ideas. Thus, this problem, which is not only old but of importance for contemporary life, still waits an adequate solution. In this study we attempt to analyze our contemporary systems of living in the hope that this analysis will tell us something new about the problems of living.

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39 See E. von Böhm-Bawerk, *Capital and Interest*, tr. by W. Smart, New York, 1922, pp. 315 ff. for an analysis of the exploitation theories.

CHAPTER II

The Fields of Desire

Classification of fields of desire is prerequisite to an analysis of systems of living.—The most common approach is through family budget classifications.—A survey of studies in the seventeenth and eighteenth centuries shows that the concepts used were similar to those of today.—Estimates are also given as to the distribution of expenditures in western countries in 1895 and for the United States in 1929.—One of the first differentiations made was between necessities and luxuries.—Ducpétiaux added a third classification for religious, moral and intellectual expenses.—Engel classified desires into those for physical maintenance, and those for intellectual and social maintenance.—The American psycho-economists divided desires according to the order of their utilities.—All investigators included food, clothing, housing, and miscellaneous groupings of desires.—Halbwachs held that any grouping of the fields of desire depended upon some sociological reality.—This reality he found in the marketing mechanisms and in similarity of the rhythms of purchase for consumption.—Using this principle, we divided desires for purposes of study into five fields.—These five are food, clothing, lodging, other items of immediate consumption, and items for future consumption.

Before we attempt to investigate the parts of a system of living, we need an outline or map of its most objective fields of expression. A system of living necessarily includes many types of human behavior, but, in our analysis, we can discuss it only from a few specific points of view. Since the major purpose of this work is to investigate the nature of systems of living, economic concepts will furnish the vantage point for an introductory analysis. Since most of the so-called scientific studies of standards of living have been made from the materialistic or economic point of view, we shall depend more upon their concepts than upon others. In other words, we approach our study primarily on the basis of the classification of fields of behavior which appear to combine items of similar nature in respect to the direct sensational experience of men.

It must not be considered, however, that either economic or non-economic desires are exclusively important. Although the human animal may live first and later think about life,[1] nevertheless, the very act of living involves desires more complex than those outlined in the typical Austrian utility chart. Any standard of living is a highly developed form of existence. The desire to live appears as if by instinct soon after birth. Objects of desire, such as space, time, air, sleep, sex, leisure, experience, status, explanations of the world, are all closely associated with living and form the basic factors of the economic standard of living. The non-material or non-economic standard of living is taken for granted in the ordinary course of life. Most discussions of the standard of living deal largely with the economic things of life, which are sometimes nearer and sometimes farther than non-economic things from the consciousness of man.

Family Budgets[2]

The most common approach to the field of standard of living is through the family budget of income and expenditure. A brief summary of the main categories used in these studies should enable us to pick out the important sections for study. Information concerning expenditures was collected on a very small scale before the seventeenth century.

Gregory King presented the most systematic early profile of the economic standard of living in western countries in his comparative analysis of England, France, and Holland for 1688 and 1695. A study of these gives us a comprehensive summary of the most reliable data in existence during this general period.[3]

The picture of the economic standard of living in western countries at the end of the seventeenth century looks surprisingly familiar to us at the present time, in spite of the fact that this period was supposed to be one of great misery. The Englishman and the Frenchman spent 49% of their total income for food (including drinks) in contrast to 36% by the Dutchman (whose income was highest). On the other hand, apparel cost the Englishman 24% of his income in contrast to

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1 Sumner, W. G., *Folkways*, Boston, 1906, p. 2.

2 The history of these studies is found in Chapters XV-XIX.

3 Somewhat similar data are found in the studies by Sir William Petty, John Graunt, Charles d'Avenant, and Joseph Massie, but the writings of King are more comprehensive and deailed.

22% for the Frenchman and 17% for the Dutchman. The Englishman and the Frenchman saved about 4% of their incomes and the Dutchman 11%. Taxes accounted for 5% of the income in England, 12% in France, and 27% in Holland. The general content of consumption seems to have been rather varied, as far as the diet is concerned, including among other things bread, biscuits, pastry, puddings, lamb, pork, venison, kid, bacon, conies, pickles, confectioneries, jellies, and sweetmeats.

An increasing interest in the so-called profile of economic desire is expressed in the number of budget studies during the eighteenth century but few equal the work by Gregory King. Arthur Young gave many details on the basis of his "tours" but his elaborate tables estimating the earnings of labor and its distribution in the budgets are "based upon a preposterous postulate, the unreality of which he admits. The laborer is supposed to be in constant work, and to earn the average of three seasons, hay-time, harvest-time, and winter. . . ."[4] Attention should be called also to the work by David Davies.[5] The pictures by Mandeville (1715) and Joseph Massie (1756) give the same impression of considerable variation in the items of consumption as was found at the end of the seventeenth century.[6] Whereas the common people did not ordinarily buy imported wines, arrack, rum, brandy, coffee, tea, chocolate, or foreign silk, linen or cotton goods in large quantities, nevertheless they had their local malt, hops, beer, cider, gin, and woolen clothing.

The Le Play school budget studies,[7] the most comprehensive docu-

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[4] Rogers, J. E. T., *Six Centuries of Work and Wages*, New York, 1884, p. 481. See also Young, Arthur, *Arithmétique politique*, The Hague, 1775; and his *Voyage en France* (Travels in France, London, 1889).

[5] *The Case of Laborers in Husbandry*, London, 1795. In ths study 137 budget records are given for the period 1787 to 1794.

[6] Mandeville, Bernhard de, *The Fable of the Bees*, London, 1732, Ed. 6; Massie, Joseph, *Calculations of Taxes for a Family of Rank, Degree or Class for One Year*, London, 1756; also Elizabeth Waterman (Gilboy), *Wages and Standards of Living of English Labor, 1760-1790*, unpublished Ph.D. thesis, Radcliffe College, 1928; and Young, Arthur, *Travels in France*, London, 1889.

[7] Le Play, F., *Les ouvriers européens*, Ed. 2, 6 vols., 1877-1878; and *Les ouvriers des deux mondes*, 1858 on. The last budget of the second work was published by the Société d'Economie Sociale about 1930. Le Play investigated the following countries: Austria-Hungary, Belgium, France, Germany, Great Britain, Italy, the Netherlands, Norway, Russia, Spain, Sweden, Switzerland, Turkey, China, French Indo-China, Syria, Algeria, Egypt, French Tunisia, the Island of Reunion, the Ivory Coast of Africa, and Morocco.

ments concerning the profile of family living in existence even today, were made in the nineteenth century. Since then, there have been several thousand statistical studies of the matter so that we are more than amply supplied with data on at least some of the points under consideration.

Other analyses of western society in the nineteenth century [8] shows this same general profile of economic desire, except that the number and amount of items consumed increased and those which formerly were produced by the family began to be purchased at the market place. In 1881 Leone Levi attempted to make an analysis of the annual expenditures of the people of the United Kingdom. He did not separate the different social classes. However, he estimated an annual food expense per head of £14,4s.9d. which included meat, fish, sugar, bread, butter, cheese, milk, eggs, fruit, potatoes and other vegetables, tea, coffee, and alcoholic drink. As in the seventeenth century, alcoholic drink was a most important item, accounting for £3,11s. against £2,17s. for meat and £2,4s. for bread. The average individual accounted for an expenditure of £25,1s.9d. per year, 51% of which went for food and drink, 16% for wearing apparel, 9% for house rent, 3.3% for heating and lighting, 5.4% for taxes, and 15.3% for all other things. Although items, such as amusements, education, books, water supply, and so on, were found in some English budgets of the seventeenth century, they did not appear highly developed in the general profile of living until the nineteenth century.[9]

The trends in living conditions, prevalent in the seventeenth century, were expanded in later periods. By the end of the nineteenth century, this expansion was found in practically all western countries. However, it is necessary to point out that this development in living conditions from the twelfth through the nineteenth century was not a continuous linear advance. In other words, not all centuries were necessarily as prosperous or more so than the ones preceding each. Roger's

[8] All the pertinent data may be found summarized in Mulhall's *Dictionary of Statistics*, 1899 edition.

[9] Not only is this true of family living but also of other fields. For example, Alfred N. Whitehead has shown that "A brief . . . description of the intellectual life of the European races during the two centuries and a quarter up to our own times is that they have been living upon the accumulated capital of ideas provided for them by the genius of the seventeenth century." *Science and the Modern World*, Lowell Lectures, 1925, New York, 1926, p. 58.

studies show that the period from the twelfth to the fifteenth century was one of "plenty and hope" for the English laborer in contrast with the lower material conditions which existed in the sixteenth and seventeenth centuries.[10] The studies by d'Avenel also illustrate this conclusion.[11]

ESTIMATES OF HOW COUNTRIES OF THE WESTERN WORLD SPENT THEIR INCOMES ABOUT 1895 (IN MILLIONS OF £ STERLING)
(Savings omitted) ([12])

Country	Food	Clothing	House Rent	Taxes	Transportation	Other	Total Amounts Spent for Living
United Kingdom	484	66	135	119	113	331	1248
France	459	64	93	144	96	172	1028
Germany	520	53	68	109	103	247	1100
Russia	468	51	34	72	94	318	1037
Austria	306	30	27	55	59	165	642
Italy	187	24	22	81	33	46	393
Spain	146	16	18	37	27	65	309
Portugal	31	3	4	8	5	9	60
Sweden	48	6	4	7	10	34	109
Norway	20	2	1	3	4	13	43
Denmark	23	3	2	4	6	27	65
Holland	47	6	7	15	8	24	107
Belgium	73	12	6	11	17	53	172
Switzerland	26	3	2	3	5	21	60
Canada	42	8	7	10	12	48	127
Argentina	33	6	5	14	8	27	93
Australia	36	7	13	12	10	54	132
United States	591	98	127	165	231	974	2186
Totals	3540	458	575	869	841	2628	8911

10 Rogers, J. E. T., *Six Centuries of Work and Wages*, New York, 1884, p. 522.

11 See d'Avenel, Vicomte G., *Decouvertes d'histoire sociale, 1200-1910*, Chs. 1, 4, and 10 *et passim*. In Ch. 12, he points out that the real wages of the peasant in the second half of the fifteenth century were higher than any until 1910. For instance, a day's labor which would purchase 1600 grams of meat in 1910, purchased 1900 grams in the thirteenth century, 2500 grams in the fourteenth; and 3700 grams of beef or 2600 grams of pork in the second half of the fifteenth. Other items constituting the profile of desire of the laborer have behaved in a different manner. However, in the Middle Ages there were times when wages were four times higher than in 1910 and expenses were six times less. See also his *Le nivellement des jouissances*, Paris, 1913, Chs. 1 and 4; and his *Paysans et ouvriers depuis sept cent ans*, Paris, 1899, pp. xvi, 6, 7, 13, 14, 28, 50, *et passim*.

12 Original data are from Mulhall. They are rearranged and put on a basis of retail prices.

PERCENTAGE DISTRIBUTION OF CONSUMERS' INCOME IN COUNTRIES OF THE WESTERN WORLD ABOUT 1895
(Savings omitted)

Country	Food	Clothing	House Rent	Taxes	Transportation	Other	Total
United Kingdom	38.7	5.3	10.9	9.5	9.1	26.5	100.0
France	44.7	6.2	9.0	14.0	9.3	16.8	100.0
Germany	47.2	4.8	6.2	9.9	9.4	22.5	100.0
Russia	45.1	4.9	3.3	6.9	9.1	30.7	100.0
Austria	47.6	4.7	4.2	8.6	9.2	25.7	100.0
Italy	47.6	6.1	5.6	20.6	8.4	11.7	100.0
Spain	47.2	5.2	5.8	12.0	8.7	21.1	100.0
Portugal	52.0	5.0	6.6	13.2	8.2	15.0	100.0
Sweden	44.0	5.5	3.7	6.4	9.2	31.2	100.0
Norway	46.5	4.7	2.3	7.0	9.3	30.2	100.0
Denmark	35.4	4.6	3.1	6.2	9.2	41.5	100.0
Holland	43.9	5.6	6.5	14.0	7.5	22.5	100.0
Belgium	42.4	7.0	3.5	6.4	9.9	30.8	100.0
Switzerland	43.4	5.0	3.3	5.0	8.3	35.0	100.0
Canada	33.1	6.3	5.5	8.0	9.4	37.7	100.0
Argentina	35.5	6.5	5.4	15.0	8.6	29.0	100.0
Australia	27.3	5.3	9.8	9.1	7.6	40.9	100.0
United States	27.0	4.5	5.8	7.5	10.6	44.6	100.0
All	39.7	5.1	6.5	9.8	9.4	29.5	100.0

It is estimated that at the end of the nineteenth century Europe, the United States, Canada, Australia, and Argentina spent 3,540 million English pounds for food, 458 million for clothing, 575 million for house rent, 869 million for taxes, 841 million for transportation. and 2,628 million for sundries (including food for domestic animals). This gives a total of 8,911 million pounds sterling of the 1895 value which were spent by the western consumer. The details are given in the previous tables. The first table gives the actual expenditures, and the second the percentages. Thus, the Englishman and the Frenchman, who according to the computations of Gregory King for 1688 had spent 49% of their total income for food, had reduced these percentages to 38.7 and 44.7 respectively by 1895. The Dutchman, on the contrary, had increased his percentages from 36 to 43.9. On the other hand, apparel which cost the Englishman 24% of his income in 1688, the Frenchman 22%, and the Dutchman 17% had been reduced to 5.3%, 6.2% and 5.6% respectively by 1895.[13] A part of the difference is probably explained by inaccuracies in the computations and a part by the relatively higher income and the lower costs of clothing after the Industrial Revolution.

In 1880 it was estimated that the proportion spent for food by the laboring man ranged from 28% in Australia and 33% in the United States to 45% in Great Britain, 57% in France, 60% in Belgium and Italy, and 62% in Germany and Spain. It is estimated that in Paris, prior to the French Revolution, the average middle-class family paid £29 sterling for food whereas 100 years later this same amount of food cost £135. Changes in the cost of goods unquestionably account for some of the difference. Nevertheless the studies by d'Avenel show a greater consumption at the end of the nineteenth century than at the end of the eighteenth.[14]

Of course what is probably the greatest general development of the configuration of the economic standard of living appeared in America prior to the depression of 1929. Studies by Robert S. Lynd and Alice C. Hanson accounted for 72.3 billion of the approximately 90 billion dollars composing the entire national income at that time. The authors indicate that their table must be taken as only a rough approximation, but nevertheless it is as close an approach to the actual situation as we have. The 15 billion used for unspecified items (such as savings, forms of insurance other than life, books and periodicals, hospital and funeral expenses, private education, private charity, telephone, telegraph and postage, drug store items other than cosmetics and patent medicines, alcoholic drink, servants, and so forth) were omitted. Their table, with the addition of this 15 billion for unspecified items, follows:

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[13] Petty in his *Political Arithmetick* (London, 1690) mentions that common cloth was 20s. a yard in his time.

[14] Comfirmatory data have also been presented by the German economists. For a review of much of this, see Roscher, Wilhelm, *Principles of Political Economy*, tr. by J. J. Lalor, Chicago, 1882, Vol. II, Section CCXXIX, "Extent of Luxury in Highly Civilized Times," pp. 233-239,

ESTIMATED TOTAL DISTRIBUTING OF NATIONAL INCOME OF THE UNITED STATES OF AMERICA FOR 1929 (15)
(Savings included)

Item	Expenditure in Billions	Percentage Distribution
Food	17.0	19.47
Clothing	8.0	9.16
Rent on homes	8.0	9.16
Home furnishing	4.0	4.58
Fuel and light	4.8	5.50
Life insurance	3.5	4.01
Religion	.9	1.04
Automobile (purchase and use)	6.5	7.44
Travel (recreation, other than automobile)	2.0	2.29
Motion pictures, concerts, etc.	2.0	2.29
Clubs, lodges, etc.	.4	.46
Indoor and outdoor games, sports	0.9	1.04
Newspapers	0.4	.46
Radio and musical instruments	.6	.69
Jewelry and silverware	.6	.69
Flowers (from florists)	.2	.23
Cosmetics, beauty parlors	.7	.80
Medicine (patent and prescription)	.7	.80
Physicians	1.0	1.15
Dentists	.4	.45
Other medical costs, excluding hospitals and public health work	.2	.23
Tobacco	1.6	1.83
Laundry, cleaning and dyeing	1.5	1.72
Taxes, local, state and federal	6.4	7.33
Unspecified items	15.0	17.18
Total	87.3	100.00

Fields of Economic Desire

We can see from these tables that many detailed types of human behavior are included within a family budget which presumably deals only with the economic aspects of desire. It is impossible to study every type in detail. Consequently, the general practice has been to group together the items of consumption which are similar in nature. For these groupings a number of different procedures have been used.

The first of these is the differentiation between necessities and luxuries. Those who follow this practice divide the expressions of economic desire into these two general groups, each of which is then

15 See *Recent Social Trends*, New York, 1933, Vol. II, Ch. XVII, p. 889.

subdivided into several others. Thus, necessities are often subdivided into food, shelter, and clothing; and luxuries into health, education, recreation, religion, and social contact. Other classifications have been used for the luxury expenditures depending upon the investigator. Some combine this heterogeneous mass of expenditures and call them "all other"; some include life insurance, others savings, and still others include a special category for taxes and trade union expenses.[16]

One of the early and most systematic classifications is that drawn up by Ducpétiaux for the meeting of the International Statistical Congress in 1853. His classification follows:

I. Expenses of a physical and material type.
(1) Food, (2) rent, (3) clothing, (4) bedclothing, (5) heat, (6) light, (7) furniture, (8) health, (9) sickness, (10) household insurance, (11) taxes, (12) postage, (13) laundry, (14) tools for his trade and necessary costs of occupation, (15) costs of garden or home production of food.

II. Expenses of a religious, moral, and intellectual type.
(1) Church, (2) school, (3) apprenticing, (4) books, etc., (5) contributions to moral, intellectual, and charitable organizations, (6) mutual societies and insurance, (7) savings.

III. Expenses of a luxurious and improvidential type.
(1) Beer and wine, cafés, saloons, liquors with high alcoholic content, (2) tobacco, (3) gambling, (4) toilet articles, (5) theatres, (6) fêtes and public recreation, (7) loans and expenses at the pawn shops.[17]

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16 See Zimmerman, C. C., and Black, J. D., "How Minnesota Farm Family Incomes are Spent," Minnesota Agricultural Experiment Station, *Bulletin 234*, 1927; Zimmerman, C. C., and Black, J. D., "Family Living on Successful Minnesota Farms," Minnesota Agricultural Experiment Station, *Bulletin 240*, 1927; Zimmerman, C. C. and Black, J. D., "Factors Affecting Expenditures of Farm Family Incomes in Minnesota." Minnesota Agricultural Experiment Station, *Bulletin 246*, 1928; Zimmerman, C. C., "Incomes and Expenditures of Villages and Town Families in Minnesota," Minnesota Agricultural Experiment Station, *Bulletin 253*, 1929; and Zimmerman, C. C., "Incomes and Expenditures of Minnesota Farm and City Families, 1927-28," Minnesota Agricultural Experiment Station, *Bulletin 255*, 1929. Also see Kirkpatrick, E. L., *The Farmer's Standard of Living*, New York, 1929; and Kyrk, Hazel, *A Theory of Consumption*, Boston and New York, 1923.

17 See Ducpétiaux, E., *Budgets économiques des classes ouvrières en Belgique*, Brussels, 1855, pp. 6-8.

Ernst Engel made a classification which is equally important. In general it was as follows:

I. Costs of physical maintenance.
  1. Nourishment (including animal and vegetable foods), beverages (including beer and wine), hotel and inn patronage, and food away from home.
  2. Clothing and washing (including bedding).
  3. Living quarters (including rent or rent value of house, cost of furniture and household goods including upkeep).
  4. Heat and light.
  5. Expenditures on health.

II. Cost of intellectual and social maintenance.
  1. Educational expense.
  2. Religious expense.
  3. Legal protection and taxation.
  4. Investment other than savings deposits.
  5. Recreation (including smoking, gambling and travel).
  6. Domestic help.
  7. Aid to outsiders.
  8. Miscellaneous expenses for social and intellectual upkeep.

III. Extra expenditures.
  1. Interest on capital and loans.
  2. Other savings.
  3. Expenses of a professional and industrial nature, such as for labor unions.[18]

Engel recognized that each group of expenditure included many items. His chief justification for the classification is its expediency and that it provides a basis for a "law of progress." This law holds that, in general, increased incomes among the working people lead to decreased proportions of expenditure for physical maintenance and increased proportions for other things.

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[18] Engel, Ernst, "Die Lebenskosten belgischer Arbeiter Familien früher und jetzt," *Bulletin de l'Institut Internationale de Statistique*, Rome, 1895, Ed. 1, Vol. IX.

Another classification was developed during the nineteenth century by the Austrian school of psychological and utilitarian economists. These groups held that the proper classification of the fields of consumers' desires lay in the elasticities of demand for various economic items. Food, clothing, and shelter, or the so-called necessities of life, are placed in the upper part of the scale on the assumption that the demand for these groups is inelastic, whereas the lower part includes items which become prominent with increased economic well-being. Most of their diagrams to illustrate this problem are purely theoretical but a practical adaptation is seen in the following.

UTILITY ORDER OF PERSONAL DESIRES

Food	10	9	8	7	6	5	4	3	2	1	0
Clothing	9	8	7	6	5	4	3	2	1	0	
Lodging	8	7	6	5	4	3	2	1	0		
Heat and Light	7	6	5	4	3	2	1	0			
Luxuries	6	5	4	3	2	1	0				
Spiritual	5	4	3	2	1	0					

UTILITY ORDER OF ECONOMIC DESIRES

Seed	8	7	6	5	4	3	2	1	0	
Cattle	7	6	5	4	3	2	1	0		
Inventory	7	6	5	4	3	2	1	0		
Buildings	6	5	4	3	2	1	0			
Other	5	4	3	2	1	0				(19)

Thus, we see that the fields and their subdivisions, into which the forms of desire associated with a given system of living are divided, are numerous and depend to a considerable extent upon the viewpoint of the investigator. Nearly all investigators include, however, some expression of the desires for food, clothing, and housing as a basis for the study of any consumer's profile, and another group, which includes the miscellaneous forms of behavior, such as religion, "psychological life," educational needs, or goods of a sundry nature. The difference

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[19] Tschajanow, Alexander, *Die Lehre von der bäuerlichen Wirtschaft,* Berlin, 1923, Ch. IV, p. 75. This table is based on Russian peasant budgets and is an adaptation of Karl Menger's utility charts to their conditions.

between these systems of classification is greatest for the items other than food, clothing, or housing.[20]

Maurice Halbwachs, one of Durkheim's followers, tried to solve this same problem in 1913.[21] He held that grouping the fields of economic desire into four or five main categories was justified only if the classification conformed to some reality. This reality he finds existing in the social factors making up a given standard of living or level of pleasure (*nivellement des jouissance*). He denied that the marginal utility or individualist explanation could justify any such grouping.[22] He held that the classification of goods into groups arose largely from the identity of the social mechanisms from which and through which the same types of goods were purchased or obtained and the social rhythms connected with each general type. Thus, food items for commercialized peoples come in small daily units from practically the same sources (stores, markets). The food group has its own peculiar institutions for marketing and its own peculiar rhythms in relation to the life of the consumer.

The same principle when applied to clothing expenditure and to rent, the most important factor in housing, enables one to see the reality of these groupings. Moreover, the rhythms for clothing, rent, and food desires all differ. The agencies for marketing these goods also differ.[23] Consequently, each type requires a different organization of the social thought processes and the economic habits. Each of these three groups of expenditures have a definite social form. All other expenditures for contemporary needs are similar to each other in that as a unit they

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20 This problem of grouping items into fields of desire has its counterpart in the question of general versus specific attitudes in social psychology. The full history cannot be discussed here. However, one reaches the same conclusion as that by Gordon W. Allport and Hadley Cantril that: "Apparently the phenomenon of generalization in attitude is only one aspect of a broader principle of inclusiveness in mental organization, detected likewise in the traits and evaluative tendencies of personality." Cantril, H., "General and Specific Attitudes," *Psychological Review Publications*, Vol. 42, No. 5 (Whole No. 192, 1932), p. vii *et passim*. The generalized dispositions and attitudes of people probably play a dynamic rôle in their behavior. See Zimmerman, C. C., and Black, J. D., "The Marketing Attitudes of Minnesota Farmers," Minnesota Agricultural Experiment Station, *Technical Bulletin 45*, December, 1926.

21 See Halbwachs, M., *La classe ouvrière et les niveaux de vie*, Paris, 1913, pp. 387-455.

22 *Ibid.*, p. 396.

23 In peasant markets this difference is emphasized by grouping together the stalls which sell similar articles.

lack the definite rhythms found for food, clothing, and lodging. Thus, Halbwachs concludes that, in general, these four groupings of desires are justified—food, clothing, lodging, and all other expenses.

Such a general classification may not be capable of absolute definition. It may not fit the budgets and the social organization of all people at all times. Nevertheless, it closely approaches reality in commercialized countries. We are taking the liberty of adding a fifth category to those by Halbwachs. This is the so-called savings expenditure which arises when one attempts to differentiate between that part of the income which is used for present consumption and that for future consumption. Savings expenditures, or those to be used in the future, have definite and unique forms of social organization. Furthermore, each social group has its own particular rhythms in regard to these expenditures. For the peasant, land represents his savings. His taxes, rent, payments on mortgages, and acquisition of landed property have definite rhythms with the years, the seasons, or his lifetime. Once the individual decides to buy land, he comes under the influence of customs and reappearing social obligations. Land in itself plays an almost unique rôle in agricultural life.[24] In the same way, other savings and investment expenditures, whether they be in savings banks, life insurance policies, or in other forms, have rhythms and their own peculiar social institutions. Forms of saving are somewhat related to social classes.[25]

In spite of the difficulties of classification, these five groups of expenditures are somewhat similar in their influence upon social organization and the individual level of pleasure. In our subsequent investigations, any general characteristic will be demonstrated in one of the following major fields of economic and social desire: food, clothing, lodging, other items of immediate consumption, and those for future consumption.

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[24] Sorokin, P. A., Zimmerman, C. C., and Galpin, C. J., *Systematic Source Book in Rural Sociology*, Minneapolis, 1931, Vol. II, Ch. 10, *et passim*; also Loomis, C. P., "The Growth of the Farm Family in Relation to Its Activities," North Carolina Agricultural Experiment Station, *Bulletin No. 298*, June, 1934.

[25] See my study in Minn. Agric. Exp. Stn., *Bulletin 255*, 1929, pp. 26 ff; and also *Bulletin 246*, p. 25 ff. (with J. D. Black).

CHAPTER III

Laws of Consumption

Laws of consumption classified into three types: utility, Engelian, and Le Playist.—Utility hypotheses and supply-price theories, diminishing utility and marginal utility analyses.—Initial supply-price theory by Gregory King.—Close relation of principles of King, Gini, Bernouilli, Weber-Fechner, and Engel found by del Vecchio.—Law of diminishing utility.—Explanation of equilibria in typical budgets by economic principle of marginal utility developed by W. S. Jevons and Karl Menger.—S. N. Patten's development of concept of utility.—Inadequacy of utility analyses.—Attempt of Engelian hypotheses to measure social progress by types of consumption.—C. D. Wright's misinterpretation of Engel's theory of proportion of income expended for food.—Schwabe's expansion of Engel's law to apply to other types of consumption.—Criticism of Schwabe's law by Laspeyres.—Analyses by Albrecht and Lütge of theories of both Schwabe and Laspeyres.—Attempt of Le Play hypotheses to find relations between family expenditure budget and social consequences of consumption.—List of Le Play's contentions.—Rowntree's description of life cycles for poor families in Great Britain.—Parallel description by Tschajanow in Russia.—Theories of Black and Zimmerman.—Ogburn's differentiation by family members.—Halbwach's study of changes in satisfaction of needs of working class.—List of Halbwach's other important conclusions.—Summary of various laws.—Principles which apply directly to whole field of family living.—Conflict of these theories.—Lack of adequate verification.—Economic bias of these theories.—Absence of long-time point of view.—Inadequacies of studies of standard of living.

Many investigators have attempted to theorize about the relation of various factors to the level of living or to the living of the social class under investigation. In this chapter we attempt to describe a few of the outstanding hypotheses in the field of family living.

The hypotheses may be classified into three general groups. The first may be called the *utility hypotheses* and includes (a) relations between the laws of supply and price and of the budget, (b) the law of diminishing utility, and (c) the marginal utility analysis. The law of diminishing utility, as will be shown later, is closely related to the Weber-Fechner law. The second general group may be called the *Engelian hypotheses*. These theories attempt to correlate the distribution of the budget with ideas of well-being, such as Engel's statement that the proportion of the expenditures used for food is one of the best measures of the well-being of the people. Finally, there is a third group called the *Le Playist hypotheses* which attempt to correlate the family budget of expenditures with the social consequences of consumption, particularly in the field of social organization.

Utility Hypotheses

A. Supply-Price Theories and the Budget. The first theory was that set forth by Gregory King at the end of the seventeenth century. In addition to showing the relations between the supply and price of grain, King presented much budgetary material which has been incorporated in the works of later students.[1] We feel justified in presenting this theory in some detail although we deal with only a few of the hypotheses of supply-price relations. The best description of it is given by J. E. T. Rogers as follows:

> The gloomy experiences of the seventeenth century, in which as a rule the price of grain was persistently and almost progressively high, suggested to Gregory King's mind that most important law, which is not indeed so much regarded as it should be in discussing the causes of high and low prices. The law is, that when supply falls short of demand by a fraction, the resultant rise is a much higher fraction; and conversely, when demand falls short of supply, a corresponding or analogous fall takes place, the variation being intensified by the urgency of the demand and the difficulty of supplementing the supply, though the rule affects production of all kinds. King's formula is as follows:

Defect	1 tenth	raises the price above the common or average rate	3 tenths
"	2 tenths		8 tenths
"	3 tenths		16 tenths
"	4 tenths		28 tenths
"	5 tenths		45 tenths

[1] Practically all economists have dealt with these ideas more or less adequately. We do not attempt to review their works here. See the works by Rogers, Gini, del Vecchio and others.

> With the view of avoiding such risks, the Dutch, who imported by far the largest quantity of food which they consumed, built vast stores and granaries, in which they laid up in cheap years great quantities of corn against the risks of dear times.[2]

This law arose, according to Rogers, out of the conditions of war, famine, and general disruption in Great Britain at the close of the seventeenth century. King applied it chiefly to the prices of grain and the necessities of life, but its relation to all consumers' market goods is implied.

In investigations of family expenditures, the theory was again taken up by Corrado Gini[3] and especially G. del Vecchio.[4] Gini stated the theory as a general relation between an arithmetic change in consumption and a geometric increase or decrease in price.[5] Del Vecchio studied the theory in relation to the logarithmic laws of consumption.

Del Vecchio summarized fifty studies of laborers from various countries to ascertain the influence of changes in income or total expense upon the consumption of certain items which could be measured by the usual amounts spent for them. He paid particular attention to the food budget because he wanted to combine the results in a mathematical statement which would include the phenomena studied under Engel's law.[6] However, before he completed his investigations, he included expenses for lodging, clothing, alcohol, tea, coffee, and chocolate. For all of them he found a similar principle, namely, that the percentages of income or expenditure used for a particular item decreased as the logarithm of the total income or expenditure increased. However, his predicted expenditure tended to disagree with the actual expenditure

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[2] See Rogers, J. E. T., *A History of Agriculture and Prices in England*, Oxford, 1887, Vol. 5 (1583-1702), p. 94. In his nine volumes on prices and standard of living, Rogers refers to this law many times. A copy of the original computation may be seen in *An Essay Upon the Probable Means of Making a People Gainers in the Balance of Trade* by Charles d'Avenant, London, 1699, p. 83.

[3] Gini, C., "Prezzi e consumi," *Giornale degli Economisti*, Jan.-Feb. 1910, pp. 99-114 and 235-249.

[4] Vecchio, G. del, *Relazioni fra entrata e consumo*, Rome, 1912.

[5] "In altre parole: *Quando i prezzi variano, positivamente o negativemente, in ragione geometrica, i consumi variano nel senso opposto, in ragione aritmetica*," *op. cit.*, p. 100.

[6] There are several varieties of Engel's law. For instance, see Zimmerman, C. C., "Ernst Engel's Law of Expenditure for Food," *Quarterly Journal of Economics*, Nov. 1932, pp. 78-101. In this particular case, del Vecchio is interpreting Engel's law to mean an increase or decrease in the proportionate amounts used for food with an increase or decrease in the actual income of the laborers.

for the lowest income groups. He included no extremely high income groups.

Del Vecchio concluded his investigation by maintaining that the following principles were closely related to each other and were merely different statements of the same behavior tendencies: (1) the law of Gregory King, as formulated by Corrado Gini, that consumption increases or diminishes in arithmetical ratio while prices diminish or increase in geometric ratio; (2) the principle of Daniel Bernouilli that the advantage or disadvantage resulting from the acquisition or loss of patrimony increases in an arithmetical ratio while the patrimony increases, or decreases in geometric ratio; (3) the law stated by Weber and formulated more precisely by Fechner that sensation increases or diminishes in arithmetical ratio, while stimulus increases or diminishes in geometric ratio;[7] (4) Engel's law, as interpreted by del Vecchio; and (5) del Vecchio's logarithmic principle as just outlined.

B. Diminishing Utility and the Budget. Not only are these theories based upon observations of substantially the same behavior but they are also measures of another general principle appearing in economics under the name of "diminishing utility" or of "increasing and diminishing utility." The theory of diminishing returns which is closely related to diminishing utility was developed in economics as a natural law long before any relations were found to the work of Weber and Fechner.[8] This general principle was recognized, as Wilhelm Roscher

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[7] For further information on the Weber-Fechner Law, see E. G. Boring, *History of Experimental Psychology*, New York, 1929, pp. 276 *et passim*; also his *The Physical Dimensions of Consciousness*, New York, 1933, p. 60; and Hoaglund, H., "The Weber-Fechner Law and the All-or-None Theory," *Journal of General Psychology*, July, 1930.

[8] See here Breuning, Walther, *Wesen und wirtschaftliche Bedeutung des "Gesetzes des abnehmenden Bodenertrages,"* Stuttgart, 1932, for a comprehensive bibliography of this development. See also the review by Zimmerman, C. C. and Kraenzel, C. F. in *Sociologus,* June, 1933. The modern relation to economic theory can be found in the following works: Jacob Viner, "The Utility Concept in Value Theory and its Critics," *Journal of Political Economy,* 1925, pp. 368-87, 638-59; Z. C. Dickinson, "The Relations of Recent Psychological Developments to Economic Theory," *The Quarterly Journal of Economics,* May, 1919, pp. 377-421; and his *Economic Motives,* Harvard University Press, 1922, p. 233. See also J. D. Black, "Statistical Measurement of the Operation of the Law of Diminishing Returns," *Methods in Social Science*, S. A. Rice, editor, Chicago, 1931, p. 636; Patton, F. L., *Diminishing Returns in Agriculture,* New York, 1926, Ch. 1; Alfred Marshall, *Principles of Economics, London*, 1916, 7th ed., p. 318 *et passim*; C. J. Bullock, "The Variation in Productive Forces," *Quarterly Journal of Economics* 16:473-513, 1902; Mitscherlich, E. A., "Das Gesetz des Pflantzenwachstum," *Landwirtschaftliche Jahrbücher* 53:167 ff, 1919; Spillman, W. J. and Lang, Emil, *The Law of Diminishing Returns*, Chicago, 1924, pp. 149 ff.

said long ago, even by some Roman thinkers, such as Pliny, Vergil, and Cato. It implies that an increase in the amount of input causes, in general, a less than proportionate increase in the amount of output. This theory of diminishing returns which in its earlier years appeared under a principle developed by the physical scientists and was called the "law of the soil," has many variants. During the nineteenth century, one variety expressed the principle in terms of economic value. This economic law which "as generally stated provides for an increasing stage before the decrease sets in . . . has always been associated somehow or other with value, income, and profits."[9] It has also been developed into a secular law of diminishing returns which deals with general changes in returns throughout time as contrasted with the original economic statement which was supposed to apply to a particular time. "Changes in the arts" influence the returns in time. The secular law is the more variable of the two.

This law was further developed into a statement of input and return in terms of physical results. This was chiefly found in the physical sciences following the works by F. J. von Liebig and E. A. Mitscherlich.[10] There have been several statements of the law which vary according to the method used for measuring "returns." One problem which has been discussed a great deal concerns increases in returns. The classic argument for increases in returns is to be found in the words of Marshall,

> We may say broadly that while the part which nature plays in production shows a tendency toward diminishing return, the part which man plays shows a tendency toward increasing return.[11]

We need not be concerned with minor details of this principle. For our purposes, it is sufficient to show that the relations between man and his material standard of living may generally be predicated upon the basis of a theory of decreasing (returns in) utility under conditions

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9 Black, J. D., *op. cit.*, p. 636.

10 See Part I in Walther Breuning, *op. cit.* F. J. von Liebig (1803-1873), formulated this theory known as the "law of the minimum" based on the idea that a deficiency of one necessary element in the soil rendered the soil barren for those products for which that element is necessary. This later developed in plant chemistry to a theory similar to diminishing returns in economics.

11 *Principles of Economics,* London, 1916, p. 316.

of increasing application of stimuli. We agree with del Vecchio that the Bernouillian principle, the Weber-Fechner law, and the theories by Gregory King, Corrado Gini, del Vecchio, and Engel are all statements of a principle of relations which follow the same general curve.[12]

C. Marginal Utility and the Budget. The economic principle of marginal utility not only recognizes the decline in sensation received from repeated units of the *same* good but also recognizes something of a general decline in the total volume of sensation when the total amount is increased but the goods are varied. A study of a typical Austrian utility chart shows this clearly.[13] The principle is closely rated to supply-price laws, demand curves, and diminishing returns.

W. S. Jevons held that economics must be founded upon a

> . . . full and accurate investigation of the conditions of utility . . . [and since the science] rests upon the laws of human enjoyment . . . utility must be considered as measured by, or even as actually identical with, the addition made to a person's happiness [by a particular good].[14]

Jevons and Karl Menger developed this conception most completely. The law of diminishing utility holds that:

> . . . the total utility of a thing to anyone . . . increases with every increase in his stock of it, but not as fast as his stock increases.[15]

Since each good has its own curve of increasing and decreasing utility, the consumer must weigh each marginal utility against others. The typical budget of the masses is one in which a number of units of different goods have been added in the order of their decreasing utility (desire) until the last increment in each class is the approximate equiva-

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[12] Vecchio, G. del, *Relazioni fra Entrata e Consumo,* Rome, 1912, pp. 111 ff.

[13] Tschajanow's chart is given in Ch. II, p. 30. Tschajanow, A., *Die Lehre von der Bäuerlichen Wirtschaft,* Berlin, 1923, Ch. IV, p. 175. See also Marschak, J., *Elastizitat der Nachfrage,* Ch. III, Tübingen, 1931; Schultz, H., "The Shifting Demand for Selected Agricultural Commodities, 1872-1919," *Journal of Farm Economics,* April 1932; Böhm-Bawerk, E. von, *The Positive Theory of Capital,* tr. by W. Smart, New York, 1923, p. 144; Menger, Karl, *Grundsätze der Volkswirtschaftslehre,* Vienna, 1871, p. 93; Bonar, J., "The Austrian Economists," *Quarterly Journal of Economics* 3(1):1-31, 1888.

[14] *The Theory of Political Economy,* 1871, pp. 39-43.

[15] Marshall, A., *Principles of Economics,* 7th ed., 1916, p. 93.

lent of the last in the others. This condition of equilibrium is constantly being affected by variations in prices and in the consumer's income. Nevertheless, it is a theory of how the standard of living is guided and why a budget of expenditure takes its particular form.

S. N. Patten expanded this concept of utility into a logical theory of the standard of living under such categories as Necessity, Variety, Harmony, Cost, Grouping, and Negative Utility. However, his principles, like the other utility analyses, were highly subjective and filled with hedonistic preconceptions. We simply mention them in passing as representing an outstanding attempt to derive laws of consumption.[16]

Goods and services which tend to follow all these curves are primarily items of direct sensory experience and are found in all standards of living. In contrast, the non-material aspects of standards of living, as previously indicated, may or may not follow Weber-Fechner or utility curves of relation between stimulus and response.[17]

Engelian Hypotheses

In this category will be examined a number of theories which are not only held to be valid laws of consumption but are also proposed as measures of social progress. This type of study is named after Engel because in his final report of family expenditure he held that the percentage used to buy food provided "an accurate and truthful measure of the material well-being of a people." [18] Engel developed some of the earlier theories, such as the one by Le Play, that economic progress could be measured by changes in the proportions of food expenditure, especially the relation between animal and vegetable food. Engel restated his theory of proportions used for food as follows:

> The proportion of the outgo used for food, other things being equal, is the best measure of the material standard of living of a population.

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16 See Patten, S. N., *Consumption of Wealth*, Philadelphia, 1889.

17 See Zimmerman, C. C., "The Family Budget as a Tool for Sociological Analysis," *The American Journal of Sociology*, May 1928; also his "Ernst Engel's Law of Expenditures for Food," *Quarterly Journal of Economics*, November, 1932, pp. 78-101.

18 See the last section of his final study, "Die Lebenskosten" in the *Bulletin of Internat. Institute of Stat.*, Rome, 1895, ed. 1, Vol. IX, first part.

He also developed the idea further into the following natural law:

> The poorer an individual, a family, or a people, the greater must be the percentage of the income necessary for the maintenance of physical sustenance, and again of this a greater portion must be allowed for food.

This theory of Engel was taken up and expanded by Carroll D. Wright of the Massachusetts Bureau of Statistics of Labor in 1875 and the law of well-being was broken down into four statements which are as follows:

> *First.* That the greater the income, the smaller the relative percentage of outlay for subsistence.
> *Second.* That the percentage of outlay for clothing is approximately the same, whatever the income.
> *Third.* That the percentage of outlay for lodging, or rent, and for fuel and light, is invariably the same, whatever the income.
> *Fourth.* That as the income increases in amount, the percentage of outlay for "sundries" becomes greater.[19]

This specific interpretation of Engel's theories has developed several new principles, none of which change the essence of his supposed conclusions. F. H. Streightoff found that clothing percentages increased with increasing income, while percentages for fuel, light, and housing expenditures decreased. Streightoff used data gathered by R. C. Chapin for New York City to prove his contention.[20] Similar conclusions were reached by Ogburn after his correlation study of 200 selected families for the District of Columbia in 1916.[21]

The work of expanding the Engelian hypotheses to include other types of family expenditures was begun in Germany by Heinrich Schwabe, editor of the Berlin Statistical Yearbook. In America this

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[19] See the *Sixth Annual Report of the Massachusetts Bureau of Statistics of Labor*, March, 1875, Part IV, p. 438.

[20] See F. H. Streightoff, *The Standard of Living Among Industrial Peoples in America*, New York, 1911, p. 20.

[21] W. F. Ogburn, "Analysis of the Standard of Living in the District of Columbia in 1916," *Quarterly Publication of the American Statistical Association*, June, 1919, p. 14.

development was due to the erroneous interpretation of Engel's ideas by C. D. Wright, and the popularization of this error by Richard T. Ely. In 1868, Schwabe maintained that the real law of rent paralleled Engel's law for food—the lower the income, the higher is the proportion for rent and *vice versa.* In 1867, surveys were undertaken in Berlin by the official Bureau of Statistics to determine the relations between income and the amount paid for rent. Two classes of families were studied: those of 4281 government officials, both state and communal, with salaries of less than 1000 Thalers; and those of 9741 other citizens with incomes of less than 1000 Thalers. The incomes were divided into twenty classes and the results tabulated. Neither families living in furnished rooms nor earnings of wives were included in the study. From the tabulated results Schwabe claimed that: *je ärmer Jemand ist, einen desto grösseren Theil seines Einkommens muss er für Wohnungsverausgeben, mathematisch dargestellt*" (mathematically speaking, the poorer a person, the greater must be the part of his income used for house rent). Thus, Schwabe's law held that proportionate expenditures for rent decrease with increasing income irrespective of differences in social class.[22] A working man with an income of $700 per year would spend the same proportions for rent as a clerk with equal income and would tend to receive about the same type of housing accommodations. In proof of this, Schwabe cited data from many cities other than Berlin, particularly von Bruch's analysis of rentals in Hamburg.

Following Schwabe's study, a series of similar analyses and theories have been developed in Germany, largely without reference to theories held in other countries.[23] The first of these analyses was the criticism of Schwabe's law by E. Laspeyres in 1875. Laspeyres held that the percentages used for rent were influenced by social class as well as by income. He accepted Schwabe's law with reservations. He believed that only within broadly similar occupational groups could the proportions for rent be compared with income. Among the clerical workers and laborers, lower incomes would be associated with higher propor-

22 See Schwabe, H., *Die Verhältnis von Miethe und Einkommen in Berlin,* Berlin und seine Entwickelung, Zweiter Jahrgang, pp. 265-276, Berlin, 1868.

23 Such as those by C. D. Wright, L. B. More, R. C. Chapin, F. H. Streightoff, and W. F. Ogburn in America; and Corrado Gini and G. del Vecchio in Italy.

tions for rent and higher incomes with lower proportions, but because of different class standards of living one could not compare a clerk with a laborer of the same income group. Each class has its own social standards and within it the same general principle of declining proportions of rent with higher incomes holds.[24]

In a later analysis, Albrecht tested both the theories of Schwabe and Laspeyres on the basis of available German data and although he found a number of irregularities he finally reached conclusions such as the following:

> For the high income classes (above 5000 marks) social considerations are most important in the proportions used for rent, but income is also a factor.
>
> For the lower income groups (1200-5000 marks) social considerations are important but within social classes rental proportions decline as incomes increase. Incomes are a more important factor.
>
> For the lowest classes (under 1200 marks) there is no law of rent.

Albrecht held that broadly similar occupational groups with high incomes were not comparable, although there was some tendency for income to influence rent. The higher income groups tended to pay a slightly smaller proportion for rent than the lower ones and *vice versa.* Nevertheless, the officials formed one standard, the entrepreneurs another, the *rentiers* a third, and so on.

Finally, Friedrich Lütge analyzed the whole problem again on the basis of the German Official Investigation of 1927-28. He divided the expenditures for housing into: (1) rent, (2) heat and light, and (3) upkeep and furnishings. He concluded that Schwabe's law was fully confirmed only among the country and city workmen, partly among the salaried employees, and not at all among the officials. It was not even confirmed among officials in income ranges where it was

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[24] The summary of this earlier analysis can be found in G. Albrecht's *Haushaltungsstatistik*, Berlin, 1912, pp. 113 ff.

fully confirmed among workmen. He thought another law was evident: "The expenditure for housing depends upon social rank: the higher the social standing the higher is the relative expenditure for housing." [25]

All of these theories are related in the sense that they follow the basic hypothesis of Engel that the distribution of the budget, as shown by actual expenditure, is a measure of the well-being of the people with or without regard to the total incomes of the families. This statement, of course, applies to some studies more than to others. Some of the theories briefly summarized here also belong partly to the third group of hypotheses which are to be examined next.

Le Playist Hypotheses

In this section, an attempt is made to summarize a number of theories of consumption which seek to find relations between the family expenditure budget and the social consequences of consumption, particularly in the field of social organization. To some extent, they overlap the other theories but, in the main, they form a distinct group. They are named after Le Play because he was the first investigator to bring these ideas before the public. Many of the hypotheses attempt to show cyclically changing social relations at various levels of consumption.

The chief contentions of Frédéric Le Play are summarized briefly as follows:

> (1) The level and type of consumption in a particular society is an important index of its general condition. A statement such as the following is often attributed to Le Play: "Tell me how a family uses its resources and I will tell you what kind of family it is."
>
> (2) The family is a good index of the type of society. By a study of consumption one can analyze first the family and then the whole society.
>
> (3) The quantity of goods consumed is not as adequate an index of the real well-being of the people as are the characteristics of the more regulating modes of consumption.

25 "Die Wohnungsausgeben und das Schwabesche Gesetz in den letzten grossen Haushaltungsstatistischen erhebungen," *Jahrbücher für Nationalökonomie* 133:265-82, Jena, 1930.

(4) From the third hypothesis it follows that a society or a family can have a high level of consumption of goods but have a low level of well-being because the future level of consumption is being endangered by the present demoralization of the social practices built about consumption (prosperous but demoralized—*ébranlées*—societies).

(5) In the consideration of levels of consumption, attention should be directed to the social coördinates which attempt to guarantee future level of consumption as well as the present level.

(6) A generally high level of consumption tends to make a population careless concerning many important rules and regulations about consumption. These rules and regulations appear insignificant unless one regards their long-time values to the people.

(7) A generally low level of consumption tends to discipline a people in the social practices essential to well-being so that if the opportunity arises the social system is often capable of increasing the level of consumption.

(8) The level of material consumption in a society not only fluctuates according to the business cycle and to variations in the production of goods arising from natural causes, but also according to rather lengthy cyclical changes of the social coördinates in the standard of living (cycles of moralization and demoralization).

Briefly, these are Le Play's theories about consumption. Whether or not his analysis is correct, our existing long-time studies of the level of consumption show that there are fluctuations in addition to those which may be explained by the business cycle or by natural factors in the yield of production.[26]

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[26] See the following works for a summary of some of the data: Rostovtzeff, M., *Social and Economic History of the Roman Empire,* Oxford, 1926; Davis, W. S., *The Influence of Wealth in Imperial Rome,* New York, 1910; Sée, Henri, *La vie économique de la France sous la monarchie censitaire* (1815-1848), Paris, 1927; Sée, H., *Equisse d'une histoire du régime agraire en Europe aux 18th et 19th siècles,* Paris, 1921; Rogers, J. E. T., *A History of Agriculture and Prices in England,* 7 vols., Oxford, 1866-1902; also his *Six Centuries of Work and Wages,* New York, 1890; and d'Avenel, Vicomte G., *Histoire économique de la propriété des salaires des denrées et tous des prix en général depuis l'an 1200 jusqu'en l'an 1800,* 7 vols., Paris, 1894-1926; *Decouvertes d'histoire sociale 1200-1910,* Paris, 1910; *Le nivellement des jouissances,* Paris, 1913; *Paysans et ouvriers depuis sept cents ans,* Paris, 1899; and *Les riches depuis sept cents ans,* Paris, 1909.

Le Play's theories have never received a great direct following. Nevertheless, independent investigations have found similar relations between consumption and the social factors of life other than those which may be predicated upon the utility and the Engelian hypotheses.[27]

One of the first of these independent studies was Laspeyres' work on the relation of social class to rent. This was followed, quite independently, by some preliminary observations concerning the budgets of poor families in Great Britain by B. S. Rowntree.[28] Rowntree held that the relations between family organization, size, and earning capacity of poor families tend to give them a characteristic life cycle of three periods of prosperity and three of suffering. The laborer tends to suffer from poverty and under-consumption in his youth (while he is growing rapidly and needs a high level of economic consumption for sustenance), after marriage and during his middle life before his children reach the earning age, and in his old age when he can no longer work and his children have left him. A part of this theory, of course, is closely related to some of the previous analyses. In addition, it postulates cyclical changes in forms of social organization which the utilitarian hypotheses disregard. The fluctuations of the laborer's behavior from conditions of adequate consumption to periods of under-consumption is a fluctuation between independent self-support (his dependency upon private organization) and dependence upon public or semi-public support. Thus, the relations of the laborer to the forces which compose his social background tend to vary with his level of consumption. The periods of an "adequate" level of consumption are primarily those of later youth, early adulthood, and the time when his dependent children have a high earning power and remain with him. Rowntree's analysis applies principally to urban conditions.

The work by Rowntree was paralleled by a somewhat similar type of analysis by the students of the Russian peasant budget except that

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27 We are classifying all theories as primarily Engelian which state linear relations between size of family and level of consumption. These theories tend to make size of family the reciprocal of size of income. See Zimmerman, C. C., "Mathematical Correlation in the Household Budget," *Sociologus* 8(2):145-166, June, 1932, and Marschak, Jacob, *Elastizität der Nachfrage*, Tübingen, 1931.

28 See *Poverty, A Study of Town Life*, London, 1902 and 1922, pp. 169-172. This idea was also suggested in a monograph by Louis Reybaud, *Le coton*, Paris, 1863.

their theory was developed for rural rather than for urban conditions. The clearest formulation of this idea has been made by Alexander Tschajanow as follows.[29] The family is a central organizing unit in most small unit economies, particularly in agriculture. Consequently, the size and the composition of the family exercises both a qualitative and a quantitative influence upon the level of consumption and the general economic characteristics of the unit. The proportion of consumers to workers tends to increase with the growth in size of the family unit until a maximum of consumption and a minimum of productive force is reached just before the first children begin to earn in or out of the household. The proportion of consumers to workers then begins to approach the point at which consuming and working ability tend to reach an equilibrium again. To adapt to these cyclical fluctuations within the family or household, the peasant tries to develop compensating fluctuations in the land and capital resources which contribute to his consumption. He seeks to prevent the decreases in economic labor power per consumption unit from driving the consumption level of the members below a subsistence minimum. This part of the theory dealing with capital and land accommodations for each unit of decreasing labor power has been developed particularly in America. In a theoretical manner, it first arose with Henry C. Taylor, and then in a factual manner through the analysis by C. P. Loomis.[30] Loomis shows this compensating tendency in the fact that the per capita acres tilled by American farm families do not vary nearly as much as the per capita acres owned by the heads of these families.[31] The difference between the urban theories of Rowntree and those concerning the agricultural economy lies chiefly in the analysis of compensating forces for the decreased worker-consumer ratio which are to be found in agriculture.

A somewhat different type of hypothesis within the same general category has been presented in works by John D. Black and Carle C.

[29] See his *Die Lehre von der bäuerlichen Wirtschaft,* Berlin, 1923, particularly Ch. 1.

[30] See C. P. Loomis's Ph.D. thesis, Division of Sociology at Harvard, 1933, published as "The Growth of the Farm Family in Relation to its Activities," North Carolina Agricultural Experiment Station, *Bulletin No. 298,* June 1934.

[31] This general characteristic life cycle in agriculture is also outlined in Sorokin, P. A., Zimmerman, C. C., and Galpin, C. S., *Systematic Source Book in Rural Sociology,* Minneapolis, 1931, Vol. II, Ch. X, especially p. 31.

Zimmerman. The first of these studies attempts to apply the typological method, as illustrated by the works of Le Play and as developed by the theories of Max Weber, to the problem of differentiating certain broad social classes according to the distribution found in their budgets. The following statement is a typical illustration:

> In the farm family expenditures, the primary competition is between land-investment and living. In the urban family expenditures, the primary competition is between physiological and non-physiological expenditures. A first corollary of this principle is that competition between physiological and non-physiological expenditure is a secondary matter in farm budgets. A second corollary is that for these primary types of economic behavior, farmers as a class are distinctly different from the wage and salary earning classes.[32]

This idea was expanded in a later study which summarized the investment expenditures of rural and urban groups and verified the four following hypotheses by typical data.

> (1) The primary agencies of investment expenditures among the poorer urban classes are insurance and savings.
> (2) The middle classes add another factor, investments in home ownership and improvement.
> (3) The upper classes have the most varied investment possibilities of all.
> (4) City groups as a whole have a much greater diversity of investment possibilities than farm groups as a whole.[33]

A somewhat different note was added when these same ideas were expanded to include further differences in consumption according to social class. The five following hypotheses are illustrative of a type which has been made and which may be verified and expanded within

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[32] Zimmerman, C. C. and Black, J. D., "Factors Affecting Expenditures of Farm Family Incomes in Minnesota," Minnesota Agricultural Experiment Station, *Bulletin 246*, July, 1924, p. 28.

[33] Zimmerman, C. C., "Income and Expenditures of Minnesota Farm and City Families, 1927-28," Minnesota Agricultural Experiment Station, *Bulletin 255,* June 2, 1929, p. 28.

the field of budget investigation. They are an attempt to outline clearly some of the general characteristics of consumption by social class.

> (1) There appear to be about as many costs of living as there are people.
> (2) Different groups of people spend different amounts for the same type of consumption.
> (3) Different items are purchased to satisfy the same kind of desire.
> (4) Different groups can live more cheaply, if necessary. With an increase of income they tend to improve their living in so far as they are capable by emulating the upper classes.
> (5) Many social climbers merely acquire the formal aspects of the living among higher groups without its subjective content; and many social "fallers" merely lose the formal content of the living behavior without its subjective side.[34]

The same general type of theory was expanded to include not only the expenditure of money but also the use of goods. In this particular case, the utility distribution of rooms was contrasted. For the village and farm families which were studied, the following general hypothesis was set up:

> Not only do the expenditures of the lower class families indicate greater nearness to physiological requirements but their houses are so organized that more of the space is devoted to eating, sleeping, and the physical needs of the individual.[35]

In a later study this same difference in the use of room space was found for rural and urban families.[36] This leads to the idea, which has not been developed as yet, that for all practical purposes the same general type of analysis could be applied to the consumption of units of time without reducing these units to money values.

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[34] Zimmerman, C. C., "The Family Budget as a Tool for Sociological Analysis," *The American Journal of Sociology* 33 (6) :908-910, May, 1928.
[35] Zimmerman, C. C., "Incomes and Expenditures of Village and Town Families in Minnesota," Univ. of Minn. Agric. Exp. Stn., *Bul. 253*, March, 1929, p. 43.
[36] Minn. Bulletin 255, *op. cit.*, p. 42 ff.

Ogburn's attempt to study the family members according to different rates of increasing individual expenditures for clothing deserves mention.

> As the income goes down the percentage of expenditure for women's clothing diminishes most, and for children's clothing least, and as the income goes up the percentage of expenditure for women's clothing increases most and for children's least. In this regard women seem to sacrifice most and the children least.[37]

In this particular field, two monographs by Maurice Halbwachs are of theoretical significance and deserve particular notice. The first attempts to interpret the living level of the working class based upon the official German investigation of budgets made in 1907-08.[38] Halbwachs tries to find the psychological basis of the classification of the desires associated with a given system of living. We have already discussed this classification in detail in Chapter II. In brief, he holds that fields of economic desire may be grouped into four or five main categories if this classification conforms to some reality. He believes that the identification of goods into groups arises largely from the identity of the social mechanisms from which and through which the same types of goods are obtained and the social rhythms connected with each general type. This principle was then applied to food, clothing, and rent to verify the reality of these groupings. He concludes that there are four groupings of desires which are justified: food, clothing, lodging, and all other expenses.

The second monograph by Halbwachs studies the changes in the satisfaction of needs of the working class in western countries during recent periods.[39] A great part of this monograph, as well as the first, is a detailed attempt to test the erroneous version of Engel's laws. The latter parts of the study are particularly interesting because they attempt

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[37] Ogburn, William F., "Analysis of the Standard of Living in the District of Columbia in 1916," Reprinted from *Quarterly Publications of the American Statistical Association*, June, 1919, p. 16.

[38] Halbwachs, M., *La classe ouvriére et les niveaux de vie,* Paris, 1913, particularly Ch. 3.

[39] Halbwachs, M., *L'évolution des besoins dans les classes ouvriés,* Paris, 1933.

to work out what the author calls rhythmic changes in the evolution of the economic desires. The author deals almost entirely with the past fifty years in Europe and America, and finds a constant movement toward a higher standard of living in the Engelian sense. The percentages of expenditures for the necessities of life decrease and those for all other needs increase. He points out that wages during this period are determined more by increasing planes of living than by any such principle as the iron law of wages. People become accustomed to and hence expect certain items of consumption. Although there is no particular part of the expenditures which cannot be reduced, the general tendency is for all parts to resist reduction. People tend to reduce some of the necessities in order to preserve the consumption of recently acquired and conspicuous luxuries. Thus, there is a rhythm in "the evolution of needs of the working class" which runs through periods of expansion in prosperity to those of consolidation in depressions.

Other conclusions of importance in Halbwachs' second work may be listed as follows. In a comparison of laborers, white-collar employees, and minor officials of the same economic groups, he finds:

> Laborers spend more per unit for food than employees.
>
> Laborers spend less per unit for rent than the employees and officials.
>
> Employees spend a little more per unit for clothing than the laborers.
>
> Officials spend a great deal more per unit for clothing than the employees and laborers.
>
> Officials spend more than laborers per unit for diverse needs.
>
> Employees spend more than officials per unit for diverse needs.[40]

These are measures of different standards of living for classes of the same economic level. They are based upon the official German study of 1927-28.

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[40] *Ibid.*, pp. 27-34. Halbwachs' analysis of conspicuous expenditure resembles that of Veblen.

Summary of Laws

Now let us take each particular field of consumption and summarize the theories which have been developed in regard to it.

NO.	AUTHOR	THEORY
		Food Budget
1.	Gregory King	The demand for food is such that a shortage causes extreme modifications in the other fields of consumption.
2.	Corrado Gini	Arithmetic increases in the food consumption imply geometric decreases in food prices, and *vice versa*.
3.	G. del Vecchio	Income increases or decreases geometrically whereas percentages used for food, lodging, clothing, alcohol, tea, coffee, and chocolate moved arithmetically in an opposite direction.
4.	E. Engel	Percentages for food decrease with increased income and *vice versa*.
5.	E. Engel	The proportion of the outgo used for food, other things being equal, is the best measure of the material standard of living of a population.
6.	E. Engel	The poorer an individual, a family, or a people, the greater must be the percentage of the income necessary for the maintenance of physical sustenance, and again of this a greater portion must be allowed for food.
7.	F. Le Play and E. Engel	Increased income is associated with decreased proportions of vegetable foods and increased proportions of animal foods, and *vice versa*.
8.	G. del Vecchio	Engel's first food law is only a part of a wider phenomenon expressed by the more general laws of Weber and Fechner, Daniel Bernouilli, Gini, and others.
9.	C. C. Zimmerman	Engel's food law is a partial statement of a more general principle of increasing and diminishing returns in utility.
10.	M. Halbwachs	Laborers spend more per adult unit for food than white-collar employees of the same income class.

NO.	AUTHOR	THEORY
		Clothing Budget
11.	C. D. Wright	The proportions of expenditures for clothing are approximately the same under all income conditions.
12.	R. C. Chapin, F. H. Streightoff, and W. F. Ogburn	With increasing incomes, the proportions used for clothing tend to increase.
13.	W. F. Ogburn and others	Under conditions of increasing income, the clothing of the different members of the family may vary in the rates of expenditure. The clothing expense for the women may increase or decrease at a different rate from that of the men, and *vice versa*.
14.	M. Halbwachs	Laborers spend a little less per adult unit for clothing than employees in the same income group.
15.	M. Halbwachs	Officials spend a great deal more per adult unit for clothing than employees and laborers in the same income class.

Hypotheses listed under numbers 1, 2, 3, and 6 also apply here.

Rent, Fuel, Light and Housing Budgets

NO.	AUTHOR	THEORY
16.	C. D. Wright	With increasing income, the proportions of expenditure for rent, fuel and light stay invariably the same.
17.	R. C. Chapin, F. H. Streightoff, and W. F. Ogburn	With increasing incomes, the percentages for fuel, light and housing decrease.
18.	H. Schwabe	The lower the income, the higher is the proportion for rent, and *vice versa*. Rent is principally determined by income and not by social class.
19.	E. Laspeyres	The lower the income, the higher are the proportions for rent within any given social class, and *vice versa*.

NO.	AUTHOR	THEORY
20.	G. Albrecht	Rentals of the upper economic classes follow Laspeyres' law, rentals of the middle economic classes follow Schwabe's law, rentals of the lower economic classes follow no law. Social class, as well as income, is a factor.
21.	F. Lütge	The expenditures for housing (rent, heat, light, upkeep, and furnishings) depend on social rank. The higher the social standing, the higher are the relative expenditures for housing. Schwabe's law is valid for country and city laborers, is less valid for salaried employees, and is false for officials.
22.	C. C. Zimmerman	Not only do the expenditures of the lower class families indicate a greater nearness to physiological requirements but their houses are so organized that more of the space is devoted to eating, sleeping, and the physical needs of the individual.
23.	M. Halbwachs	Laborers spend less per unit for rent than employees and officials in the same income class.

Hypotheses listed under numbers 1, 2, 3, and 6 also apply here.

Budget of Sundry Items

24.	American Engel School	The proportion of expenditure for sundries increase with increased income.
25.	American Engel School	The proportion of expenditure for sundries (advancement goods) is the best measure of the standard of living of the population.
26.	C. C. Zimmerman	Competition between necessities and sundries is a secondary struggle in the budgets of farmers, *entrepreneurs,* and property-owning classes.
27.	M. Halbwachs	Laborers (industrial workers) spend less for diverse needs per unit than officials (*Beamten*) in the same income class.
28.	M. Halbwachs	Employees (white-collar workers) spend more for diverse needs per unit than officials or laborers in the same income group.

Hypotheses listed under numbers 1, 2, 3, 4, 5, and 6 also apply here.

NO.	AUTHOR	THEORY
		Investment Expenditures
29.	F. Le Play	The social coördinates which attempt to guarantee the future level of consumption are as important as the present level of consumption.
30.	F. Le Play	Relations between the present and future understanding of consumption are often such as to bring about long-time cycles from prosperity to suffering, and *vice-versa*.
31.	F. Le Play	The level of future consumption is guided by mores and customs which constitute an important part of the non-material standard of living.
32.	B. S. Rowntree and Louis Reybaud	The urban laborer cannot save so his life cycle fluctuates alternately between three periods of plentiful nourishment and three of undernourishment.
33.	A. Tschajanow and the Russians	The peasant accommodates consumption needs to labor power through family organization. When the children are young, the family suffers greatest from under-consumption.
34.	H. C. Taylor, C. C. Zimmerman, and C. P. Loomis	The commercialized farmer accommodates to a decreased ratio of workers to consumers during the growth period of the family by adapting land and capital resources so that acres tilled are distributed more evenly per capita than acres owned.
35.	J. D. Black and C. C. Zimmerman	Present-future competition is more primary to the budget distribution of the commercialized farmer than the Engelian food-sundry analysis.
36.	C. C. Zimmerman	Increased urbanization as well as changes in the economic scale among urban people are associated with the increasing divergence of investment facilities. Thus, the urban and upper social classes are thrust more into a social structure characterized by contractual relations easily shattered by disasters appearing all over the social system (the organic society as outlined in E. Durkheim's *Division of Labor*).

The first six hypotheses also apply here.

A number of the principles have direct application to the whole field of family living, such as, for instance, all of those analyzed under the utility hypotheses. The same may be said for the Le Play hypotheses and for a number of incidental correlations. In addition, all claims as to the relation between social class and consumption and the influence of present attitudes concerning consumption upon the future well-being of a particular society have direct general significance for all fields.

Many of the ideas conflict. Very few of them have been tested for complete validity under all conditions. However, this analysis limits itself to a statement of the theories.

At the same time a few points of interest should be emphasized. First, most of these laws have an economic bias, neglecting many of the fundamentals of the standard of living from the sociological viewpoint. As a result, most of the analyses repeat a few obvious generalizations. Secondly, the analyses have been largely biased toward an immediate reaction between an individual and his present consumption goods without relation to long-time or non-sensational points of view. There is little or no cognizance of the non-sensational factors of life. Third, largely inherent in the above practices, the total field of the standard of living is as yet only partly investigated and awaits the work of those who can approach the world as it really exists. Budget studies are still challenging fields of investigation particularly for persons of a realistic turn of mind.

CHAPTER IV

The Rôle of Food

Two-fold nature of rôle of food in standard of living; what is "food," and how much of man's available attention is given to securing food.—Nutriments, economic labor and associated mores constitute food values.—Inadequacy of such measures as carbohydrates, fats, proteins, minerals and vitamins to enable us to understand fully man's food consumption.—The proportion of man's attention devoted to food.—The factors fixing the upper limits to this proportion are other material desires and the non-material needs of man.—The forces fixing lower limits to this proportion include the facts that food is necessary to existence, that food is essential to the enjoyment of other items of consumption and that the desire for food easily lends itself to almost endless types of conditioning.—Factors influencing the desire for food are very numerous.—The physical capacity to consume food has remained relatively constant throughout history in spite of numerous beliefs to the contrary.—Theories denying such constancy.—Discussion of food consumption by social classes.—Food differences among sex- and age-groups.—Differentiation by rural and urban groups.—Food differences by economic strata. Proportion of animal and vegetable foods in the diet.—Diet of proletariat.—Diet of upper laboring classes.—Diet of sedentary classes.—Pre-Engel, Engel, and post-Engel forms of food consumption.

The place of food in the standard of living is a problem of two-fold nature. What is the meaning of the concept *food,* and what proportion of man's attention is devoted to the general food value? Only by careful consideration of these two problems can we estimate the place of food among the values which concern the daily life of man.

Food has always caused considerable speculation. Among many peoples *food* and *being,* or food and life, are used synonymously. Instead of saying, "How are you?" in Siam, they say, "Have you eaten your rice today?" Food is necessary for life. The organs of living are the servants of the stomach. In order to live it is necessary to eat today, to eat tomorrow, and always to eat.[1] There is the old saying,

[1] Bourdeau, Louis, *Histoire de l'alimentation*, Paris, 1894, p. 2.

"Tell me what thou eatest, and I will tell thee who thou art," [2] which recognizes the social rôle of food. Seneca held that the law of nature is "merely to avert hunger, thirst and cold." [3] Early Hindu philosophers said that, "From food are born all creatures that live on earth; afterwards they live on food, and in the end [when they die] they return to it." [4] Confucius concluded that feasting is one of the six ceremonial rites necessary to the well-being of any society.[5] The Laws of Manu stated that a twice-born man (one who had achieved religious perfection) should eat his food with concentrated mind after performing ablutions.[6] The sacred Laws of the Âryas decreed that even robbery is permitted after a man has been without food for six meals.[7] Many sacred books proclaim that the giving of food to a religious man or to the poor is an act of salvation.[8]

What Is the Meaning of the Concept Food?

The meaning of the concept of food is our first consideration. In our analysis, the production of food is considered only in so far as production has an application to consumption, while the purely technical division of food into carbohydrates, fats, proteins, minerals, and vitamins is included only as a measure of the quality of type of food consumed. For the present it is necessary to think of a broad definition of food and food behavior. For our purposes, food is a summary term for three general categories: (1) the nutriments taken to sustain life, which man popularly calls food, (2) the work and other economic cost of preparing foodstuffs for the consumer, and (3) the non-economic behavior called food customs which are associated with eating.

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[2] Soyer, Alexis, *The Pantropheon*, Boston, 1853, p. 4.

[3] *Epistulae Morales*, No. IV, London, 1917, p. 19.

[4] See *The Upănishads*, Sacred Books of the East, Vol. 15, Oxford, 1884, p. 315.

[5] *The Lî Lî*, S.B.E., Vol. 27, Oxford, 1885, p. 248. See also *Hebrew Old Testament*, Exodus XXIII:14; XXXIV:23, Leviticus XXIII; Numbers XXIX; Deuteronomy XVI; Lycurgus in Plutarch's *Lives*; and many references in Pliny's *Natural History*.

[6] *The Laws of Manu*, Vol. 25, S.B.E., Oxford, 1886, p. 39.

[7] *The Sacred Laws of the Âryas*, S.B.E., Vol. 2, Oxford, p. 273. See also *Hebrew Old Testament*, Genesis XII:10.

[8] See *Hebrew Old Testament*, Leviticus XXIII:22; *New Testament*, Matthew XV:32-39; Mark VIII; *Book of Mormon*, Vol. 20, 1920 edition, p. 215; *A General Index*, Vol. 50, S.B.E., references on food.

The first category includes the unrefined raw materials, such as wholesale products or raw materials from the farm. The second includes the refining process whether it be done in a flour mill, a bakery, or at home with a hand machine. The third comprises all the customs associated with heating, such as the number of meals, the time of eating, the table service, the decorations, and any ceremonies connected with eating.

When one examines the items listed as food in the usual budget of household expenditures, it becomes evident that these are by no means a complete measure of all or any of the three types of food behavior. They clearly do not provide an adequate measure of the non-economic food customs. The economic labor which differentiates the unrefined materials from the refined, when done by outside refining agencies or middle men, can be measured by subtracting the economic value of the raw materials from the economic value of the refined materials. It may be said with a high degree of accuracy, however, that the greater part of the world's population refines most of its food in the home or about the farm. This non-economic labor has no market value. It does have an *energy* value, but no opportunity cost as this term is used by Davenport.[9] The individuals could not sell this labor even if they did not refine the food themselves. Furthermore, in some societies, unrefined food is often eaten. Hence, an oriental peasant may spend eight hours of his leisure time mixing a curry for that particular day, thus effecting all the refinements which members of other types of societies generally buy at the market place. However, this particular individual could not sell the labor saved if he spent less time in preparing rice and curry.

Practically every classification of food expenditures in a household budget, even in the simplest community where money or a medium of exchange is used, includes some items of the processing expense. For instance, a devout Buddhist family which observes the prohibition against the taking of life, will find that even if only a penny a day is spent for animal food a part of this penny has gone to pay the non-faithful Buddhist or the non-Buddhist for killing the animal.

Furthermore, the classification of food nutriments in the studies of family budgets does not always include all the foods or things classi-

[9] Davenport, H. J., *Economics of Enterprise*, New York, 1913.

fied as food. Some studies, for instance, include only food eaten at home, while others distinguish between such food and that eaten outside. However, as soon as food is eaten outside the home, a large number of spurious items enter into the economic classification of the food budget. Thus, one can seldom say with any great accuracy that "this particular budget of food expenditures includes all or only the economic cost of the raw materials or the food nutriments which go toward the sustenance of this particular family."

Now we may ask the meaning of the classification given to food within the family budget. We can answer only in a general way. *The food budget includes that part of man's economic energy which he is willing or is compelled to give for an involved complex of processes dealing with his nutrition.* The definition of this complex of processes depends upon the individual, the society, and the particular circumstances involved. In other words, the food budget is a complex generalized value which has no absolute definition either in time or space. At the same time, since the food budget is most closely bound up with the problem of existence, it is probably the most absolute value to be found in the plane of living.

What Proportion of Man's Attention Is Given to the Problem of Food?

In most of the following discussion, we are restricting the concept of food in the standard of living to its most general sense, *i.e.*, as the individual defines it in his budget. What proportion of the total economic energy of a population is attached to food values? The following table gives a brief summary of several studies. These include a number made in China between 1900 and 1932 which were summarized by L. K. Tao and the Ministry of Commerce at Nanking, and a highly significant group of studies covering many countries which were compiled by Cheysson and Toqué in 1890. Some of these cover whole groups of people, and others cover single families which are representative of certain portions of society. The American studies represent economic groups among the wage earners. These materials are not exactly comparable, but they do enable us to draw the following conclusions: (1) rarely does any group among the masses of the popula-

SUMMARY OF THE RELATIVE EXPENDITURE FOR FOOD AS SHOWN BY STUDIES MADE IN VARIOUS PARTS OF THE WORLD.

Relative Expenditure for Food (percent)	China		Japan and Korea[12]	India[13]	Siam[14]	Le Play 19th Century[15]	U. S.[16]	England[17]	Young[18]	Switzerland and Germany[19]	Total
	Tao[10]	Ministry of Commerce[11]									
0— 9.0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10— 19.9	.....	.....	.....	.....	11	3	18	.....	.....	1	33
20— 24.9	.....	.....	.....	.....	9	1	12	.....	.....	4	26
25— 29.9	.....	.....	2	.....	11	3	12	.....	.....	17	45
30— 34.9	.....	.....	10	.....	2	3	15	2	.....	44	76
35— 39.9	1	1	8	.....	4	7	50	3	1	26	101
40— 44.9	4	3	5	1	1	12	52	3	10	27	118
45— 49.9	8	6	1	1	.....	11	48	7	17	37	136
50— 54.9	16	11	3	9	1	18	14	6	18	27	123
55— 59.9	16	3	.....	6	.....	16	12	6	19	15	93
60— 64.9	12	4	1	3	1	5	1	4	18	12	61
65— 69.9	6	1	.....	.....	.....	14	1	4	2	1	29
70— 74.9	4	.....	.....	1	.....	5	1	4	5	.....	20
75— 79.9	2	1	.....	2	.....	2	1	.....	.....	.....	8
80— 84.9	.....	.....	.....	1	.....	.....	.....	2	.....	.....	3
85— 89.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
90—100.0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total	69	30	30	24	40	100	237	41	90	211	872

10 Tao, L. K., *The Standard of Living Among Chinese Workers,* China Institute of Pacific Relations, Shanghai, 1931.

11 Ministry of Commerce, *Study of Thirty Cities,* Nanking, 1930 (in Chinese).

12 These are from numerous studies. See especially: Morimoto, Kokichi, *The Efficiency Standard of Living in Japan,* Japan Council of the Institute of Pacific Relations, Tokyo, Japan, 1931; Matsuda, Taijiro, *The Family Budget Enquiry in Japan 1926-1927,* XIX Session de l'Institut International de Statistique, Tokyo, 1930; and Brunner, Edmund de S., *Rural Korea: A Preliminary Survey of Economic, Social and Religious Conditions,* International Missionary Council, 1928.

13 From numerous studies.

14 Zimmerman, Carle C., *Siam: Rural Economic Survey, 1930-31,* Bangkok, 1931.

15 Cheysson, E. and Toqué, A., "Les budgets comparé des cent monographe de famille publiées dans 'Les ouvriers européens' et 'Les ouvriers des deux mondes,'" *Bulletin de l'Institut International de Statistique* 5:1-107, 1890.

16 All of the well known American studies including those of the United States Bureau of Labor Statistics and various private agencies and individuals.

17 Economic Club, *Family Budgets: Being the Income and Expenses of Twenty-Eight British Households, 1891-1894,* London, 1896; and studies by the Board of Trade and other agencies.

18 Young, Edward, *Labor in Europe and America,* Philadelphia, 1875.

19 These are a representative sample of a small part of the hundreds of German studies. Up to 1914, the references will be found in Albrecht, G., *Haushaltungsstatistik,* Berlin, 1912.

tion devote less than 25 per cent of its total economic energy for the satisfaction of food interests; (2) seldom does any important part of the masses of the population devote more than 75 per cent of its total economic energy to the satisfaction of food values; and (3) the great masses of the population of the world under normal conditions generally use between 35 and 65 per cent of their total energy for food satisfactions.

These conclusions are probably valid despite enormous differences in income and price levels for different countries. For instance, the Chinese families in the thirty groups studied in 1930 by the Ministry of Commerce had an average income of $7 a month in American gold. On the other hand, the yearly income per family of American wage earners ranged from $370 for the lowest group studied by the Wisconsin Bureau of Labor Statistics in 1895 to $2800 for the typographers studied by J. Peixotto in San Francisco in 1920. The incomes in the Le Play studies ranged from 423 fr. for a charcoal burner in the European Alps studied in 1846 to 14,744 fr. for a wealthy peasant family in Syria in 1857.

Let us examine these facts carefully to see what they mean. First they indicate that approximately one-half of the activities of men under normal conditions are concerned with food and that approximately one-half of the factors which enter into any plane or standard of living, as far as these can be measured economically, are concerned with food values alone. A corollary of this is that there have been no social systems in which either more than three-fourths or less than one-fourth of the economic activity of the general population, or any large portion of it, has been concerned with food. Some of the most fundamental factors in the plane of living may be understood if we fully appreciate the significance of these conclusions. Let us indicate some of the upper and lower limiting factors to the increase and decrease of energy expended on food.

The Upper Limit: Factors Limiting the Increase of Energy Expended on Food

Food does not absorb all of man's activity because of the pressure of other needs and desires. Man has found that he not only wants food in order to live, but that he also wants other things, such as a home, clothing, physical stimulants other than food, and ties of allegiance to some group or groups.

A home not only protects an individual from the elements or from the attacks of animals and men, but it also constitutes a value which influences the consumption of food. The universality of this value is demonstrated by the ubiquitousness of the home. Although there are homeless vagabonds, mendicants, and similar types to be found in all societies, these groups seldom form more than an extremely small percentage of any population. Homeless people are often confused with migratory groups, workers, or religious devotees who are but temporarily away from home. The wandering religious teacher of Asia usually goes back to his own village during the rainy season. The wandering laborer or the youth who feels "the call of the road" nearly always has a home which is a value created by someone else. Although there are always a few people in any society who conceive their home only as "under their hat," no large proportion can become so anti-social without a decrease in the birth rate and ultimate disappearance of the group. Numerous cases show that either individually or collectively the concept of home is so closely related with the problems of human existence that at times it limits that proportion of man's economic income which normally goes for food.

It may also be said that the necessity for some form of clothing is in itself a natural barrier against an undue expenditure of energy on food in proportion to the total economic energy. All societies of which we have any knowledge put some of their economic energy into clothes, ornaments, or body decoration taking the place of clothes. Irrespective of Plutarch's story of the Spartan youths who ran naked in the games in order to harden themselves or of descriptions of primitive peoples in the tropics who wear little clothing, ethnological studies show that all people have some "clothing value" but that mores concerning what constitutes clothing and decoration vary greatly. In the chapter on clothing we show the universality of the clothing value and its close connection to the development of personality. We also show that clothing values are always related to the total framework of living and that their abrogation offends the mores. In this way the clothing values keep the food values from encroaching too far upon the total economic means of a given society. The validity of this statement and our conclusions concerning food expenditures have been confirmed for all societies which have left documentary or other evidence of their livelihood.

Physical stimulants, such as beverages, masticatories, and tobaccos, constitute another group of interests which compete with food expenditures (interpreting food now solely as nutriments). There is evidence that many races of men have considered such desires fundamental to a standard of living. It is impossible to separate these desires from food and other values. Water may have been the most ancient beverage but we must agree with Pliny that man is so skillful in flattering his vices that he has ever found means to render water poisonous and intoxicating.[20]

> In the first ages of the world, the human race, bound by no oath of temperance, succeeded, by sheer application of their ingenuity, in finding something better, or perhaps worse . . . [and this beverage] acquired the wonderful power of provoking a sort of madness, known by the name of drunkenness.[21]

The origin of these stimulating drinks is lost. The earliest writers say that they must have been invented by Bacchus or Osiris or some other god. The origins of tea, coffee, and probably chocolate, none of which are desired primarily for their nutritive values, are also lost.

Among the other stimulants must be listed the masticatories and the tobaccos. Thus, the customs of chewing betel,[22] fermented tea leaves, gums, and the more stimulating leaves such as the poppy and *mitragyna speciosa* all originated before records were kept. These have all been used widely in certain civilizations and still are today. Some of them have nutritive values and others have only psychological values. The same may be said of opium, gunja (Indian hemp), and tobacco, although some of these are more localized in their use than others.[23] It is not only the Liverpool dockworkers who, although "on the poverty line," must have their tobacco, whiskey, and other stimulants. It is a world-wide phenomenon of ancient origin. The peasant lad in the

20 See *Natural History,* Book XII, London, 1855.

21 Soyer, A., *The Pantropheon,* Boston, 1853, p. 299.

22 Betel is a combination of the ovate leaves of the betel (a pepper plant), the betel nut which comes from the *areca cathecu* palm, a little shell lime, tobacco, and other ingredients.

23 Corti, Count. *A History of Smoking,* London, 1931.

interior of Siam may have an unsavory diet and his clothing may be limited to the most simple breech-clout but he invariably has a native cigarette behind his ear. These are wants of man and, no matter how much we moralize about them, they restrain the pressure of food supply upon the total activities of man. This was observed much earlier by T. R. Malthus.

Another factor which must be considered is that man has always been a social or a political animal. The contention of Aristotle that man is a political animal seems valid. The symbols of allegiance to groups larger than the family have usually been characterized by some religious, magical, or military expression or by some form of taxation. Although among some peoples religious and magical expressions have assumed a high proportion of non-economic energy, we have no reason to believe that this was relatively any more important in the total society and in the total expendable economical values of mankind than it is today. Wherever great religions have existed (such as Brahmanism, Confucianism, Buddhism, Taoism, Zoroastrianism, Christianity, and their derivatives), they have required a part of the economic energy of the people. Even totemism, animism, phallicism, or magical practices nearly always involve the expenditure of some economic energy or the use of some "opportunity cost" for their satisfaction. No sooner does a society begin to secure objects (currency) representing general economic values than they begin to make ornaments of this "money."

Another common social expression has been taxation. Taxation may take a number of forms, such as time or money. We do not know of any great mass of people who have not been compelled to contribute either some of their time or money for the support of organized government in two of its major functions—the preservation of internal peace and the waging of war. It would also seem evident that groups have always demanded sacrifices from the individual even before there were any general economic values.

The Lower Limit: Factors Limiting the Decrease of Energy Expended on Food

We have now seen that food is but one of a number of major values in human society. These other values in one way or another prevent the maximum expansion of food expenditure over the whole range of economic activity. As a result, it is extremely difficult to find any great quantity of a given population continuously utilizing much more than three-quarters of their economic income for food. On the other hand, we have also indicated that we have no record of any great population using less than 25 per cent of its total economic income for food items. How can this minimal limit of food activity be explained? The explanation can be found in one of three categories: In the nature of the food value itself, in the possibility of expansion of the other values, or in the nature of man.

Food is essential for existence. It is one of the basic drives in human nature and is associated with organic pleasure. Such a value cannot be easily discarded! On the other hand, when the standard of living increases, the food factor is bound to increase, because an increasing standard of living means a definite increase in the gratification of the basic and pleasurable drives. This essential nature of food also explains its use for purposes of ostentatious display.

Earlier in this chapter, it was shown that food itself is a generalized value comprising nutriments, economic labor, and non-economic behavior. Among the economists food is generally considered an inelastic economic good since an individual's capacity for increasing his consumption is limited. It can be shown that an individual can wear as many as a hundred suits of clothes during one fashion season in contrast to the one suit which suffices the laborer or the farmer during the same time. However, it is impossible for this same well-dressed man to consume a hundred bushels of potatoes during the same period in which the laborer or the farmer consumes only one. Out of this grows the idea that the demand for food products is relatively more stable, or "inelastic," using the term of the economists. However, this does not mean that the economic desires of the individual for food in general are as inelastic as is the demand schedule for any particular product. Thus, the masses of people in a society may exist on a diet of a stable carbohydrate with some mixture of stimulants, condiments, and a little protein, but that does not mean that the classes who can afford it will limit their consumption to the same type of things in a larger quantity. On the contrary, they generally secure the same nutrition from much more expensive and rarer items of consumption. Varro's aunt had an enormous income because she sold as many as sixty thousand thrushes a year to the epicures of Rome.[24] These birds were fed on crushed figs mixed with wheat flour.

> [It was soon] . . . discovered that a coarse and solid food might be replaced by a delicate and savoury alimentation; joyous appetite, and sensuality, its effeminate companion, took the place of hunger, and this happy couple gave birth to the more amiable of fairies, who, under the name of Gastronomy, was soon to govern the world and prescribe to it imperishable laws.[25]

There are numerous cases of a single banquet costing a large fortune. A classical example of this is the feast which Nero required of C. Dominus Seba in order to distract the Agrippas, Ancuses, Cossuses, and Drususes, while he started the conflagration which burned the imperial city—and most of the guests of the banquet.

But we need not go back into history. It is perfectly evident that the food costs for people with relatively high incomes include more varied items, more expensive items, more waste, more refinement, more services, and more economic costs than are to be found in the food expenditures of people with relatively low incomes. Thus, Maxim Gorky writes:

> When we had earned a few roubles, we invited friends to come and see us, and arranged luxurious suppers for them, with meat, vodka and beer and sweet cakes and enjoyed ourselves tremendously. My Parisian lady, who had a splendid appetite, liked Russian food: the "sitchong," a cow's stomach stuffed with buckwheat porridge and the grease of a goose; pies with codliver oil and sheatfish, potato soup with mutton.
>
> She founded the order of "greedy little bellies." It was joined by about a dozen people, who enjoyed eating and drinking and who could indefatigably talk of the mysteries of the kitchen with æsthetic knowledge and great eloquence. I was interested in mysteries of another quality, ate very little and the process of satura-

[24] *Res Rustica,* Ch. 3, paragraphs 2 and 3.
[25] Soyer, A., *The Pantropheon,* Boston, 1853, p. 210.

> tion did not attract me and remained outside my æsthetical requirements. "They are futile people," I used to say of the "greedy little bellies." "As everyone is, if he is properly shaken," she would answer. "Heine has said, 'we are all naked under our clothes!' "[26]

Even a country lawyer in a county seat of 5,000 population in provincial America may spend as much as $1,000 extra a year if he belongs to two or three dining clubs. These extras are included in food and its associated activities and their elasticity accounts for much of the food expenditure among the people who are economically well-off. Only among the very wealthy does the proportion spent for food become very small in relation to other expenditures.

Thus, an increase of income among the masses of the people is associated with changes in their food values, such as more expensive items of food and a greater number of costly services. (This will be discussed later when we consider food expense differentiated by social class.) This law has its limits because continuous increases in income beyond a certain point show different relations. However, the law does apply to the great masses of the people and is an important factor in keeping them from spending less than a fourth of their income for food. This law is similar to the conclusion reached by d'Avenel from his study of levels of living in France. He claimed that the French had twice as much to eat in 1914 as they had in the twelfth century, but yet did not have a superfluity.[27]

A second check on the minimum limits of the proportion used for food by the masses of the people probably lies in the nature of the competing items of present consumption. The word "present consumption" is used because a somewhat different factor is involved when one considers items which belong entirely to the category of investment or future consumption. It is true that the purchase of a suit of clothes or of a home includes, particularly in the case of the home, a high proportion of "future" considerations. All we are interested in showing

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26 Gorky, Maxim, *My University Days,* New York, 1923, p. 267.
27 D'Avenel, Vicomte Georges, *Le nivellement des jouissances,* Paris, 1913, Ch. 1.

is that many of these desires for other things do not exclude food expenditures but react upon them in many cases and cause increased food expenditures.

It should be indicated at the outset that any single factor may have many different types of influences depending upon the time and place. For instance, ownership of an automobile may be a factor in increasing food expenditures if it leads the family to eat more frequently outside the home. The individual dining away from home may secure fewer calories but these will cost more because of the services involved. Ordinarily, this is undoubtedly true. A study of trade centers, which appear and disappear because of the automobile, shows that areas near the large cities, where increased communication was expected to bring about a decline in the number of stores and business agencies, in reality showed the highest rates for the appearance of new business agencies. The automobile enabled roadside stands to pay. The areas in the settled regions of Minnesota around Minneapolis and St. Paul, where business units disappeared most rapidly with the coming of the automobile, were places also of the most rapid appearance of new agencies. It was expected that the facilitated means of transportation would boom the business agencies of the city at the expense of the smaller concerns in the country. It was found, however, that certain types of business units were merely replaced by others.[28] Studies under the auspices of the Department of Sociology at the University of Chicago showed that rapid means of communication are associated with the moving of vice to the suburbs and to roadhouses. These new units increased the costs of food because the services furnished with dining are more numerous than at home and most of the economic units handling the food do a lesser volume of business at higher cost.[29]

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[28] See Zimmerman, C. C., "Farm Trade Centers in Minnesota, 1905-29," Minnesota Agricultural Experiment Station, *Bulletin 269*, September, 1930. Also see Lively, C. E., "Growth and Decline of Farm Trade Centers in Minnesota, 1905-1930," Minnesota Agricultural Experiment Station, *Bulletin 287*, July, 1932.

[29] Burgess, Ernest W., *The Urban Community*, Chicago, 1926, p. 193 *et passim*. "However, rapid transit and the automobile have made these ordinarily remote sections readily accessible, and consequently commercialized vice has gone with the tide of an outgoing pleasure traffic." p. 194.

This same analysis applies equally well to all forms of competing expenditures and the food budget (we have already excluded present-future competition from consideration). This arises from the general principle of mutual dependence in human behavior.[30] A development of higher expenditures for non-food items ordinarily increases the food costs. When material living includes more luxuries, the *percentage* classified as "food" declines but this does not necessarily mean that the actual *amounts* decline. Furthermore, food as an economic expense can hardly be isolated in a complex budget of expenditures.[31]

This same duality of behavior is found among all competing items whether they be purchases of homes or clothing, or increased expenditures for the purposes of formally showing the allegiance of an individual to the "collective representatives." For instance, the buying of a house often means a reduction in food expenditure, but this reduction is only temporary, and eventually the house, with its cooking and dining facilities, may stimulate an increase in food expenditure.[32]

One need not carry this idea to extremes but it does seem that a general increase in luxury expenditures is a "causal" factor in the increase of food costs. Formal clothes admit one to functions where nearly all of the items consumed may be included in the food budget. There are many limitations to the idea, but it seems important. Although a family may reduce the grocery bills during the depression in order to buy other things, it is usually these other things which are reduced. In general, it seems that an increase in the amount of general luxuries consumed is a factor in increasing the food budget.

Finally, there seem to be certain limiting factors in human nature. It appears that all of human life is a delicate balance between uncondi-

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30 See particularly Pareto, Vilfredo, *Traité de sociologie générale,* Vol. II, paragraphs 2060, 2068-2070, 2204, 2206, Paris, 1917.

31 A study by Francis G. Benedict and A. Gertrude Farr showed that the students of the sorority studied wasted from 11 to 27 per cent of the total protein and from 12 to 21 per cent of total energy value served at the table. On the other hand, the students, in spite of appetizing meals, ate extra foods outside equivalent to 13 to 29 per cent of all energy consumed; see New Hampshire Agricultural Experiment Station, *Bulletin 261,* November, 1931.

32 See the work by Niles Carpenter, E. Johnson, Faith Williams, and M. A. Brumbaugh in the *President's Conference on Home Building and Home Ownership,* Washington, 1932, Vol. IX, Ch. 5; and *Social Forces,* October, 1932, pp. 76-81. The first reference summarizes the influences of home buying upon the family budget of expenditures.

tioned and conditioned factors, or a balance between heredity and environment. Food expenditures are, of course, determined very largely by environment. Because of innate drives man wants food, but environment influences the selection of a particular type of food. "The human stomach, at least when hungry, is not apt to be sentimental; but it is astonishingly apt to be squeamish and whimsical." [33] The actual fact of eating itself is tied up in an individual pleasure.

Most human activity is the result of the conditioning of a number of basic reflexes and drives. The digestive process is one of the basic reflex systems, and hunger one of the basic drives. The various whims of appetite, as distinct from hunger, are the results of the conditioning of these reflexes, as Cannon has shown. While all basic drives may be conditioned, it is not possible to condition any of them out of existence. They are all essential for survival, and any society which tries to eradicate any one of them is doomed. Thus, we find no standards of living in which any one of the basic items—clothing, food, home, or recreation—is entirely lacking, and we find no mass of people who devote less than 25 per cent of their energy to food.

The freedom of the individual which arises with the conspicuous level of living will naturally expand these individual pleasures. The opium shop in the Orient becomes a place where the expansion of an individual's food habits accompanies his freedom from the prosaic activities of daily life. The saloon becomes a lunch place; the hotel has its bar. It was not only the Roman who placed his finger in his throat when he was gorged after a luxurious banquet. Luxury goes hand in hand with eating at many times and places. Even during diet fads and diet crazes, the costs of food may be not reduced but rather increased. Therefore, human nature in itself must be considered a factor in the limits to which the proportion of expenditures used for food may decrease among the masses of the people.

Thus, there are certain important factors which prevent the proportion of economic units used for food from becoming particularly

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33 Esdaile, David, *Contributions to Natural History Chiefly in Relation to the Food of the People,* Edinburgh and London, 1867, p. 4. See the discussion of the tremendous stir which Count Rumford's *Essay on Hippophagy* (eating horse meat) caused in Europe in the first part of the nineteenth century. We know that horse meat and horse milk have been a delectable part of the diet for many people for many centuries.

insignificant in the budgets of the masses of the people. These are to be found in the nature of the food value itself, in the mutual cause and effect relations which arise between other items of consumption and food, and in the nature of man himself. A survey of historical peoples bears this out. Take, for instance, the 152 Le Play school case studies of as many different peoples and societies in 22 countries for the last one hundred years. All of these uniformly record the chief forms of recreation which seem to be broadly the same for a peasant in the mines of Siberia, a carpenter in Paris, or a wealthy land owner and proprietor of fishing boats in China. All of these studies indicate that eating is one of the chief sources of recreation. An aged and invalid Seneca could forget his millions of wealth and write the following to his friend Lucillium:

> For although your heavy feeding procures good results and your sinews grow solid, you can never be a match either in strength or in weight, for a first-class bull. Besides, by overloading the body with food you strangle the soul and render it less active. Accordingly, limit the flesh as much as possible, and allow free play to the spirit.[34]

However, this could never be reasonably applied to the masses of the people as was pointed out many hundreds of years ago by Dio Cassius in his criticisms of Seneca.

Food is only one of a number of fundamental values which go into the standard of living. Its importance has been over-emphasized, on the one hand, and under-emphasized, on the other. It is seldom if ever the only value of life either at the lower ranges of existence or in the realm of comfort. As a value, it is always present. It varies with time and circumstance, but it seldom comprises *all* the values of life. It is a general value or expenditure composed partly of materials, partly of services, and partly of customs. All three of these specific types of value are constantly changing. As a result, a measure of the concept of food for any particular time and place will not be fully comparable with such a measurement for another time and place.[35] Sociology is

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[34] Seneca, *Epistulae Morales,* No. XV, London, 1917, p. 97.

[35] See Gautier, Armand, *L'alimentation et les régimes chez l'homme,* Paris, 1904, Chs. I and II.

justified in studying the relation of this general value to the totality of life because the satisfaction of the general value itself may be considered an irreducible unit of behavior.

The Ability to Consume Food and Differentiation by Social Class

Let us attempt to point out some other characteristics of food behavior. The desire for food is a variable depending upon an individual's physical condition, age, sex, size, activity, ability to purchase or produce, and the kind and the quality of food available. Consequently, if the analysis is limited to individuals, few valid generalizations can be formulated. Since, however, the standard of living (or any particular plane within that standard) is a mass phenomenon, at least a few generalizations may be made.

Has the ability of a people to consume food remained approximately the same throughout various historical periods? What of the different social classes at any particular time? It appears that an individual of any class is capable of ingesting about the same physical quantities of food as one of another class if allowances be made for individual variations according to race, energy expenditure, physical types, and the other factors which affect the demand for food. This conclusion is amply supported by nutrition studies. Thus, the members of the lower classes, who lack the economic means for obtaining much variation in food, consume more of each type, whereas the upper classes consume less of each kind of food, but have greater variation. The food for the one group is characterized by monotony, for the other by variety.

To prove the theory that the physical ability to consume food has remained constant for the mass of people, it is necessary to disprove only two opposing ideas which have been given serious consideration. The first of these has risen from myths about the consumption of food by the ancients. It is further supported by the belief that our ancestors had not sufficient imagination to find other means of amusing themselves when there was a surplus of wealth. These early men, according to one authority,

> . . . all possessed stomachs of astounding capacity. Theagenes, an athlete of Thasos, eat [sic] a whole bull; Milo of Crotona did the same thing—at least once. Titormus had an ox served for supper, and when he rose from the table, they say not a morsel remained. Astydamas of Miletus, invited to supper by the Persian, Ariobarzanes, devoured a feast prepared for nine persons. Cambis, King of Lydia, had such an unfortunate appetite, that one night the glutton devoured his wife! Thys, King of the Paphlagaonians, was afflicted with voracity nearly similar. The Persian Cantibaris, eat [sic] so much and so long that his jaws were at last tired, and then attentive servants used to press the food into his mouth.[36]

Many similar statements can be found. However, by a careful examination of the available documents and the units of measurement used, d'Avenel and others have demonstrated beyond reasonable doubt that the "great appetites of the past were only a legend." [37]

The second idea opposed to the theory that the physical ability to consume food remains constant is based upon the belief that poverty-stricken or rural peoples can satisfy themselves with a smaller quantity of food than wealthy or urban peoples. Opposed to this idea is the fact, first noticed by Le Play and later by Grotjahn, that peoples compensate the lack of rich and varied foods by using a greater quantity of common vegetables and fruits. Thus, Grotjahn formulated a law that "the proportion of the expenditure for vegetable foods to total expenses for nutrition is an unequivocal measure of the material well-being of the population." [38] This law is intended to apply to the increases in income among a population, but the same phenomenon also takes place among agricultural peoples with very little money income.

It is not maintained that all people at all times have the same amount of good foods nor that people on the margin who are suffering from under-nourishment do not have a keener desire for food than others

[36] Soyer, Alexis, *The Pantropheon,* Boston, 1853, pp. 339-340.

[37] D'Avenel, Vicomte G., *Le nivellement des jouissances,* Paris, 1913, p. 15; Bourdeau, Louis, *Histoire de l'alimentation,* Paris, 1894, pp. 138-140.

[38] Grotjahn, Fr. med. Alfred, "Über Wandlungen in der Volksernährung," *Staats- und sozialwissenschaftliche Forschungen,* Vol. 20, 2nd book, Leipzig, 1902, Part VI. See also Le Play, F., *Les ouvriers européens,* "La méthode d'observation," Vol. I, ed. 2, Paris, 1879, pp. 290-320.

who are well-fed and surfeited. Some peoples are always under-nourished or starving and the great masses of any country suffer from periodic shortages of food. This is true for the agricultural as well as the industrial, the poor as well as the rich, and the thinly populated as well as the densely populated countries. It is merely held that the ability to consume food, other things being equal, has been about the same for all social classes at all times. In this respect, food has played the same rôle in the standard of living at all times and for all classes in so far as the individual is concerned. Relative changes in this rôle of food have arisen primarily from changes in the food or in the relationship of food to the other desires of life.

Thus, one has to consider three phases in the problem of food: The constant individual demand (when adult equivalents under similar conditions are compared), the changing supply of the various articles, and the changing ability of the consumer to procure many other things in addition to food. The problem of food is minimized or maximized in the standard of living by changes in the supply of food and in the relative well-being of the consumer. Thus, extinction of the constant desire for food is impossible. It can only lose great relative importance temporarily among wealthy societies and classes.

Now let us examine the social classes within any given population and see if there are constant differences in the quantity and in the quality of food which they actually consume. Food must be considered a general value, as indicated elsewhere, including the physical materials, the practices of refinement, and the customs associated with eating. Any comparison by social class must consider these.

Social Class is a word with many meanings. For our purposes, it includes the various sex and age groups, the rural and urban populations of any particular country and time, and the physical laboring and the more sedentary groups. We shall also differentiate the classes by their occupations and economic or privilege levels. There are certain societies which at particular times show no relations between income or wealth and privilege, although there is a tendency in all societies for those who have economic power to secure the privileges and *vice versa*. Persons or classes who have one without the other in time either secure the other or lose the one they have. Furthermore, those who have either wealth or privilege and who secure the other often lose both because of uprisings among the unprivileged classes during times of unrest.

Sex and Age provide the first basis for differentiations in food consumption. These are discussed briefly because they are unimportant for our purposes. Women on the average eat less than men although there are some women, of course, who eat more than some men. It makes no difference whether we are talking about Incas,[39] Hindus, Chinese, Europeans, or North Americans; among all these peoples women consume less than men. Some investigations find that women consume only about two-thirds as much and others find a higher proportion. There probably is a wide variety in the comparative consumption of the sexes. Women are generally smaller than the average males of their particular race. This difference of size may partially account for differential consumption. However, in spite of smaller consumption, women are more often able to stand absolute starvation longer than men.

Young children consume less than adults, but during the growing period they often consume more per pound of weight than do adults. During the extremely active adult period of life, between adolescence and maturity, young men and young women as a rule use more energy and consume more food than older adults. From the period of adulthood until senescence begins, the consumption of the adult remains fairly constant. As a rule, when senescence begins, consumption declines. However, these differentiations are important only in so far as some social classes contain a higher proportion of one sex or age group than others.

In general, it may be said that the quality of food consumed by women in any particular society is the same as that consumed by the men. Minor differences may appear with unusual conditions or customs. Thus, during wars, whether primitive or modern, certain of richer foods may be reserved for the army. Among some peop is the custom to restrict women to certain items of food or certair of diet during periods of menstruation, pregnancy, or immediate

39 Means, Phillip A., *Ancient Civilizations of the Andes,* New York, 1 288-289.

lowing childbirth.[40] We have similar customs in America today, namely, the strict diets followed by some pregnant women. There are certain religious customs which lead to differences in diet between men and women, particularly since the priestly class is mostly confined to the male sex. However, this is counterbalanced by the fact that all great religions have certain food restrictions which women observe more generally than men. Finally, there are customs in some societies for women and men to eat at different tables or at different times at the same table. Thus, some of the Hindu laws indicate that a wife who always eats before her husband may be divorced.

> One who always shows malice to him, or who makes unkind speeches, or eats before her husband, he shall quickly expel from his house.[41]

However, the net results of all these practices do not establish important differences between the quality of food of the two sexes.

On the other hand, in practically all societies there is a difference in quality between the food consumed by children and that by adults. Ruling aside the specific case of the infant who is fed upon natural milk, it is found that children are often forbidden to eat and drink things which may be used by the adult at his own convenience. In our particular society certain physiological rules are invoked to maintain these inhibitions. Thus, such things as vegetable and certain non-stimulating types of food are prescribed for children in comparison to the richer, more highly spiced, and stimulating foods and drink which are permitted the adult. These same practices are also carried out in some other societies. In certain others the weaned infant immediately begins on an adult diet. Thus, in many of the country districts of Asia, one of the outstanding causes of malnutrition and the high death rate children has been the immediate transferal from the diet of an infant ıat of an adult.

See the *Nasks of the Pahlavi Texts,* Sacred Books of the East, 1892, Vol. II, pp. 114 *et passim.*
The Minor Law Books, S.B.E., 1889, Vol. XXXIII, p. 184. For menstruating and food, see the rules of "proper and improper" in the *Pahlavi Religion,* Vol. V, pp. 279, 283, 340, et sq. n.; Great religious merit is given to the non- see *Institutes of Vishnu-Sûtra,* S.B.E., 1880, Vol. VII, p. 171; see also *The* E., Vol. XXVII, pp. 459-464.

Rural and Urban Food. The differential characteristics of rural and urban groups which are relatively constant and repeated in time and space are given in detail in *Principles of Rural-Urban Sociology* [42] where they may be found divided into: occupational differences, environmental differences, differences in sizes of communities, differences in the densities of the populations, differences in the homogeneity and the heterogeneity of the populations, differences in social mobility, differences in the direction of migration, differences in social differentiation and stratification, and differences in the system of social interaction. Although there are considerable discrepancies between countries and times so that the rural or urban classes of one time and country or civilization may show greater differences than others, the general results at any one time are the same. If we contrast the rural people with the urban in any particular civilization and time, the following differences in food behavior are observed.

(1) The actual quantity of nutriments consumed per adult unit in the rural districts is generally greater than the quantity consumed by a comparable adult unit in the urban districts.

(2) The food materials consumed by the rural classes is more biased toward local production and has more regional characteristics than the food of corresponding urban populations.

(3) The variety of food materials, in respect to the number of elements from which they are derived, is less in the rural classes than the urban.

(4) A higher proportion of the component elements of any particular plant or animal is consumed in the rural districts. In other words, a member of a rural aggregate, in the consumption of a particular plant or animal, will come closer to using all parts of it than will a member of an urban aggregate. Thus, there is ordinarily less waste of food in rural districts, although there are some exceptions to this.

(5) Food refinement among the rural classes is less systematic, is carried on more as a domestic industry, and on the whole is less thorough

[42] See Sorokin, P. and Zimmerman, C. C., *Principles of Rural-Urban Sociology,* New York, 1929, Ch. II.

than among the urban classes. As a result the food values of the rural classes do not generally include as high a proportion of economic labor for the refining processes.

(6) Rural foods have less taste than urban because of their cruder refinement. This is partly counteracted by the greater appetites of rural peoples stimulated by the greater physical exercise.

(7) The domestic customs associated with the preparation and eating of food in the country districts have a greater religious and psycho-social significance than in the city. Food to them is more often "God's food." Consequently, eating becomes a ritual in the religious, domestic, and family customs of country people to a degree that is lacking in the city. This religious attachment to food customs in the rural districts also compensates in part for the greater lack of tastiness.

(8) Thus among rural peoples food has a greater significance in the total living values, constitutes a higher proportion of the total stimulation, and is more closely linked with the other values than among urban populations.

The above generalizations are true despite great differences between social stratification of urban and rural districts. Both groups of people experience alternating periods of plenty and scarcity in which their values change greatly. However, this analysis is based upon so-called "normal behavior," that is, behavior in times of little social disturbance.

The contention that the actual quantity of food materials per adult unit consumed in the rural districts is greater than the quantity consumed by the adult unit in the cities is proved by practically all comparable studies among the many investigations on nutrition. In addition to America and Europe, the results apply to India, China, the Philippines, and other parts of the globe. The following table summarizes typical data for the United States of America.[43]

[43] For America, a summary of existing studies through 1925 has been compiled by Edith Hawley in a mimeographed bulletin issued by the United States Bureau of Home Economics. This covers the expenditures of 66,000 families, the foodstuffs consumed by 31,000, and the energy and protein value in 2600 families. The studies by W. O. Atwater and his co-workers cover fourteen states and between 1886 and 1903. These were published as a series of experimental station bulletins by the United States Department of Agriculture. Nine groups of American rural families from the poorest districts and states consumed 3,730 calories per adult per day compared with a range from 2,200 to 3,500 for the lower classes in the cities. There have been many recent American studies which need not be cited here. In 1907 in the *Agricultural Yearbook*

SAMPLE STUDIES OF RURAL AND URBAN FOOD CONSUMPTION IN THE UNITED STATES[44]
(Basis: Adult male unit.)

		Calories	Protein grams	Calcium grams	Phosphorus grams	Iron grams
Urban:	Berkeley families.	3226	96	1.08	1.60	0.0175
	Kansas family....	3405	72	1.14	1.41	0.0113*
	U. S. Bur. of Lab. Stat. 1918–19**	2741	82	0.65	1.30	0.0140
Rural:	1331 farm families	4370	121	1.22	2.05	0.0210
Standard................		3000	67	0.68	1.30	0.0150

* Iron of the Kansas family diet was calculated on a basis different from that of the Berkeley diets.

** Protein and mineral values given here are higher than the real values per adult male unit because they were not computed by the Hawley double scale for estimating food requirements.

These figures compiled by Luck and Woodruff probably exaggerate the relative amount of foods consumed by American rural people and under-estimate the amount consumed by the urban. This is due to difficulties in record-keeping for both groups inasmuch as the rural peoples prepare food which is not fully consumed by humans but is fed in part to the farm stock, and urban peoples eat more frequently outside of the home (facts which are often not recorded in the food budgets). Nevertheless, these figures do show tangible differences of higher food con-

for the United States Department of Agriculture, C. F. Langworthy gave comparative results by occupational class for twenty-one countries. In 1902 in an article entitled, "Uber Wandlungen in der Volksernährung," published in *Staats- und Sozialwissenschaftliche Forschungen,* M. Rubner summarized European data up to that time. Engel's work "Die Lebenskosten" and Le Play's work in volume one of the second edition of *Les ouvriers européens* summarize their analyses of this problem. In 1910 A. Slosse and E. Waxweiler in their book, *Enquête sur le régime alimentaire de 1065 ouvriers belges* (Solvay Institute Publication), summarized all existing studies as far as possible. There were but few countries omitted from their analysis. In 1905 K. Oshima in *Bulletin No. 159,* United States Department of Agriculture, Office of the Experiment Stations, entitled "A Digest of Japanese Investigations on the Nutrition of Man," described the relevant conditions in that part of the Orient. In 1930 the study by Zimmerman for Siam, gave data for many classes of the population. All of these studies and many others which cannot be quoted here bear out all of the above conclusions. For further data and references, see Sorokin, P. A., Zimmerman, C. C. and Galpin, C. J., *Systematic Source Book in Rural Sociology,* Minneapolis, 1932, Vol. III, Ch. XXI.

44 Luck, Mary G. and Woodruff, Sybil, Cost of Living Studies, III "The Food of Twelve Families of the Professional Class," University of California Publication in Economics, University of California Press, 1931, Vol. 5, No. 4, p. 284.

sumption by the farmers as a class and in that respect are quite similar to practically all other studies. Thus, in the studies reported by Langworthy in 1904 for Germany, the farmers consumed 4,530 calories in contrast to 3,061 for men working at hard labor, and 2,511 for professional men. In France farmers consumed 4,570 calories in contrast to 2,750 for laborers doing light work. In Belgium farmers consumed 4,370 calories in contrast to 3,000 for the working men. A study by Raymond Pearl,[45] in which he summarized eleven American studies, showed that farmers consumed 3,610 calories in contrast to an average of 3,185 calories for all occupations. He found that the group most closely approximating the farmers was composed of 17 professional men with an average consumption of 3,480 calories. His estimate of the national food consumption between 1911 and 1918 was 3,424 calories per man per day. A study of Belgian workmen found that every income group in the rural districts had a higher percentage (*i.e.* they consumed more than 3,500 calories per man per day) than the same income groups in the cities.[46] Sorokin has given data for Russia which indicate that the peasant in pre-revolutionary times ate considerably more calories of food than the average person in the country at large. The same holds for Ducpétiaux's 1853 study in Belgium and studies in other countries.[47]

The regional characteristics of foods in a country are so evident that they hardly need proof although trading peoples often import some food from many sections of the world. These regional characteristics are to be found in all agricultural areas but they are more noticeable in those sections which are more self-sufficient in respect of food. Thus, the 150 or more case studies gathered by the Le Play school in various parts of the world show this local coloring for all rural districts. In the wheat-growing countries, wheat bread is the chief food of the peasants. Similarly, rye, rice, potatoes, or some other crops, furnish the basis of the diet in other countries, where these are the leading crops. This applies not only to the major crops but also to their varieties. Thus,

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[45] Pearl, Raymond, *The Nation's Food*, Philadelphia and London, 1920.

[46] See Slosse, A. and Waxweiler, E., *Enquête sur la régime alimentaire*, Brussels, 1910, p. 150.

[47] Sorokin, P. A., Zimmerman, C. C., and Galpin, C. J., *Systematic Source Book in Rural Sociology*, Minneapolis, 1932, Vol. III, pp. 395 ff.

the northern Siamese peasant feels under-nourished without his glutinous rice, whereas the southern Siamese peasant will not even eat glutinous rice. These local influences are reflected in the nearby cities, particularly the small ones in which there is less inter-regional amalgamation of food than in the large ones. In Chiengmai, Siam, for instance, the chief imported food is white rice which is substituted for the glutinous rice eaten by the common people. In the capital city of Bangkok, one not only finds both kinds of rice consumed but also Javanese pineapples, California fruits, Australian meats, and a thousand varieties of foods from all over the world. The same differentiation applies to the rural and urban districts of Europe and America.

The variety of materials in the urban diet is closely allied with the problem of the inter-regional character of urban foods. A greater variety of foods is generally found in the urban diets than in the rural ones. For instance, even in rural America the chief source of meat is pork, whereas in the urban markets all types of meat and fish are found, many of which are sold at a more reasonable price than pork. The variety of other foods in the diet is also much more numerous than in the country. This is inevitably connected with the problem of purchasing versus home production.

A member of the rural classes generally consumes a larger proportion of the items of the particular food at his disposal. He has little if any refrigeration available. Hence, if an animal is killed, the farmer generally feels he must eat it before it spoils. It is by consuming a higher proportion of the total items of any food, that he gets some psychological and physiological variety into his diet. Since he does most of the refining himself and is incapable of the more highly developed processes in the city, he lacks the highly refined differences and therefore must consume more of the limited varieties available. A member of the urban classes will consume grains which are more polished and flours which are more refined if he can afford them. There are even customs in cities whereby the refined articles, such as white sugar or white bread, become cheaper than the cruder materials because of the greater demand. However, the country person with his crude methods of refinement generally eats the whole grain or a large part of it. Although this principle has its limitations, there is a substantial basis for the contention that the peasant consumes more of each individual item than the man in the city. The process of using by-products which has developed in the cities is somewhat of an exception to this rule. However, this consists principally of using by-products of the food industry for industrial purposes rather than for other foods.

The services rendered the urban food consumer become a part of his economic food values. In the country more of these services become a part of the domestic industry and are not usually considered a part of the economic cost of food. As a result the food value of the city man is more comprehensive than that of the country man because it includes these services, such as the power-milling of grain down through the development of the extra-family baking industry or the service of tying up packages in a cash-and-carry store. This explains the fact that comparisons of cost-of-living in the city and in the country generally entail a very large amount of error. The "food category" of the rural man is very different from that of the urban man.[48]

Since foods in the country are less refined than those in the city and since there is less variety, it is evident they will possess on the whole less stimulating tastiness than do urban foods. Exaggerated gourmandism seems to be largely an urban characteristic. It was so among the Greeks, Romans, and other peoples of whom we have fairly good historical knowledge. Plato, in his *Laws,* maintained that the function of food was not only to strengthen the body but also to strengthen the soul.[49] It is a common, though exaggerated, statement that the ancient Roman Empire perished of indigestion arising from over-emphasis on highly spiced and tasty food. Pliny in his *Natural History* lists sixty-six kinds of wines used by the Romans. They also learned to preserve ice for the summer and developed the refinements of taste which are to be associated with differences in temperature of various foods and drinks. Many types of dishes and products, such as asparagus for instance, appear during periods of relatively high urbanization and disappear during predominantly rural periods.

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48 See a discussion of this by J. D. Black and C. C. Zimmerman, Minnesota Agri. Exp. Stn. *Bulletin 240,* 1927, pp. 9 ff.

49 Bourdeau, Louis, *Histoire de l'alimentation,* Paris, 1894, pp. 59, 60, 117, 121, 144 *et passim.*

> Our modern beauties would smile with an air of incredulity if we were to extol asparagus wine, winter savory wine, milk marjoram wine, parsley seed wine, or those made from mint, rue, pennyroyal, and wild thyme; and yet these liquors were the delectable drinks of the most distinguished women of ancient Rome, of those women who could never find in the culinary productions of the entire universe anything sufficiently delicate or rare.[50]

The rural peoples who lived in western Europe after that time had much simpler forms of cooking. The development of urban life in the latter Middle Ages was associated with improvements in cooking and changes in the taste of foods. To compensate for this difference in taste, country people have greater appetites (arising from their active life in the outdoor environment). Country people have their feasts and their large-bellied individuals. However, the greatest development of gourmandism is, on the whole, found among the city families who can afford it.

The religious aspect of the preparation and consumption of food by country people is evident in all phases of their life. From their folklore it is evident that every important type of food in the country has its god.[51] It is also clear from the rôles which feasts and food play in their general religious practices. Practically all sacred writings of a rural origin devote a great deal of attention to food. In the Upanishads, it is said that all creatures are born from food, live on food, and after death return to food.[52] In the Grihya-Sûtras, it is prescribed that food is to be used for ancestral worship.[53] In the Pahlavi (Mediaeval Persian) texts, there are definite prayers for food: ". . . everything connected with eating *being* declared by the religion . . . ."[54]

This can also be traced in modern life if we look at the table customs of rural and urban peoples. The ancient religious custom of saying grace is more common in the country than in the city. The American Thanksgiving Day is a custom based upon the religious nature of the early rural Americans expressed in relation to their food. Peasant

50 Soyer, Alexis, *The Pantropheon,* Boston, 1853, p. 333.

51 See Sorokin, P. A., Zimmerman, C. C., and Galpin, C. J., *Systematic Source Book in Rural Sociology,* Minneapolis, 1931, Vol. II, Ch. 14.

52 *The Upanishads,* S.B.E., Vol. 15, p. 315.

53 *The Grihya-Sûtras,* S.B.E., Vol. 29, p. 251 sq.

54 *The Pahlavi Texts,* S.B.E., Vol. 37, Book IX, "Kinkard," p. 332.

countries have religious ceremonies connected with food which are not to be found in our urban western civilizations. These customs all clearly show that the religious significance of food and its preparation is much greater in the country than in the city.

All of these factors which we have discussed combine to give food a greater rôle in the total values of rural people. Thus, it is possible to understand why country people may have universally lower incomes per family and per capita than city people and may at the same time obtain greater or as great subjective satisfactions from the material aspect of life. It is due to the fact that a greater guarantee of food throughout lifetime has a meaning to a country person which is often temporarily lost in the maelstrom of artificiality and rapidly changing values in the city.

Food and the Economic Ladder. There are a number of theories which must be discussed under this heading. First of all it is necessary to give typological characterization of the diets of the various economic classes. One must also consider the actual physical quantity of foods consumed by the various classes. We wish to know if differences in economic class are associated with continuous changes from one kind of food to another, such as from plant to animal food. A consideration of these major problems will show us the influence of the economic ladder on diet and food.

We have already seen that the rural diet tends to be one without great extremes of either under-nourishment or over-nourishment. Physiologically it is satisfying. Within this context the economic ladder has the same influences which will be described for the urban classes with the following exceptions. First, the diet of the rural economic classes seldom takes on the extreme characteristics of the urban diet. This means that it seldom becomes as poor a diet as some of those in the city or as rich a diet as some others in the city. Secondly, it generally is less varied and has less taste than the urban diet. Other than these two characteristics its behavior with changing economic conditions is about the same as in the city.

Attempts have been made to analyze the relation of food and economic differentiation according to the percentage of spendable income used for food. The lower classes are supposed to spend a large percentage for food, the middle classes a smaller percentage, and the upper classes an insignificant percentage. This is a derivation of Engel's law of food expenditure. We show later that such an interpretation has some value but is really an attempt to apply a law of linear relations to a phenomenon which operates under the principle of increasing and diminishing returns. Consequently, the analysis has its limitations concerning the entire scale of economic differentiation as shown in the following. The amounts and proportions spent for food operate, at least in part, according to this law of increasing and diminishing returns. A second attempt to differentiate the economic classes has been according to their consumption of grams or calories of food. Thus, the poor have generally been thought to consume less than the standard amount of calories needed for their occupation whereas the others use a sufficient or excess amount.

We do not deny some truth to such analyses in terms of percentages and type of nutrition but they do not go far enough. It is now recognized that the number of calories consumed is a function of age, sex, body weight, size, activity, occupation, sedentary or non-sedentary life, oxidation, indoor and outdoor environment, temperature, physiological efficiencies of the individual, metabolism of the individual, psychological characteristics of the individual, type of food consumed, and so on. Thus, any particular social class contains all combinations of these factors. As a result variations in the calories or grams of food consumed by any particular social class are at best only an imperfect measure of the particular class. One could never predict from a knowledge of the grams or calories of food consumed to which social class an individual belongs. Nor could one predict from a knowledge of the social class the number of grams or calories consumed by an individual. There are times in the history of societies when the upper classes are of a military nature performing outdoor work and hence are extremely non-sedentary. Thus, the Kshatriya caste of the Hindus, which is next to the Brahman or highest caste, was delegated to a "constant practice in arms."[55] At other times, even in Hindu society, this particular class became sedentary even though officially delegated to military occupa-

[55] See the *Institutes of Vishnu*, S.B.E., Oxford, 1880, Vol. VII, p. 12.

tion. Furthermore, there are times in the history of even a warrior caste when they become sedentary and overfeed themselves. An historic case is that of Alexander's troops in Persia. Alexander had to set an example of great activity to his troops in order to harden them and to get them ready for the campaign in India. Otherwise, the increasing softness of their lives would have militated against his attempts at world empire.[56] Moreover, any particular social class tends to show variations throughout the year in its amount of sedentary life. While numerous studies find no periodicity in these variations, we must nevertheless recognize that they do exist.[57] Thus, it is extremely inaccurate to equate the yearly expenditure of a laborer's family with the total of twelve times the expenditure for one month or fifty-two times the expenditure for one week.[58] Rubner dealt with this problem earlier and found that a limited number of studies showed even daily variations in consumption for the same type of laborer from 2,522 to 6,135 calories, from 262 to 968 grams of carbohydrate, 72 to 309 grams of fat, and 112 to 184 grams of albumen.[59] Nothing we have learned about the consumption of food since these earlier investigations has provided sufficient evidence for changing this earlier conclusion. It is evident that men do not live by any regular or predetermined amount or tvpe of food.

Nevertheless, we must realize that there is some regularity in the quantitative consumption of food at particular times. Consequently, a summary of social classes and their food consumption must take this into consideration. Accordingly, our typological characterization of the food behavior of the social classes attempts to indicate in a general manner whether or not a social class tends to consume a greater or a lesser amount of food than the other social classes.

One basis used for distinguishing the consumption of the upper from that of the lower classes has been the relative proportions of their

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[56] See Plutarch's *Lives*, Chapter on "Alexander."

[57] See Krömmelbein, F., "Massenverbrauch und Preissteigerungen auf Grund Baslerischer Wirtschaftsrechnungen," *Basler Volkwirtschaftliche Arbeiten*, Stuttgart, 1911, No. 2, p. 111.

[58] See Halbwachs, Maurice, *La class ouvrière et les niveaux de vie*, Paris, 1913, p. 142.

[59] See Rubner, M., "Kalorimetrische Untersuchungen," *Zeitschrift für Biologie*, 1885, Vol. 21; see also Grotjahn, Alfred, *op. cit.*, p. 3.

food coming from animal and from plant sources. Although the idea concerning the relative value of animal and plant foods is very ancient, Le Play and Engel were the first to generalize it. These two maintained that the upper classes were to be differentiated from the lower by the amount of animal food consumed and, to some extent, by the greater proportion of protein used in the diet. This theory is intriguing but it also has its limitations. First of all, we should recognize that it does not apply to times in Hindu and Buddhist societies when religion has a particularly strong hold upon the people. These two religions in one way or another probably influence half of the world population. They interdict the use of animal foods and, in addition, particularly in Hindu society, have more rigidly defined rituals for the upper classes than for the lower. Thus, it is a much greater sin for a Brahman to eat animal food than it is for a Sûdra. However, there are various fictions devised for evading this prohibition of animal food. These operate at all times, but in some periods more prevalently than in others. In Buddhist societies, a non-Buddhist may kill the animal which is consumed or there may be a general fiction that taking fish out of water is not the same as taking life. Thus, there are variations from time to time and from community to community. Without attempting to reach any generalization, we can only say that it is extremely doubtful if this Le Play-Engel law concerning greater proportions of animal or protein food among the upper classes is at all true for half of the world's population. For the other half of the world where there are few general inhibitions against animal food (a rich source of protein), it is possible that the upper and privileged classes eat more animal proteins than the masses of the people.

There is much less loss of food value in vegetable than in animal foods as is shown by the table on page 88.

A hundred grams or a hundred calories of animal food always cost more than the same dynamic power of vegetable food. Consequently, the privileged classes with their greater control of economic resources find it possible to secure more animal food in societies which have no general inhibitions concerning food.

FOOD PER ACRE OF VARIOUS CROPS[60]

Comparison of the food produced annually on an acre of land when utilized in the production of various foods crops and livestock products according to American production standards of 1910–14.

Food Production	Yield per acre (lbs.)	Pounds protein per acre	Calories per acre	Percentage of food value in comparison to corn
Corn	1960	147	3,124,240	100
Irish potatoes	6000	66	1,908,000	61
Wheat	1200	110	1,788,000	57
Rice (polished)	1086	50	1,581,216	51
Beans	840	158	1,123,080	36
Milk	2190	72	711,750	23
Cheese	219	57	427,050	14
Butterfat	98	1	355,273	12
Pork	273*	23	672,945	22
Mutton	113*	15	137,295	4
Beef	125*	19	130,000	4
Poultry	66*	13	68,970	4.7 {2.2
Eggs	111	15	79,704	2.5

* Dressed.

However, there are several offsetting factors. One can recognize certain food inhibitions which make sources of animal food available to the masses because the upper classes or others refuse these foods. Thus, in America certain varieties of cheap fish, those which fatten quickly as the carp family, although they may be nutritious and palatable, are refused by many. This keeps the price low for others who wish to consume them. The gar in the Gulf of Mexico, which is consumed by the Negroes and many poor whites, is an illustration. This situation applies likewise to horse meat in some European countries, although horse meat is generally considered to taste as savory, or more so, than beef. In Mohammedan societies the inhibition against pork often makes this type of meat very cheap for those of the lower classes who do not observe this food inhibition.

Another compensating factor is that animal foods seem to be much more dynamic in their action than vegetable foods. This is partly due

60 Smith, J. Russell, *The World's Food Resources*, 1918, p. 182. Data adapted from the Farmers' Bulletin 877, United States Department of Agriculture.

to the protein differences. As a result, a sedentary class may eat vegetable food in great measure. The study by Luck and Woodruff of the food of the professional class (teachers at the University of California) showed that these families used only 21% of their food money for meat, fish, and poultry as contrasted with much higher percentages of all food money used for similar items by Sherman's 224 American families and by Houghteling's families of Chicago laborers. These figures alone are not conclusive but they seem to indicate that there is a tendency among some of the upper classes in America, particularly those leading sedentary lives, to emphasize vegetable rather than animal foods. Grotjahn's law of increasing proportions of food budgets for vegetable foods suggests that this is true for some other societies.[61]

Thus, it is possible to see initially that the food of the social classes is a very complicated matter. It is not entirely a physiological, economic, or aesthetic problem. It is a resultant of all of these factors and many others. The analysis applies largely to societies in which capitalism has reached sufficient development to give considerable freedom of enterprise. Enough is not as yet known about this situation in other societies.

The Proletariat. Within the city there are three major types of economic classes with corresponding differences in diet. The first is that of the extremely poor. This class ordinarily does not have sufficient resources to purchase a completely sustaining urban diet and is not able to acquire its diet directly from nature as do similarly poor people in the country. They are generally physical laborers and require a volume of energy above the average of most urban people. Consequently, a diet which is physiologically adequate for them under urban conditions is more expensive than the diet of even the urban middle class. Since they have but little money, and are in a situation where the other values of life are also more expensive than under rural conditions, they find that they must economize in various ways. Some of these adjustments consist, wherever possible, in living near places where food can be bought with as little marketing costs as possible. Thus, under American

61 Mendel, Lafayette B., *Changes in the Food Supply and Their Relation to Nutrition*, Yale University Press, 1916; United States, *Report of the Industrial Commission*, 1901, Vol. 6, p. 451; Sherman, H. C., *Chemistry of Food Nutrition*, 1926, p. 555; Luck, M. G. and Woodruff, S., *The Food of Twelve Families of the Professional Class*, University of California Press, 1931. See footnote 38 for Grotjahn's law.

conditions these people live in tenements and in sections near the city markets where foods are generally cheaper than at retail stores elsewhere in the cities. Le Play has shown that in European cities where food is taxed as the peasants bring it in for sale, the proletariat often lives near the city wall in order to smuggle as much food as possible into the city.[62] In Asia, they try to live near the market places, canals, and waterways so that they can purchase food as reasonably as possible. In Mexico the poor people walk to the city market. Where distances are great, other direct producer-consumer markets are established. These adjustments are one cause of urban congestion. The people also try to adjust themselves by trading at cash-and-carry stores and by buying in small quantities so as to avoid refrigeration costs.

Of course, another reason for buying in small quantities is the lack of immediate funds. In the long run this usually raises the cost of food. A great number of studies have shown that the incomes of the poor would go much further if they could afford to buy greater amounts of commodities at one time. However, if they could afford to do this, they would no longer be in the poor class unless systems of marketing change.

Another adjustment which these people make is purchasing cheaper and bulkier foods. Thus potatoes, the cheaper cereals, vegetable proteins, and other forms of food rather than more expensive items are used in great abundance.[63] However, the proletariat is in an artificial environment where the simpler and less tasty foods of the country are not as available to them as the more savory foods of the city. The

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62 Courteille and Gautier, J., "Manoeuvre à famille nombreuse de Paris," *Les ouvriers des deux mondes* (1) 3:373-412, Paris, 1861.

63 See Rowntree, B. S., *Poverty: A Study of Town Life*, London, 1902; Reeves, Pember, *Round About a Pound a Week*, London, 1914; Liverpool Joint Research Committee, *How the Casual Laborer Lives*, Liverpool, 1908; King, Gregory, *Natural and Political Observations and Conclusions Upon the State and Condition of England (France and Holland)*, London, 1796; Massie, Joseph, *Calculation of Taxes for Family of Each Rank, Degree or Class*, London, 1756; Petty, Sir William, *A Political Survey of Ireland*, London, 1665; Young, Arthur, *The Farmer's Letters to the People of England*, London, 1758, Ed. 2; Davies, David, *The Case of Laborers in Husbandry*, London, 1795; Forschheimer, Karl, "Die Wirtschaftliche Lage des Proletariers," *Zeitschrift für Volkswirtschaft Sozialpolitik* 15:76-79, 1906; d'Avenel, Viconite Georges, *Le nivellement des jouissances*, Paris, 1913; Hampke, Carl, *Das Ausgabe Budget der Privatwirtschaften*, Jena, 1880, pp. 76 *et passim;* Hartwig, Frau Geheimrat, "Haushaltungsbudgets," *Jahrbuch der Fürsorge*, Dresden, 1906, pp. 65-80; Heiser-Harttung, Franz, *Ländliche und Städtische Arbeiter*, Merseburg, 1902, Part II; Benedict, F. G. and Carpenter, T. M., *Food Ingestion and Energy Transformations*, Washington, p. 326.

market institutions of the city cater to the well-to-do workers who can afford to buy these more expensive and diversified foods. As a result, there is always some evidence of malnutrition and under-nourishment among the city poor, partly because they do not know how to select properly the foods adapted to their physiological needs as well as to their income. A high proportion of this city poor become objects of public and private charity. This takes many forms including direct gifts, free school luncheons, settlement work, and similar measures. In times and countries where such arrangements are not available the proletariat suffers greatly. This suffering often leads to more wasteful expenditures, such as for alcohol, drugs, and other forms of dissipation, in spite of the fact that they cannot even afford good food. This food shortage forces them to make certain physiological adaptations so that less of their food ingestion is required for maintenance and more of it can be used for free energy. This may be part of the explanation of the debilitating influence of city life upon the lower ranks of proletariat. To a less extent, the same general type of diet is to be found among the lower classes in the country. All in this group are marked off in the social scale by the fact that an increase in income is associated with rapidly increasing food expenditures so that the percentage spent for food increases—contrary to Engel's law. This stage is characterized by what may be called "pre-Engel diets."

The extremely poor form a large proportion of the world's population. They may be divided into different groups according to their economic welfare and we need not conclude that all of them are suffering from malnutrition. Malnutrition is perhaps as much due to ignorance and dissipation induced by despair as to sheer poverty. They do not generally consume as many grams of protein, carbohydrate, or fat as are found in the standards for adequate maintenance laid down by students of diet physiology. With an increase in income they generally consume a greater physical quantity of food although ignorance often prevents them from selecting the food best for them. They often choose the savory and advertised foods instead of the cheaper ones which would have more nutritive value for them.

The Upper Laboring Class. The second type of diet is that of the class of people between this lower group and the middle classes.

These are the well-to-do working men who have reached that stage in consumption in which an increase in expenditure is associated with a change from less expensive to more expensive foods but in which the elements consumed remain approximately constant in quantity. Increases in income are associated with increasing expenditures but a decreasing proportionate amount used within the home. They substitute animal foods for vegetable foods and better for the poorer qualities. Their diet may be called more or less "freely chosen." They do not consume the most expensive items but they are enabled to purchase all of the cheaper forms of food necessary. They are not able to purchase the finest cuts of meat but they are able to obtain the cheaper forms of pork and beef, and horse meat which is not so generally consumed as to be expensive. In this group malnutrition appears only because of ignorance or peculiar physiological needs of particular individuals. Periodic malnutrition in this class occasionally results from ruptures in the social structure.

In addition to physiological under-nourishment, as indicated above, this class begins to suffer from "psychological under-nourishment." Individuals in this class see the same things and frequently trade at the same shops with the middle class and the servants of the upper classes. Consequently, they are stimulated to buy the types of food which are more expensive and suffer from dissatisfaction upon discovering that they cannot afford them.

The Sedentary Classes. The third type of diet is found among the middle and upper classes. In spite of wide variations among members of this group, they have several common characteristics. First, all of its members can afford to eat more than they need. Secondly, they can afford to eat some of their meals away from home. Thirdly, they lead more sedentary lives than the other two classes and as a result require less food physically than do the other two groups. Fourthly, their diet is extremely varied, and, combined with this and good cooking, the factor of taste no longer indicates adequately what, when, and how much they should eat.

For these and other reasons, the diet of this particular class possesses many peculiar and changing characteristics; fads and fashions of dieting influence it a great deal. At one particular time its members will be overfed, and at another a wave of extreme "dieting" will sweep among them. In spite of the fact that they can afford all necessary foods, some of them actually die from lack of nourishment. The proportions of edible waste left upon their plates and in their garbage cans is very great. Even their servants may become overfed. At times they consume too much animal food and at others they consume too much vegetable food. As we approach this class from its lower economic level to its higher groups, we notice that at first Engel's law operates. There is an increase of food expenditures with increasing incomes but the proportion spent for food tends to decline. Afterwards the amounts spent for food may actually decline. The following table from Zimmerman's study of American families with more than $15,000 income illustrates this tendency.

FOOD EXPENSE OF A SAMPLE OF AMERICAN FAMILIES STUDIED BY ZIMMERMAN DURING 1925–1928[64]

Income Groups ($)	Village and Town Families in Minnesota				City Families in Minnesota and North Dakota			
	No. of Families	Adult units	Spent for food at home ($)	Spent for food at home (%)	No. of Families	Adult units	Spent for food at home ($)	Spent for food at home (%)
Less than 1000...	69	2.8	333	33.0	17	2.9	433	43.3
1000—1999......	132	3.5	462	29.6	75	2.9	455	28.1
2000—2999......	105	3.4	536	21.0	64	3.6	595	23.1
3000—3999......	42	3.4	657	19.6	27	3.4	673	20.2
4000—4999......	16	3.7	605	13.7	20	3.6	662	15.2
5000—5999......	11	3.2	587	9.9	15	3.2	591	11.2
6000—9999......	15	3.1	780	11.1	12	3.7	815	10.9
10,000—14,999. .	5	3.8	801	7.1	12	3.8	1008	10.8
15,000—25,000...	....	....	....	....	7	3.4	908	5.2
Over 25,000......	....	....	....	....	3	4.0	808	3.1
Total or Average.	395	3.3	505	100.0	252	3.3	597	100.0

64 See the University of Minnesota Agricultural Experiment Station, *Bulletins No. 253 and 255* for further details about these families. A study by the Brookings Institution in 1929 gives the food expenditures for farm families up to $10,000 income and non-farm families up to $20,000. These are computations based on a number of studies made in the United States between 1918 and 1930. However, these are chiefly computations based upon assumptions concerning the types of demand curves and do not describe the food behavior any more comprehensibly than the above table. The reader should refer to Appendix B of *America's Capacity to Consume* by Maurice Leven, Harold G. Moulton, and Clark Warburton, The Brookings Institution, 1934.

The food behavior of this class is characterized by extreme variety, by a high proportion of waste, and by changes in the economic considerations entering into food values. The world becomes a garden for their table. Psychological situations are developed in order to make food appeal to them. Excellent table service, a high level of table conversation, and many refinements of living are introduced as parts of the food budget. Food may be prepared outside of the home for a part of this class, but the more wealthy have it prepared inside the home by expensive chefs. They pay higher prices for the same articles of food than do the other groups. For instance, certain firms which deal only in food products of high quality will often brand one variety with a special name and sell it at a higher price because of its name. There may be many varieties of Grade A milk, all with approximately the same cleanliness, butter-fat content, and bacteria count, but some of these well-to-do families will pay as much as 50% more for milk under a different name on the assumption that it is better. This is a part of the "magic" which one finds in civilized society.

When one goes from the lower to the upper groups in this class, one finds that eating at home becomes of less and less importance. Among the lower middle class those away from home at noons no longer carry their lunch pails (a part of the home table) with them, but purchase their meals at restaurants or clubs. Dining out becomes a greater and greater factor. One can hardly separate their food from their entertainment expenditures. Their mobility increases so that their homes become only sleeping places. Even the children begin to have parties and to dine out. Mothers occasionally take or send their children to restaurants for meals. Clubs, hotels, and dining places cater to the food needs of this group. Service, cover charges, and expensive wines become a part of the food cost. Restaurants become famous because of the orchestras playing there. Even theatrical plays are given with the meals. At one time it was a gladiator combat or a slave dance which is provided with meals; at another the night club hostess and entertainers. For the poorer families the neighborhood beer garden or the free lunch at the corner saloon play somewhat the same rôle.

However, there is a point of saturation and eventually people begin to tire of these extra food factors. As a result, many of the well-to-do, who can afford to eat in the most expensive restaurants, will go to much greater expense to have a meal served them in the quiet of their offices or of their homes. Thus, this upper level of "calorie-surplus" people may be divided into two groups—those who spend conspicuously,[65] and those who live quietly though more expensively. Thus, Seneca lived simply, at least in his old age, but he had slaves and a household which would make some modern kings envious.

These are the three typical forms of food groups to be found in any nation or civilization. Their proportion fluctuates according to the time and circumstance. They may be called the pre-Engel, the Engel, and the post-Engel type. However, the categories do not have exact application because those in the pre-Engel type by no means all suffer from malnutrition and the other groups are not always exactly differentiated. Their values concerning food vary. Service and other economic and social considerations play different rôles. Hence, physiological standards of nutrition have little meaning for the great masses of the people. Furthermore, the spending of a fixed proportion of their budget for food has little meaning to them. There can be no constant relation between income and food expenditures. It is even impossible to find out from the bulk of the population just exactly what is and what is not a food expenditure.

Among the rural classes, as we have indicated, the same phenomenon takes place except that the extremes of either under-nutrition or over-nutrition are not as often found. Furthermore, it is impossible for these people to introduce as many foreign elements into their food budget as can the urban people.[66]

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65 See Veblen, T., *Theory of the Leisure Class*, New York, 1924.

66 The following is a partial list of monographs dealing with some aspects of this topic: Chittenden, R. H., *Physiological Economy in Nutrition*, 1904; Chittenden, R. H., *The Nutrition of Man*. 1907; McCay, D., *The Protein Element in Nutrition*, 1912; Rubner, M., *Volksernährungsfragen*, 1908; Rubner, M., *Wandlungen in der Volksernährung*, 1913; Hindhede, M., *Protein and Nutriton*, 1913; Rubner, M., *Über moderne Ernährungsreformen*, 1914; Mendel, L. B., "Theorien des Einweisstoffwechsels nebst einigen praktischen Konsequenzen derselben," *Ergebnisse der Physiologie* 11 (1911): 418-525; Mendel, L. B., *Nutrition and Growth*, Harvey Society Lecture 1914-1915. Studies of food expenditures of the upper classes are most difficult to find. A comprehensive list of studies dealing with this class was included. On account of the length of the manuscript, this is now omitted. Those interested in the list should correspond with the author.

CHAPTER V

The Laws of Food

Summary of theoretical relations of food expense to income and standard of living.—These reduce to two more inclusive propositions, is there one general principle of increases or decreases in food expenditures, and are changes in other expenditures synchronous with those of food.—Analysis of Engel's first law.—Erroneous interpretation of Engel's law by Wright.—Popularization of erroneous version.—Accurate statement of Engel's law.—Theoretical limits of applicability of Engel's law.—Concrete studies which found these limitations.—Elasticity and inelasticity of food expenditures.—Factors of variability of food expenditures in rural societies.—Factors of variability of food expenditures in urban societies.—Expenditure items competing with food.—Principle governing competition of expenditure items.—Increasing and diminishing utility in food expenditures is an important general principle relating incomes and expenditures.—Relations between food expense and income which follow law of increasing and diminishing utility.—Principles common to various laws of food.

The previous chapter has shown that food behavior is a highly generalized value system including raw materials, refining services, and eating customs. The customs associated with food vary according to the different social and economic systems of man. In some social systems as little as 25 per cent of man's total economic energy is expended for food and in others as much as 75 per cent. Generally, however, from 40 to 60 per cent of the total economic energy enables man to feed himself and his dependents. It was found that the ability to consume food is a more or less constant factor with the passing of time in society. Variations in amounts and types of food consumed, other than for age and sex groups, are chiefly of social origin.

Important variations in food behavior are found between rural and urban groups, and between the proletariat, the upper laboring class, and the sedentary class in the urban group.

This chapter seeks to go further and examine the laws of food as related to income and standard of living. As indicated in Chap. III various authors have attempted to establish the following hypotheses.

1. Gregory King held that the demand for food is so strong that a shortage causes extreme modifications in the other fields of behavior. He attempts to establish a ratio of food shortage to prices. When prices are high money leaves the country for the purchase of food, and the consumption of other products is reduced in a drastic fashion depending, of course, upon the extent of the food shortage.

2. Corrado Gini developed this theory and pointed out that with an arithmetic change in food consumption there is a geometric change in food prices. This means that food has an inelastic demand to the extent that changes in its consumption at an arithmetic rate are associated with geometric increases or reductions in funds available for the satisfaction of desires. Thus, when food prices rise sufficiently to reduce food consumption by 200 calories, the proportion of income used for food will greatly increase. Another reduction of 200 calories in food involves a much greater increase according to some constant multiple. From this arises the fact that with limited incomes consumption of other articles is greatly decreased.[1]

3. Del Vecchio went further and held that the relation between food and prices was logarithmic. When the expenditure for food increases or decreases as a proportion of the total expense, it is associated with logarithmic increases or decreases in the total income or living expenditure. Thus, an increase in the percentage used for food would ordinarily be associated with extreme modifications in the other expenditures. The theories by King, Gini, and del Vecchio present but different variants or measures of the same phenomenon. Food as an inelastic group of economic demands varies slowly and then only with extreme variations in other economic demands.

4. Engel's law merely states that this general relation exists between food and other expenditures. When income increases, the proportions used for food decline.

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[1] An arithmetic series is one in which when 1, 2, 3, and 4 are related to each other, the distance from 3 to 4 is the same as the distance from 2 to 3 or from 1 to 2. A geometric series is one in which a constant multiple (other than 1) separates the units so that the distance from 3 to 4 is greater than the distance from 2 to 3 due to the multiple. A logarithmic series is one which increases very rapidly due to the fact that each succeeding number in the series is the square of the preceding one.

5 & 6. However, Engel went further and tried to generalize his theory into a complete measure of the standard of living of a population. He associated with food the other "costs of physical maintenance." In his general theory he implied that the variations in expense for the secondary necessities (clothing, washing, housing, heat, light, and health) are approximately synchronous in rate and direction of change with food expense and are of the same general nature.

7. Le Play and Engel both found that food expense and the type of food consumed—animal or vegetable—are closely related. This relation has been discussed in Chap. IV.

8. Del Vecchio concluded that all these laws by King, Gini, Engel, and others are but an expression of a wider relationship—differences in the elasticity of demand—as expressed in the laws of sensation by Weber, Fechner, and Bernouilli.

9. Zimmerman suggests that the law of increasing and diminishing utility is the central principle in the hypotheses of Weber, Fechner, King, Bernouilli, Engel, Gini, and del Vecchio. Moreover, the law of increasing and diminishing utility permits the explanation of phenomena which change the *direction* of interrelationships upon the application of increased quantities of the independent variable. According to the law of diminishing utility, for instance, one would not expect food expense to increase or decrease at every increase of income but would allow for conditions in which food expense increases more rapidly than income for a while, and *vice versa*. The law of increasing and diminishing utility also allows for variations at either end of a series not consistent with trends in the central part of the series. This law allows for erratic variations at the extremes.

10. Halbwach's contention that laborers spend more per adult for food than the white-collar class is consisent with the analysis of the food of the sedentary class in the previous chapter. It need not be discussed further.

This summary indicates that these theories are interrelated. All these writers assume that the demand for food is inelastic. All show that certain factors (income, total expense, expense for sundries, non-necessities, etc.) change much more extremely than do expenditures for food. The essence of these principles may be summarized in two general problems.

> 1. Are the laws of food-demand or expense variant statements of a more general principle? If so what is this principle and how does it operate under conditions which can be tested with our present information?
>
> 2. Are the variations in expenditures for the "other necessities" of life (such as rent, housing, light, heat, clothing, and laundry) approximately synchronous, though less in amplitude, with the direction and rate of changes in the amounts and percentages of food expense? When percentages for food increase or decrease, do those for the other necessities of life move in the same direction?

The remainder of this chapter is devoted to developing the first principle; the second is discussed in later chapters.

Engel's First Law

In two studies Engel gave his principles of the distribution of expenditure under conditions of increasing or decreasing income. His statements are as follows:

> The poorer a family, the greater is the proportion of the total outgo which must be used for food.
>
> The proportion of the outgo used for food, other things being equal, is the best measure of the material standard of living of a population.[2]

In other words, Engel, who was considerably influenced by Malthus, attempted to lay down a law in which, under conditions of increasing income, food expenditures change at a very slow rate and "sundries"

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[2] Engel, Ernst, "Die Productions- und Consumptionsverhältnisse des Königreichs Sachsen," *Zeitschrift des Statistischen Büreaus des K. Sächsischen,* Ministerium des Innern, No. 8 & 9, Sonntag, den 22, November, 1857, pp. 27-29. There is an original copy of this in the Congressional Library, Washington, D. C. It is reprinted unchanged as an appendix to Engel's final study: "Die Lebenskosten Belgischer Arbeiter Familien früher und jetz," *Bulletin de l'Institut Internationale de Statistique,* Rome, 1895, Ed. 1, Vol. IX. In this study (p. 26), he repeats the above conclusions as his "law. See further "La consommation comme measure de bien-être des individus, des families et des nations," *Bulletin de l'Institut Internationale de Statistique,* Tome II, première livraison, 1887, p. 69. In "Die Lebenskosten," he recognized at one place (p. 29) that the Massachusetts Bureau of Statistics of Labor had translated his "laws" but apparently did not catch the misinterpretation.

(which includes everything of a consumptive nature other than rent, fuel, light, and clothing) at a more rapid rate. He was primarily interested in the problems of food or physical needs versus other needs. A specific statement, in which he used the geometrical versus arithmetical comparison, terms so familiar to Malthus, is to be found on page 30 of his 1857 study:

> The law with which we are dealing maintains [that] . . . [arithmetical] expense for food bears a geometrical ratio to well-being.

In his final study ("Die Lebenskosten") in 1895, he repeatedly refers to the original statement of his law, an interpretation which he maintained in all of his writings. On page twenty-six he says:

> . . . in 1857, as director of the Statistical Bureau of Saxony, I decided to reorganize and differentiate between the 199 budgets submitted in Ducpétiaux's work. This same revision is continued in articles Nos. 8 and 9 (for the year 1857) in the periodical publications of the Statistical Bureau of Saxony (p. 156 ff) which I myself directed and wrote while I was director of the Bureau. This revision, correlated with the classical budget studies of Le Play which appeared at about this time under the title *Les ouvriers européens,* lead me to believe in the following law: that, the poorer a family, the greater is the portion of the total expenditures that must be used for procuring nourishment, and furthermore, that, under similar circumstances, the measurement of the expenditures for nourishment is an accurate and truthful measurement of the material well-being of a people.* (*Since there have been so many requests I have consented to have another unchanged impression made, and to add it to this Article. There is very little that I would change or withdraw from what I published nearly 40 years ago. One must have regard, however, for the fact that one can write more fluently and clearly when one is 35 and has only to consider rather inadequate literature, than when one is 74 years old and is, in the meantime, almost swamped and choked in a mass of specialized literature.)

On page 40 he says again:

> This natural law can be stated as follows:

"The poorer an individual, a family, or a people, the greater must be the percentage of the income necessary for the maintenance of physical sustenance, and again of this a greater portion must be allowed for food."

In 1875, Carroll D. Wright published an erroneous interpretation of Engel's law. It is this statement which (outside of Germany) is erroneously called "Engel's law." Briefly, this statement is as follows:

First. That the greater the income, the smaller the relative percentage of outlay for subsistence.

Second. That the percentage of outlay for clothing is approximately the same, whatever the income.

Third. That the percentage of outlay for lodging, or rent, and for fuel and light, is invariably the same, whatever the income.

Fourth. That as the income increases in amount, the percentage of outlay for "sundries" becomes greater.[3]

On the basis of this interpretation, it has become popular in many studies to abridge and reinterpret Engel's law. Thus, F. H. Streightoff found that in New York City clothing percentages increase with increasing income while percentages for fuel, light, and housing expenditures decrease. W. F. Ogburn, in a statistical study of families in the District of Columbia, showed that the percentage of expenditure for clothing increased and the percentage of expenditure for rent, fuel, and light decreased with increasing income. Ogburn mistakenly attributes such formulations to Engel, just as do two-thirds to nine-tenths of all studies, outside of German literature, dealing with this particular subject.

On the one hand, this group of investigators which extends Engel's law to cover all types of expenditures, and on the other, the group which refuses to accord complete validity to Engel's law, both equally misinterpret it. The first group errs in not restricting the law to food expenditure; the second in not recognizing that the law is valid within certain limits. Theories concerning the proportions spent for rent, fuel,

[3] *Sixth Annual Report of the Massachusetts Bureau of Statistics of Labor,* Boston. 1875, p. 438.

light, and clothing were never stated by Engel. Those who have stated one or more of them. *e.g.* Schwabe, have based their conclusions on insufficient data. Hundreds of studies show great variations in the distribution of expenditures for items other than food and sundries, but no systematic and thorough studies have been made of them because this misinterpretation of Engel's law has led many to believe that the fundamental work had already been done.

The only statement which the present writer can locate that was ever made by Engel, which is at all similar to the spurious laws attributed to him, immediately precedes the famous table in the 1857 study generally quoted as a basis for such attributions. It can in no way be interpreted to bear out these spurious laws. It deals primarily with the *order* of satisfaction of wants and not with the *elasticity* of any particular want. However, even the data collected by Engel do not bear out this curious interpretation of his theories. In the 1895 study, he gives detailed analyses of various studies which do not sustain the conclusions spuriously attributed to him. For instance, the four economic groups which he analyzed from the 1891 Belgian study showed the following percentage distributions:

PERCENTAGE DISTRIBUTION OF EXPENDITURES FOR THE 1891 BELGIAN STUDY USED BY ENGEL[4]

Expense Item	Below 80 Marks	80–100 Marks	100–120 Marks	120–200 Marks
Nourishment	66.28	66.27	63.80	64.90
Clothing	12.19	14.07	14.96	13.66
Rent	11.51	10.09	8.92	8.79
Fuel and Light	5.07	5.03	3.37	4.59
All Other	4.95	4.54	4.95	6.06
Number of Families	44	49	47	48

Here it may be seen that the percentages for clothing increased, rent decreased, fuel and light was irregular, and the others increased. He noted this and would probably have changed his laws had he made an earlier interpretation similar to the principles attributed to him.

[4] See Table X in "Die Lebenskosten," *op. cit.*

The Validity of Engel's Law

The validity of Engel's law rests upon theoretical considerations of the means and order of satisfying desires. Its verification must come from a study of the numerous investigations of family and individual expenditures. Is there a constant relation between the size of income and of expenditures for food? Do continuous increases in income result in increases of food expenditures? Can the percentages of income allocated for food approach 100% for people with small incomes and 0% for those with large incomes, both of which extreme conditions might be sources of great social demoralization? Theoretically, it is not expected that this social process would be different from most other processes and continue endlessly in the same direction. One should expect eventual saturation points with a resultant change in the course of satisfaction of the desire for food.[5] Auguste Comte had long since pointed this out.

> The chief danger is of our supposing a continuous decrease to indicate a final extinction, or the reverse; as in mathematics it is a common sophism to confound continuous variations, more or less, with unlimited variations. To take a strange and very marked example: if we consider that part of social development which relates to human food, we cannot but observe that men take less food as they advance in civilization. If we compare savage with more civilized peoples, in the Homeric poems or in the narratives of travellers, or compare country with town life, or any generation with the one that went before, we shall find this curious result—the sociological law of which we shall examine hereafter. The laws of individual human nature aid in the result by making intellectual and moral action more preponderant as Man becomes more civilized. The fact is thus established, both by the experimental and the logical way. Yet nobody supposes that men will ultimately cease to eat. In this case, the absurdity saves us from a false conclusion. . . .[6]

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[5] See Sorokin, P. A., "The Principle of Limits in the Direction of Social Processes," *Proceedings American Sociological Society* 26:19-27, 1932; V. Pareto, *Traité de sociologie générale,* Paris, 1917, Vol. 1, paragraphs 720-732, 831.

[6] Comte, Auguste, *The Positive Philosophy,* tr. by Martineau, vol. 2, London, 1896, p. 255. Without agreeing with Comte that there is a negative relation between "civilization" and food ingestion, we can see that he has pointed out the invalidity of Engel's law, if not understood within limits.

A second theoretical reason why Engel's law, as stated, need not be expected to apply to a continuous series lies in the nature of general principles for the satisfaction of individual wants. The satisfaction derived from a unit of a commodity declines rapidly when succeeding units are consumed, so that other commodities, once much lower on the demand scale, reach a point where the first unit of them becomes more attractive than additional units of the original commodity. However, all wants cannot be satisfied in continuously purchased units. The average person needs only one house and one bed and elementary satisfaction of this need may instantly drive the demand for housing down so far that many more units of a continuously satisfied need (food) may be purchased before a different type of housing rises on the demand scale and takes precedence over additional food. Under such conditions as these, one could reasonably expect that the absolute amounts spent for food among the lower income groups would increase so rapidly with growing income that even the percentages would increase over an extensive range of incomes. It is already known that the continuous increase in expenditures for a group of items called "food" in most of the income classes shows that this item of consumption is capable of the most varied means of satisfaction. Finally, it is probable that among the upper classes (which have been but little studied), the range and content of any particular class of consumption can change tremendously according to the fashions and tastes of the time. Thus, we are not justified theoretically in subscribing to the complete validity of Engel's law of food expenditures.

Now let us turn to the facts and see the importance of these theoretical exceptions to Engel's law.[7] As early as 1875, von der Goltz pointed out some conspicuous exceptions to Engel's law, particularly among German peasants. Laspeyres contested the meaning of the figures presented by von der Goltz, but Carl Hampke upheld Goltz's conclusion with more data in 1888. Although these authors apparently did not clearly understand the principles involved, their data are incontestable. They show clearly that families, which, living in a custom-

[7] The references to the studies which follow are to be found in: C. C. Zimmerman, "Ernst Engel's Law of Expenditures for Food," *Quarterly Journal of Economics* 42(1): 78-101, November, 1932.

bound region of self-sufficient agriculture, experience a long period of increasing income, increase their food expenditures so rapidly that increasing incomes are associated with increasing proportions for food. The data which von der Goltz used for illustration are summarized below.

VON DER GOLTZ'S STUDY ON THE DISTRIBUTION OF EXPENDITURES BY GERMAN PEASANT

Economic Groups of Peasants	Total Expense*	Percentages used for				
		Food	Clothing	Dwelling	Heat and Light	All Other
1	198.9	65.2	18.5	6.8	6.9	2.6
2	236.4	62.1	17.4	6.6	7.1	3.8
3	298.5	67.4	15.3	7.0	6.6	3.7

* In Reinethalers.

In 1880, Sir John B. Phear indicated in his studies of peasants in India that their modes of expenditure seemed unlike those of the European laborer. Since that time, many studies of family expenditure in the Orient have dealt with large groups of families who spend an increasing percentage of their incomes for food with a rise in the economic scale. These relations were discovered despite the fact that most of the investigators accepted Engel's law as valid, as they understood it, so that contradictory results were puzzling. Studies, earlier and later, in Europe and America found the same results. The following summary indicates a few of such contradictory studies.

In China a study of 141 employees of Tsing Hau College by Ta Chen, published in 1924, shows increasing income is associated with increased food expenditures only for a few groups. 100 Chinese families studied by C. G. Dittmer between 1914 and 1922 showed that the fourth highest income group was the first one to spend a lower percentage for food than the first income group. The same general trend is to be found in three groups (100, 85, and 100 families) studied by Fang Fu-an in Shanghai in 1929. These were laborers, clerks, and printers respectively. H. D. Lamson reported on 21 factory workers in Shanghai for 1929 and 50 families of factory workers in villages near Shanghai for 1929, both of which studies clearly contradict Engel's law. For the 21 families, the lowest income group spent 54.85% for food and the highest group 59.10. For the 50 families, only the two upper groups, in a classification of five groups, spent a smaller percentage for food than the lowest group. Lamson also summarized 32 Chinese studies as a unit and his table of miscellaneous studies of urban workers (four in number) showed a definite increase in percentages spent for food with increase of income. Many of the families in Lamson's original studies were owners of houses and other property so that poverty does not wholly account for this behavior which differs from Engel's law. H. C. F. Lee and T. Chin studied 164 Chinese, Manchurian, and Mohammedan families in the western suburbs of Peking in 1926 and 1927 and found that the group with incomes between $100 and $200 spent a higher proportion for food than the group under $100. Sung-Ho Lin studied 197 salt workers in Tangku in 1926-27 (25% skilled laborers) and found some evidence clearly contradicting and some partly supporting Engel's law. L. K. Tao studied 60 households in Peking for 1926-27, including both workers and school teachers. The behavior of these (whether arranged in an income scale by family or adult equivalent) definitely contradicts Engel's law. All the other studies, where information is given, show that size of family itself (the reduction to adult equivalent) does not materially affect the percentage changes.

In Siam, Zimmerman's study of 2000 typical families in 40 representative districts shows that rural people (all classes) do not follow Engel's law for the lower 40% of the income groups although none of the families studied were paupers.

In India, S. R. Despande and G. S. Ghurye studied 145 village families during 1926 distributed among four villages in the Kolaba district. The families were farmers or connected with village crafts. They were classified into five groups; the lower four did not verify the principle. Giving this group all tests for accuracy, such as reduction to adult equivalents and the consideration of all production outlay as a part of living expenditures, does not change this conclusion. The Bombay Government made a study of 872 working-class families in Ahmedabad in 1926, dividing them into eight income levels from below 20 rupees to between 80 and 90 rupees per month. The group with an income of less than 20 rupees spent the lowest proportion of income for food (56.23%) and the group with incomes between 70 and 80 rupees spent the highest percentage (61.18%). The same Bombay Labor Office studied 1055 families of cotton mill workers in Sholapur City in 1925, of which 902 were ordinary workers and 153 belonged to the criminal tribes. These were likewise arranged into the same eight groups. The 902 families of ordinary free workers showed about the same percentages spent for food in all income groups and the workers in the criminal tribes showed direct contradictions to Engel's law.

The Commissioner of Labor in Hawaii in 1911 published a study of 363 families of workers. The data were not summarized but for the purposes of this study they have been tabulated by income groups. Fifteen Non-Oriental, 42 Chinese, 150 Hawaiian, 30 Japanese, and 126 Portuguese households were studied. The following tabulation shows the percentages spent for food for the different groups by income.

PERCENTAGES OF INCOME SPENT FOR FOOD

Income Class $	Japanese		Chinese		Portuguese and Non-Oriental		Hawaiian	
	No. of cases	Income %	No. of cases	Income %	No. of cases	Income %	No. of cases	Income %
Under 351.......	6	53.4	1	39.7	2	45.4	1	47.9
351—450.......	14	53.6	10	50.3	3	44.8	4	48.2
451—550.......	7	44.1	11	39.9	35	49.8	14	48.4
551—650.......	3	48.2*	4	32.8	23	54.0	20	44.3
651—750.......	....	....	5	45.9	7	30.6	15	45.1
751—850.......	....	....	6	39.3	17	50.5	25	47.4
851—950.......	....	....	5	24.2†	14	52.2	18	36.5
951—1050......	....	....	....	....	11	48.3	8	37.2
1051—1150......	....	....	....	....	10	52.0	12	40.2
1151—1250......	....	....	....	....	6	45.1	10	38.5
1251—1350......	....	....	....	....	2	48.3	6	35.9
1351—1450......	....	....	....	....	4	50.1	5	34.8
1451 and over....	....	....	....	....	7	35.2	12	30.1
Average income..	425.00		607.00		814.00		928.00	
Average percent..	50.0%		38.6%		48.6%		38.9%	
Total number of cases..........	30		42		141		150	

* All over $550.00.
† All over $850.00.

As one may see, the data do not correspond to Engel's law, except in the case of the Japanese who may not be fairly represented.

The same phenomenon may be noted in western society. F. M. Eden made one of the early studies concerning the poor of England about 1795. The following table gives the data arranged by income groups and classified by families.

PERCENTAGES OF EXPENDITURES FOR FOOD BY THE FAMILIES STUDIED BY EDEN

Income Groups changed to American $	Number of Families	Percentages for Food
75	1	68.3
100	19	73.9
125	23	80.0
150	13	82.0
175	5	85.8
200	1	95.7
225	2	73.0

Even the Le Play school cases do not bear out Engel's law completely although these data formed a part of the basis for Engel's original conclusions as well as those by Laspeyres. This is shown by the following table. All studies are reduced to French pre-war francs. Two-thirds of the studies are for France. Although the others represent so many different situations that a comparison loses some of its validity, the synthetising arrangement by the Le Play school overcomes much of this. Furthermore, the use of the typological method has made the data more comparable than would be expected under other conditions.

Some of the data for France, Italy, and Switzerland, collected under the direction of Edward Young before 1872 as well as the later budgets of Liverpool dock workers (1902), showed slight tendencies to disagree with the law. R. C. Chapin's study of New York City families (1905), Povl Heiberg's data on families of two persons in Copenhagen (1927), E. Hirschberg's data for Berlin (1903), the German Reich investigation in 1907-08, the Buffalo Foundation (New York) investigation of fifty families for five years between 1920 and 1924 inclusive, and the 1920 study by the United States Federal Reserve Board for

PERCENTAGE DISTRIBUTION OF EXPENDITURES BY INCOME GROUPS AMONG THE LE PLAY FAMILIES OF THE NINETEENTH CENTURY

Income Group French francs	No. of Families	Food	Shelter	Clothing	Moral Recreation and Health	Industries, Debts, Taxes, Insurance and Savings	Total
Less than 500.....	5	54.57	9.13	14.33	11.84	10.15	100.00
500— 1000......	21	59.39	12.17	15.49	6.46	6.48	100.00
1000— 1500......	27	55.76	13.74	16.42	4.30	9.78	100.00
1500— 2000......	23	49.85	14.09	18.39	5.29	12.39	100.00
2000— 2500......	17	55.35	13.31	16.77	6.58	7.99	100.00
2500— 3000......	9	51.51	12.74	21.25	5.54	8.95	100.00
3000— 3500......	8	47.43	12.01	17.63	8.65	14.28	100.00
3500— 4000......	6	50.62	10.68	17.06	8.16	13.46	100.00
4000— 4500......	7	40.96	14.29	16.28	8.62	19.85	100.00
4500— 6000......	8	37.53	8.22	14.94	5.86	33.46	100.00
6000—10,000......	8	35.36	8.12	8.77	7.34	40.43	100.00
10,000 and over...	9	30.32	6.49	5.75	4.06	53.37	100.00
Total.........	148	41.94	10.13	12.72	5.91	29.32	100.00

employees with incomes up to $5000 yearly showed considerable disagreement with Engel's theory.

Many of these studies show an increasing size of family with increasing income. Increased size of family among urban employees is tantamount, as regards distribution of expenditures, to a reduction in income because the per capita expenditures are smaller. This naturally leads to a tendency of higher percentages expended for food. Among peasant families this same tendency is not so marked.[8] As a matter of fact, judging from the previously discussed studies of Tschajanow and Loomis, the size of families among peasants seems to follow a cycle in which the ratio of workers to consumers grows less for a while and later tends to increase as the members of the family increase in age.[9] However, careful analysis of the studies just mentioned shows that

[8] See here Zimmerman, C. C., "Mathematical Correlation in the Household Budget" (Korrelationen in Haushaltplänen), *Sociologus* 8(2) :10-166, June, 1932.

[9] See Tschajanow, Alexander, *Die Lehre von der bäuerlichen Wirtschaft,* Berlin, 1923; and Loomis, C. P., "The Growth of the Farm Family in Relation to its Activities," North Carolina Agricultural Experiment Station, *Bulletin No. 298,* 1934.

increased size of family or household accelerates but is not responsible for the totality of these deviations from Engel's law.

Explanation of Engel's Law. It is evident that a rigid interpretation of Engel's law is not true for particular families, for particular times, and under particular conditions. Let us seek to explain why it is not true under all normal circumstances. The reasons can be classified into two groups—those factors which give unusual elasticity to food expenditures or which cause a rapid increase in the demand for money used for "food," and those which tend to reduce the elasticity or keep down the demand for other wants besides food. Simple as they appear on first statement, these are two very involved sociological complexes, variants of which may appear in all societies.

The studies generally show that food expenditures increase with increased income. This practice, however, has its limits. While there are a few exceptions to the rule, most of which arise from differences in definition of the "food" value, it is one of the most elementary and important laws of living. For our purposes, we wish to find the particular circumstances which cause the food expenditures to increase so rapidly that they form a higher proportion of a higher income, on the one hand, or increase so slowly that they form a lower proportion, on the other.

In a peasant society, there are several circumstances which explain this. First of all, the diet of peasants under a régime of complete or approximate self-sufficiency is generally monotonous and relatively unvaried. That is why there are a thousand ways of disguising the same food (curries and spices) among all peasant societies. An increased income is generally associated with exchange and purchase of other food materials. Consequently, the first major increase in the food budget among these families is not only or always for additional food but generally for another *type* of food. It is this other type of food which makes the expenditures rise rapidly and often gives the family fewer calories and poorer food conditions at greater total and proportionate expense. Second, their food is primarily of vegetable origin and the change to animal food, which accompanies increasing income, is an addition to the same principle cited above and gives the same general results.

In these same peasant or rural societies the ordinary social stimulus to conspicuous expenditure, *other than for food,* is not so pronounced as it is in societies where communication is more highly developed. The Chinese, if they can afford it, aim to have a "big belly." In most countries peasant girls who are good cooks are considered especially desirable wives. This social pressure for increased food expenditure or lack of stimuli for other types of expenditure tends to keep down the increase in "other" expenditures.

In addition to these, certain phenomena which explain the rapid increase of food expenditures among residents of cities or urban districts, where peasant conditions do not generally exist, also explain a part of the food behavior in rural districts. This is partly due to the nutrition characteristics of man which allow great variations in consumption. The actual ingestion of food measured by calorie units has great possibilities for variation between the amounts which ensure survival for adults and the amounts which they will eat when the opportunity affords. Furthermore, the *expense quality* of the actual foods eaten shows a marked variation between that of persons near actual subsistence and the foods which they eat when their income is larger. Finally, the services furnished with food, forming a part of the food expense, have great possibilities for change. The combination of these three possibilities of variations gives a joint elasticity to the food budget among rural and lower urban levels of consumption which often causes food consumption, as measured by expense, to increase faster than the proportion they originally bore of the consumption dollar at lower income levels. After a certain level is reached, food consumption results in increasing food expenditure but the rate is so slow that the proportion diminishes. *This is where "Engelism" begins—and probably ends.* Above these groups are the wealthy classes whose habits of expenditure are practically unknown. All that can be claimed concerning the wealthy, from data now on hand, is that "Engelism" probably does not operate among them. The proportion spent for food has no particularly significant relation to their standard of living.

In addition, we must recognize that man is a human being who desires complexes of things rather than single items. At the lowest scale of human living, he must have and "wants" something of every basic need similar to the range satisfied by the most conspicuous material standard of living. The individual at the very lowest plane of living must secure the elements of shelter, clothing, appearance, etc., as well as food. All these requirements are part of the social conventions (standard of living) of the particular civilization in which he lives. Since food is a relatively elastic item of consumption, probably more so than other items in the lowest scale of living, some of its quantity and quality are often sacrificed to satisfy these other needs. In New York it was the rent paid for shelter which took immediate precedence after the first food desires were satisfied, according to R. C. Chapin. In Copenhagen both rent and taxes took precedence after food according to Povl Heiberg. In Buffalo it was shelter and clothing. In Liverpool it was fuel, light and shelter. In India and China it seems to be either shelter or clothing, or both, depending upon the climate and whether the particular class has a permanent abode. Among the unmarried workers (the ricksha men of the Orient and others), it is clothing if they belong to the class without permanent shelter, and the social costs of shelter if they sleep in an expensive place like an opium den or have a permanent shelter. Certain groups, both in the east and in the west, find stimulants competing closely with food. In the west it is generally alcohol and in the east it is opium, Indian hemp, *gunja* or *bai kratawn* (*Mitragyna Speciosa*) leaves. Among F. M. Eden's early English families and the Le Play families, it was clothing. For the different studies, the competing factor varies among the necessities for existence according to the following principle: *Things which can be secured by an expenditure of time and not money or goods do not always compete materially with food expenditures in the lower scales of living; necessities which require an expenditure of money or goods, materially influence food consumption at this level of life.*

This principle may be explained as follows: families with limited incomes, particularly those engaged in agriculture and seasonal industries, generally have a surplus of unused time. Furthermore those permanently employed in the lower ranks of industry frequently have spare time either because of a short working day or because of the fact that not all members of the family are employed. Any item which they need or want for living which can be secured by the use of this otherwise "wasted" time does not compete with money expenditures for food. On the contrary such items may add to the food budget without money payment.

An illustration is the situation of a typical cane cutter on the Cuban sugar plantations. At the present time he is engaged for about seventy-five days a year for which he secures an income of about $250 per family. Wages are low but numerous members of the family are employed. During his spare time he builds a house of palm leaves and native wood on a nearby bit of land furnished him by the sugar company. His rent does not conflict with his food expenditure. If on the other hand he rents a house from the company at $5 a month it reduces his food expenditure. He could go further and produce most of his own food on the land not suitable for sugar cane. His money could be used for food delicacies imported from the United States or for the purchase of more clothing, or even for some land for himself. Whatever the cane cutter does during the unused time of himself and his family does not reduce his food consumption. On the other hand, if he is willing to adapt himself to a more highly rationalized economic culture and to produce his own food or a part of it he can even supplement his food expenditures.[10]

Increasing and Diminishing Utility in Food Expenditures

It may be seen from the preceding discussion that there is a tendency for the relations between income and food expenditure to approximate the law of increasing and diminishing utility found for many other economic phenomena. It is the purpose here to show that the relation between money income and food expenditure is a part of these phenomena. For the purpose of the analysis, one must disregard the starv-

[10] See Ch. IV in *The New Cuba,* Foreign Policy Association, 1935, for my analysis of this problem for the Cuban *Guajiro.* This problem is so simple and so obvious that most persons who are searching for some grandiose solution to the present problems of the standard of living fail to see it. See further some of the interpretation—to which I took exception—of Cuban life given in other chapters in *The New Cuba.*

ing and the extremely rich because their circumstances free them from many of the predictable phases of human behavior. For these groups, demand schedules are extremely chaotic.

Expenditures for food are an extremely variable measure of "utility" so that expenditure behavior cannot be expected to follow any law extremely closely. The customary definitions of the food budget vary from family to family and class to class. The food budget is an elastic definition of expenditures. The richer classes include food for servants and many other expenses in the food budget whereas the poorer classes include only the bare expenditures for raw food materials for the family at home. The food budget includes the activities of man as well as of nature.

The inputs for this particular problem are increments of income. The outputs are the total amount spent for what is customarily known as food. It is apparent from the previous studies which have been cited that, once the starvation level is passed, for a period at least, additional increments of income are associated with more than proportional increases in food expenditure. This simply means that food expenditures are increasing at a rate which is more rapid than the increase of income. Then comes a period in which the additional increases in income are associated with an increasing amount spent for food but at a rate which gives a decreasing proportion. Finally, as the income increases further there is some evidence that the actual amount spent for food may decrease.

This particular law is not influenced by the principle set forth by Alfred Marshall and C. J. Bullock [11] that the condition of increasing returns is due to forces different from those which lead to decreasing returns. Such a theory concerning difference in the *causes* is an inquiry into motives. For our purposes we merely wish to show that such an increase is a constant and repeated type of behavior and, as such, can be suggested as the basis of a law. This law may be stated as follows: *Once a group has reached the cheapest and lowest physical maintenance food standards, increases in income are associated at first with*

[11] See this discussion in Marshall's *Principles of Economics*, 7th edition, London, 1916, pp. 318-322; and C. J. Bullock, "The Variation in Productive Forces," *Quarterly Journal of Economics* 16:473-513, 1902.

rapidly increasing food expenditures, later with slowly increasing expenditures and finally with stable or decreasing food expenditures. This is the law of increasing and diminishing relations between income levels and food expenditures. The period below the cheapest and lowest physical maintenance food standards cannot be made the subject of any law based upon the classes above that point. Certain theories may be developed concerning this lowest group from a study of their behavior but such would have to be made from a study of them alone. To some extent the curve of the relation between food expenditures and incomes resembles the curve of growth used by Mitscherlich in his "Law of Plant Growth."[12] This may be one variety of the numerous curves of diminishing return. It may be an organic law of growth or it may be a law of chance fluctuation similar to the one described by the binomial expansion.

The question may be raised as to whether this law may be called a specific statement or a general principle. Can it be stated in terms of exact percentages for all groups of families under different social conditions, as Gini, del Vecchio, King, Engel attempted to do, or is it a tendency toward a differentiation in behavior in the classes within the same social conditions? On the whole, it would appear that the statement is a general principle but cannot be put in specific percentages. Using the terminology of A. Lawrence Lowell, it arises from the working out of a number of "conjugate" principles, each of which is partially true and each of which tends to be contradicted by other conditions.[13] The family under extremely low conditions tends first, with an increase of income, to consume more of the same food until the saturation point is reached and a greater part is wasted. Following this period the character of the food begins to change. Under these two conditions, "returns" increase so rapidly that even the percentage grows greater. Then the rate of "returns" begins to decline (Engel's law) until the actual amount of expenditures stabilizes or declines (above Engel's law). The conjugate principles are more food, waste,

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12 See E. A. Mitscherlich, "Das Gesetz des Pflantzenwachstum," *Landwirtschaftliche Jahrbücher* 53:167 ff, 1919; Spillman, W. J. and Lang, Emil, *The Law of Diminishing Returns,* pp. 149 ff., Chicago, 1924.

13 See Lowell, A. L., *Conflicts of Principle,* Ch. 1, Cambridge, 1932.

variety, more expensive methods of purchase and different types of basic foods (animal and vegetable or pork versus beef). These principles, each working in its time and place, give this law of food expenditures.

Thus, it is seen that Engel's law, and the "laws" stated by King, Gini, and del Vecchio, are but a partial expression of a number of greater truths. The belief in each as a single law of food expenditures has arisen because the studies have been limited primarily to a small class of persons living under almost similar conditions. For other classes and under other conditions, other principles apply. It may be claimed that the "Engel" type of standard of living applies to not more than half the people of the globe. For about 5% of the upper classes it is evident that the proportion spent for food is a highly inadequate measure of the standard of living. Another 45% or 50% (rural, the provincial, and the very poor classes) are more interested in the proportion of their incomes utilized for food and in increasing this proportion than they are in other types of living expenditures. Most studies of these problems do not measure a fair sample of the population—being biased toward the urban, the sophisticated, and the fairly well-to-do population.

Another implication lies in the nature of the demand for consumption goods—a point which needs further development. It seems evident that a large part of the total population of the globe is principally interested in securing most of its standard of living, other than bare necessities, through intangible satisfaction of a non-economic nature. It is here that sociology and economics meet on a value basis.

CHAPTER VI

Food Behavior under Minimum Conditions

Food behavior of those living under minimal levels of food expense.—Concrete study under controlled conditions in Cuba.—Technique and definitions in this study.—Definition of divisions of expenditure.—Agreement of behavior of Cuban families with general uniformities of budget behavior.—Detailed analysis of living conditions of fourteen families.—Analysis of diet costs and diet adequacies for families.—Effects of extreme poverty upon expenditures and living conditions.—Percentages of expenditures for food by economic strata.—Tendencies in distribution of food expenditure under conditions of general undernourishment.—There are no stable laws of the distribution of food expenditures under conditions of general undernourishment.—The individual is willing to forego all commodities except food.—Society forces him to take a minimum of other satisfactions after which he spends his remaining funds for food.

Various relations between food and income follow the law of increasing and diminishing utility. We have already outlined three types:

(1) Once the starvation level is passed, additional increments of income are associated, for a period at least, with increases of the *proportion* expended for food. This occurs when the food expense is so low that the population feels underfed and intensely desires more appetizing food.

(2) Additional increases in income are associated with an increasing *amount* spent for food but at a rate which gives a decreasing *proportion* of the total income. These relations occur among populations securing food sufficient for existence and comfort. At the lower range the people have enough food physiologically even though it may be of an inferior economic variety. At the upper range food tends to be chosen more often on the sole basis of individual taste.

(3) Finally, as income increases further, there is some evidence that the *amount* spent for food may actually decrease. The upper

sedentary and rich classes are in this category. Their living conditions were discussed in the chapter on *The Rôle of Food.*

In the succeeding pages an attempt is made to analyze the behavior of those living below minimum levels of food expense. What happens to food expense with a successively closer approach to impoverishment?

A number of studies of expenditure have been made of the food expenditures of the poor. (Most of these analyses have been cited in Chapter V as proof that extreme conditions see a reversal of trend in the relation between food expenditures and income.) However, for the problem at hand we must have controlled conditions. A variety of information about the families studied is necessary for an adequate interpretation of the data. As a result, the following analysis concerns but one study made specifically with this problem in mind.

A careful study of 113 Cuban families was made in 1934. Cuba had been suffering from depressed income conditions due to declining sugar prices. Protests against these conditions culminated in the Revolution of 1933. The majority of workers in the country districts (cane cutters) were paid less than 20 cents a day in 1932-33. Even at that time jobs were few and many actually starved. Some of the workers lived almost entirely on wild roots and sugar cane juice. Stealing food was rife. At the same time the country was "rationalized" economically. The meaning of prices was understood and all goods comprising the total content of living could be placed on a standard system of values.[1]

The Families Studied

These 113 families were selected as typical of certain classes of Cubans. Information concerning incomes, expenditures, savings, and living conditions was gathered from each. The results do not depict the situation in the country at large because the types of families were

[1] This country furnishes an excellent case study for those who believe a country can be made rich by limiting the production of food and other agricultural commodities sold in export markets. Good intentions here led to Revolution.

not weighted according to their incidence in the society. In 1934, the average situation in the country was probably just below the "poor" group (of our classification). In 1933 it was below the "poverty" group. Income as used means net total economic increments in goods and money. The classification used was as follows:

(1) *The poverty class:* less than one dollar economic income per day per family, and ranging from $124 to $322 per year per family.

(2) *The poor class:* net economic income ranges from $330 to $582 per year.

(3) *The middle class:* net economic income ranges from $597 to $982 per year.

(4) *The well-to-do class:* net economic income ranges from $1000 to $2000 per year.

(5) *The wealthy class:* net economic income ranges from $2082 to $9099 per year.

The adult equivalent scale used was:

Male, 16 or over	1.0
Female, 16 or over	0.9
All under 16	0.5

All values are recorded in United States dollars. Real and personal property is valued at its sale price in Cuba. In order to have a common standard the values current at a large American Sugar Central in Oriente Province in 1934 are applied to all the rural areas. In some communities values were higher and in others lower. In all cases of actual sale, however, the cash sale price is used. In cases of no sale, the values at the Oriente Central are taken as standard as far as possible.

Incomes were divided into wages or contract earnings, household industries, subsidies, farming, and other sources, and these items again divided into "goods" and "money." The goods income for wages or contract earnings in many cases included house rent, light, water, fuel or fuel rights, medical service, and milk; all of which have direct economic values. The goods income for household industries included such domestic occupations as the making of clothing, the repairing of shoes, laundry for outsiders, farming or gardening for subsistence only, and so forth. The most prevalent types were the making of clothing and subsistence gardening. Subsidies included rewards, gifts, or assistance given as customary usage without regard to economically productive work. Gifts from relatives, pensions, and unusual aids by employers during shortages were the most common types of subsidies. Some firms followed a principle of "making work" as far as possible instead of giving direct subsidies. Others gave subsidies in goods. Many reduced the rentals of houses, if such were charged, and others contributed to the educational expenses of the children of worthy employees. Few Cubans or other residents have been untouched by the effects of such subsidies.

All farm income is "net," *i.e.*, residue remaining after deduction of expenses. In most instances the goods income from farming was more important than the cash receipts. If a *guajiro* lived on the farm, a goods income equivalent to the rental value is listed under farming at the Oriente cane mill level of prices.

Income from property, from money, from non-salaried occupations and from other sources are entered. Totals are computed for "goods," for "money" and for the two combined. The total income is supposed to represent real incomes of the families, at about the same price levels as prevailed in the rural parts of our own southern states during the same period.

Expenditures were divided into housing, food, clothing, "relatives and poor," and all other. These items were again subdivided into "goods" and "money." In every case the goods income and the goods expenditure balance. The disposition of savings, if any, was explained in the attached notes. Housing includes rent or "imputed" rent, furniture, house taxes, repairs, fuel, light, and other miscellaneous house expenses. Food includes all nutriments and coffee, whether produced at home or purchased. Alcoholic stimulants and tobacco, whether used at meals or at other times are classified as "other expense." Meals eaten away from home are considered part of the food expenses; no distinction being made. Clothing includes the money cost of raiment and shoes and the economic values from home manufacture. This is important in Cuba because, as a rule, the women do little work out of the home and nearly every home has some type of sewing machine.

Most of the expenditures listed under relatives and poor are for relatives. The country people often give food left in the fields, provided it is not needed for their own household, to the beggars and the poor. These gifts are generally small in amount and difficult to record. However, they by no means approach the importance of contributions to family members, as one can see from the analysis. Neither do the amounts entered as expenditures for relatives and poor indicate the significance of family life in the budget of the Cuban. It includes only expenditures. Where the family received gifts from other people, these are entered as subsidies under the income section. Finally, most important of all, the great mass of Cubans who cannot afford to send money to their relatives take them into their own homes. It is probably a correct estimate that one-third of Cuban families are receiving aid from relatives at the time of the study. The organic unit of Cuban society is the family, much more than in American society.

The all other expenses include those for religious, medical, dental, insurance, educational, reading, transportation, drinking, smoking, entertainment, and personal purposes. These are explained in the subsequent text. The all other expenses are the "sundry items" in most budget analyses.

The following tables are similar to those derived from most studies of family living. However, it should be pointed out that income does not increase from one source only (*i.e.,* wages) in moving from the poor to the wealthy. Household industries more than double, subsidies increase five times, farming income fifty or sixty times, and the other sources also increase. The goods income mounts approximately four times contrasted with a greater and more rapid increase of cash income. There are greater limits on continuous increases of goods income as contrasted with cash income because the uses of goods income are limited more than those of cash receipts. However, up to the well-to-do classes, the economic well-being of the Cuban is as much determined by increases in goods income as it is by cash.

Table I presents the average income of the families according to social class. Table II shows the poverty of property holdings of any kind among the masses. Table III differentiates living expenditures into a number of groups. Since goods income is mostly for food purposes, the food classification of expense is divided into goods and money. The families with less than $330 income had an average of $251 annual income, $150 of which went for food alone. If they had produced $100 more of food, which they could have done very easily during the slack season, they could have raised their standard of living to that of the middle classes without any increase in wages. The chief characteristic of the families is the almost total dependence upon wages from their employers rather than upon income arising from their own initiative.

In Table V is presented the percentage distribution of expenditures. The sixty per cent used for food by the bulk of the people indicates that their standard of living is considerably lower than that of the masses of western peoples with whom the Cuban is in contact. The nations of Europe and North America generally spend between 30-45% of all income for food. The Asiatics use from 55-75%. The standard of living of the Cuban is close to that of the Asiatic although he wants to live like, and is in constant contact with, the European and the North American cultures. The average Cuban spent about $100 per year per adult during this period.

The behavior of these families is congruent with the common uniformities of budget behavior. Percentages spent for the various items move in the same general direction and at approximately the same rates as do those for other groups studied in western culture. We must conclude that any fundamental trait of desire in western society will probably be reflected in the budget distribution of these Cuban families.

TABLE I—AVERAGE INCOME OF SELECTED CUBAN FAMILIES 1933–1934
(in dollars)

Class	Total No. of Families	Wages or Contract Earnings Total	Household Industries Total	Subsidies Total	Farming Total	Other Sources Total	Total		
							Goods	Money	Total
Poverty.........	15	151.33	56.47	10.53	17.53	9.47	96.80	148.53	245.33
Poor............	25	212.52	71.48	11.68	101.84	46.28	182.96	260.84	443.80
Comfortable.....	25	432.24	86.96	9.68	205.28	53.52	264.08	523.60	787.68
Well-to-do.......	34	694.26	118.65	51.38	438.12	78.97	445.85	935.53	1,381.38
Wealthy.........	14	856.71	105.71	51.43	1,327.57	770.21	425.21	2,686.43	3,111.64
Total and total averages.....	113	477.77	91.35	27.96	366.58	142.52	298.58	807.58	1,106.16

TABLE II—AVERAGE WEALTH OF SELECTED CUBAN FAMILIES 1933–34
(in dollars)

Class	Total No. of Families	Real Property	Personal Goods	Productive Equipment	Total	Debts	Net value of Inventory	Percent Debts are of Total
Poverty	15	6.67	20.73	14.87	42.27	....	42.27	....
Poor	25	405.80	79.20	238.12	723.12	26.72	696.40	3.70
Comfortable	25	545.20	109.24	228.80	883.24	51.20	832.04	5.80
Well-to-do	34	2,923.53	250.58	1,192.94	4,367.06	99.44	4,267.62	2.28
Wealthy	14	13,380.36	691.07	3,916.07	17,987.50	775.71	17,211.79	4.31
Total and total averages	113	2,748.67	205.46	949.39	3,903.52	143.27	3,760.26	3.67

TABLE III—AVERAGE EXPENDITURE PER FAMILY FOR SELECTED CUBAN FAMILIES 1933–34
(in dollars)

Class	Total No. of Families	Housing	Food			Clothing	Relatives and Poor	Other	Total
			Goods	Money	Total				
Poverty.........	15	46.73	51.47	100.40	151.87	28.13	5.06	20.00	251.80
Poor...........	25	68.92	107.76	153.32	261.08	56.72	4.20	49.48	440.40
Comfortable.....	25	109.04	133.48	292.48	425.96	129.24	24.92	88.60	777.76
Well-to-do.......	34	181.56	245.00	410.97	655.97	235.24	39.12	223.62	1,335.50
Wealthy.........	14	382.71	221.29	631.86	853.14	415.07	89.57	630.00	2,370.50
Total and total averages.....	113	147.62	161.32	313.89	475.23	167.08	29.98	178.54	998.45

TABLE IV—AVERAGE EXPENDITURE PER ADULT EQUIVALENT FOR SELECTED CUBAN FAMILIES 1933–34
(in dollars)

Class	No. of Adult Equivalents	Housing	Food			Clothing	Relatives and Poor	Other	Total
			Goods	Money	Total				
Poverty..........	50.2	13.96	15.38	30.00	45.38	8.41	1.51	5.98	75.24
Poor............	94.7	18.19	28.45	40.48	68.92	14.97	1.12	13.07	116.26
Comfortable......	134.1	20.33	24.88	54.53	79.41	24.09	4.65	16.52	145.00
Well-to-do........	242.8	25.42	34.31	57.55	91.86	32.94	5.48	31.31	187.02
Wealthy..........	105.4	50.83	29.39	83.93	113.32	55.13	11.90	83.68	314.87
Total and total averages.....	627.2	26.59	29.07	56.55	85.62	30.10	5.40	32.17	179.89

TABLE V—PERCENTAGE DISTRIBUTION OF EXPENDITURES FOR SELECTED CUBAN FAMILIES 1933–34

Class	Total No. of Families	Housing	Food	Clothing	Relatives and Poor	Other	Total	Average Deficit or Surplus
Poverty	15	18.56	60.31	11.17	2.01	7.94	100.00	—6
Poor	25	15.65	59.28	12.88	.95	11.24	100.00	+3
Comfortable	25	14.02	54.77	16.62	3.20	11.39	100.00	+12
Well-to-do	34	13.59	49.12	17.61	2.93	16.74	100.00	+46
Wealthy	14	16.14	35.99	17.51	3.79	26.58	100.00	+880
Total and total average	113	14.78	47.60	16.73	3.00	17.88	100.00	+108

Diet Conditions of the Poverty Families [2]

The study includes fifteen families in the poverty class. As a matter of fact they are so poor that they are just at the turning point in the relations between food expense and income. The poor class with $200 more income (100% more) per family spends just one per cent less for food than does the lower group.

To determine the relations between food desires and the other expenditures, let us analyze the behavior of fourteen of these fifteen families.[3] We shall describe their living conditions first of all. The poorest was the lowest paid common laborer at the Bacardi Brewery of Santiago. The family of eleven members included the head who had been working half-time for six months, earning $73. Three of his sisters had made $155 by taking in washing. Income per adult was $29 per year. The total income of $228 had been insufficient so that rent had not been paid for six months and members of the family had begged for their food. The diet was very poor—meat and milk being consumed but once a week.

The second case was the family of a field hand on an estate in Santa Clara Province. This family of seven lived on an income of $210 or $43 per adult equivalent. The man's father had been a slave on the same estate. He was a willing worker but had little foresight or

[2] A reviewer suggests that "the analysis of food behavior under minimum conditions illustrated by the 14 cases in this chapter is statistically indefensible. There is no justification whatever for breaking down the 14 cases in the form of a frequency distribution with 1 case in each class, or with 4 and 5 cases in each class. It is hazardous enough to base conclusions on the comparison of the poverty group of 15 as a whole as compared with the other classes. Therefore, there is no point whatever in recounting in the text the expenditures of the individual families in this group."

In answer I must say that these families are not statistical cases but studies of families very carefully selected to represent classes of people. In making this study I wanted to probe more deeply into the conditions of expenditure in families where each desire stands out sharply and receives only that minimum of satisfaction which enables economic life to go on. These families generally cut down food consumption during the dead season in the cane industry (tiempo morte) to a minimum of maintenance. In the working season (Zafra) they ate all they could get to sustain their bodies during the extremely difficult work of the harvest. If my treatment is unorthodox, it is designedly so because I am looking for behavior under rather unorthodox conditions. I have tried here to use statistical methods in stretching the skein of life almost to its breaking point. I feel that I learned something thereby and after all that is the test of methodology.

[3] The fifteenth is a laborer who pays cost for board; hence his inclusion would distort the picture since his employer permits him to eat on credit.

initiative. The previous year his landlord had compelled him to cultivate two acres of food but no cultivation was planned for this year. Meat was eaten only on Sunday. The third was a negro can cutter in Oriente Province. His family of six lived on \$217 or \$49 per adult equivalent per year. When he was working the family bought rice and meat; but during periods of unemployment they subsisted on gleanings from an acre or two of cart roads (built for transportation and for fire breaks) through the cane fields. The fourth was a mechanic and beggar in Camaguey Province. His family of eight lived on a total of \$281 or \$57 per adult equivalent per year. He was a bit abnormal mentally and had worked as an engine watcher only two months during the past year. During the rest of the year he begged from household to household. The diet of this family was extremely limited. The fifth was a sweeper in a sugar factory in central Cuba, and peddled meat during the 246 days in which he was unemployed during the past year. His household of four lived on \$174 gross income or \$60 per adult equivalent per year. He had not paid all of his rent. He was able to procure sufficient food only during the period in which he was working for wages.

The sixth was a Haitian migratory cane cutter and coffee picker whose wife served as a prostitute for equally poverty-stricken but unmarried field hands. The family of four had an income of \$200 or \$69 cash per adult equivalent per year. The diet was highly unsatisfactory because some of his money was used for periodic migrations to the next coffee plantation or sugar estate where he could get work. The seventh was a field worker who tilled about 3½ acres very inefficiently. He was the only wage earner in a family of seven. The yearly income had been \$322 or \$73 per adult equivalent. The next was a sugar bag carrier in Oriente Province, the only wage earner in a family of five. His income was supplemented by gardening but only \$83 per adult equivalent was available for the year. Because of his hard work (sugar bags weigh 329 English pounds) he required a great deal of food which he could not afford. His company gave him two liters of milk daily but members of the family were underfed. The ninth was a Haitian field laborer in northern Camaguey Province.

Rains and bankruptcy had kept this sugar central from any improvements or field work during the slack season of the past year. The workers had lived from hand to mouth. Often their sole nourishment consisted of raw cane or sugar cane juice. The diet was only enough to meet the existence needs. He and his wife had made $190 during the year or about $100 per adult equivalent. Another Haitian field laborer on the same estate had made an average of $108 per adult equivalent but his diet was also restricted. He only had enough food and tobacco during the working season, which in his case had lasted for four months. The next was a painter for a sugar central in Oriente Province who had been unemployed 170 days during the year. His family had an income equivalent to $109 per adult equivalent but during the non-working season they lived almost entirely on fish (which they caught in a nearby bay).

The twelfth was a cane cutter at a sugar factory in Oriente Province where one worker had made enough to give the family an income of $110 per adult equivalent during the year. He tilled two acres of land during his seven months of unemployment but because of his ignorance of agricultural methods the family did not have enough to eat. The other two were also cane cutters in eastern Cuba producing respectively $124 and $133 per adult equivalent for the year. The one omitted was unmarried and found his living expenses high. He had an adequate diet only because his employer had advanced him food on credit. The fourteen families had been under conditions of deprivation or semi-starvation during the year. Consequently, the behavior of these families will illustrate the varying rôle of food expenditure in successively lower income levels. The following table lists the families in the order of their income per adult equivalent and gives the percentage distribution of expenditures.

In order to show further how these families fed themselves, the cost of the cheapest foods used in their diets was computed on the basis of lowest average prices in Cuba. The assumption was made that the average individual should have 3000 calories of energy value, 67 grams of protein, .68 grams of calcium, 1.32 grams of phosphorous, and .015 grams of iron per day. This is what dietitians estimate as a

DISTRIBUTION OF EXPENDITURES AMONG FAMILIES UNDER CONDITIONS OF SEMI-STARVATION

Number	Income per Adult Equivalent	Food Expense Per Day	% of All Income Used for Food	Average Income Per Adult Equivalent	Average Food Expense per Adult Equivalent	Average Percent of All Income for Food
1	$29	$ .0685	89			
2	43	.0773	66			
3	49	.0935	70	$44.20	$32.00	77.1
4	57	.1179	76			
5	60	.0945	58			
6	69	.0945	50			
7	73	.1062	53			
8	83	.1175	52	82.70	44.30	53.7
9	100	.1412	52			
10	108	.1873	64			
11	109	.1128	52			
12	110	.1870	62	117.50	68.90	58.7
13	124	.1700	50			
14	133	.2390	66			

minimum requirement for a moderately active man. Since the Cuban who works in the cane field is intensely active a part of the year but loafs a good deal during the dead season, it was estimated that on the whole he needed the food of a moderately active man.

The following table shows the average quantities and kinds of food required yearly per adult equivalent during 1933-1934:

MINIMUM FOOD FOR ONE YEAR FOR AN ADULT MALE CUBAN

Food	Amount	Lowest Average Prices	Cost at Lowest Prices
White Rice	100 pounds	5 cents a pound	$5.00
Corn Flour	181 "	2½ " " "	4.53
Wheat Bread	40 "	7½ " " "	3.00
Whole Milk	150 quarts	4 " " quart	6.00
Lard	45 pounds	10 " " pound	4.50
Crude Sugar	50 "	3 " " "	1.50
Meat	10 "	10 " " "	1.00
Beans	153 "	5 " " "	6.65
Vegetables	250 "	2 " " "	5.00
Total			$37.18

This gives 3000 calories, 82.4 grams of protein, .62 grams calcium, 1.64 grams of phosphorous, and .019 grams of iron per adult equivalent per day. The diet as presented shows an excess of protein, a slight deficit of calcium, and an additional amount of iron. However, the cost of a freely chosen diet, giving the exact amounts needed would be the same as the above. Probably more beans are prescribed than necessary and less meat in order to have a variety of different types of protein. All of these are sample foods assuming that corn products will be used in place of corn flour, substitutes for lard in order to get it at this cheap price, and that most of the vegetables will be plantains, sweet potatoes, yucca, and melanga. The vitamin content of this diet was not computed because the assumption is made that the people vary their diet in order to secure the vitamins.

The great masses of Cuban families probably did not average more than $250 income per year during 1933-34. This analysis of diet costs and diet adequacies for the families with incomes averaging $250 a year consequently applies to a considerable proportion of the Cubans. These poor families spent in 1933-1934 an average of $.129 per day for food ranging from $.0685 per adult per day for the poorest studied to $.239 for the one with an income of $330 per family per year. The single man who spent 50 cents per day is in different cost conditions. One-third spent less than $.10 per day for food per adult.

The diet described above costs about $.10 per person per day. However, one must assume that most of these families were not able to buy at the cheapest prices and that they did not understand the diet values of different food. Accordingly, if we allow 20-25% for inefficiency in selection and preparation of food—an estimate which is not unreasonable since coffee, which they drink in great quantities, has not been included in this diet—we are led to conclude that the diet for these families during 1934 was at or below a constant maintenance minimum.

The Influence of Extreme Poverty

The analysis enables us to see the influence which extreme poverty (not absolute starvation) has upon expenditures and living conditions. Sorokin has summarized the social effects of actual starvation, a factor leading to extreme social demoralization, which we need not discuss here.[4]

It should be noted that the percentages of expenditures used for food by the poor, comfortable, well-to-do, and wealthy classes seem to follow the law of diminishing utility. The expenditures in percentages are: 60.31, 59.28, 54.77, 49.12, and 35.99. If the entire group of families studied are further differentiated (as we have just done), the following results are obtained:

Economic Group	Total Number of Families	Percent for Food	Other Expense per Adult Equivalent	Amount for Food per Adult Equivalent
Poverty 1	5*	77.1	$12.20	$32.00
Poverty 2	5	53.7	48.40	44.30
Poverty 3	4	58.7	48.60	68.90
Poor	25	59.28	48.34	68.92
Comfortable	25	54.77	75.59	79.41
Well-to-do	34	49.12	95.16	91.86
Wealthy	14	35.99	201.55	113.32

* One poverty family not included.

It would seem that under conditions approaching starvation all other expense drops to an absolute minimum and practically all available income goes for food. When income increases slightly, all expenditures mount but those for items other than food increase most rapidly until the individual is clothed, sheltered, and protected from the elements. After this level, expenditures for other purposes stabilize themselves and food expense increases most rapidly until hunger is satisfied. After this hunger diminishes in perspective and expenses for items other than food mount most rapidly.

If this be a true picture, it would seem that there are no stable laws of the distribution of food expenditure under conditions of general undernourishment. There are only *tendencies.* These tendencies involve a willingness to forego all commodities except food rather than starve. However, this bent is biased by the fact that the society does

[4] Sorokin, P. A., *Contemporary Sociological Theories,* New York, 1928, pp. 627-632.

not permit absolute public nakedness. Furthermore, the extremes of weather as well as lack of food may menace survival. The individual shows a predisposition to adjust to a minimum of these necessary other conditions and to spend all funds remaining for food. As income increases, food expense increases also but the individual shows a propensity to compare the satisfactions derivable from increases in food with those from other expenditures. Since non-food expenses were cut most drastically to escape starvation, it is probable that these will increase most rapidly for awhile. After sudden increases in these other expenditures, many of which, such as a suit of clothes, a rental of a house, or a form of protection, consist of large units and cannot be bought in small quantities, these desires stay relatively satisfied for a period during which food expense again increases rapidly.

These are only tendencies because man must adjust himself to variant sets of conditions. Under some circumstances it is impossible to reduce "other expenses" as drastically as under the simple conditions of the Cuban. In some societies, such expenses for items of living other than food may increase more gradually by small units. In general, however, the above tendencies indicate the fundamental factors in the behavior of men seeking a living under straitened circumstances.

CHAPTER VII

The Rôle of Housing

Housing as object of joint consumption.—Various theories of rôle of housing.—Interrelated concepts of house, household, home and family.—Interrelations of housing, clothing, and food.—Influence of physical structure of house upon standard of living.—Attribution of social pathology to bad housing. —Different values involved in house and home.—Analytical summary of evidence pertaining to social effects of housing.—Studies of relations of housing and delinquency.—Studies of relations of family and delinquency.—Conclusions based upon these studies.—Problem of direct influence of housing upon social conditions.—Limits of such influence.—Relation of housing to economic and social stratification.—Home as element of non-material standard of living.—House as index of plane of living.—Analysis of social structure a prerequisite of reform.—Stability of home as social mechanism.—Inverse correlation of areas of bad housing and family solidarity.—Indices of family solidarity.—Importance of symbolically permanent attachment between family and hearth.—Relations of home and character.—Conclusions directly bearing upon contemporary problems.

Food, clothing, and some other goods are ordinarily consumed individually even though they may have joint implications. Housing, with its appurtenances, is generally an object of joint consumption, although sometimes a single individual occupies a house by himself. Furthermore, the influence of the joint use of housing, with its particular emphasis upon the family, gives a greater joint implication to consumption of food and clothing than would otherwise be expected. In the individual budget, however, we must consider housing with its associated behavior as the major single item of joint use.

Housing has entered into the theory of the standard of living from several points of view. In most cases, the group living in a house has been taken as a basic unit of study although a few investigators attempt to differentiate between the *family* and the *household*. A large number of studies cover the physical characteristics of the home or of the house, basing their work to a considerable degree upon the theory that there is a relation between the physical structure of a house, its location and conveniences, and the well-being or the personality of the people. On the other hand, certain investigators use the expenditure group as a unit for study, and divide the use of money into that spent at home and that spent outside. These investigators nearly always imply that the degree of contact with the outer world is an important measure of the standard of living. The so-called advancement and educational expenses allow for a high proportion of extra-home life. To the extent that these extra-home types of behavior are used as indices of "improved living," it is implied that life in the larger community is preferable for the ultimate highest development of character over the prosaic relationships to be found in the residence. Thus, it is to be seen that this general idea conflicts rather sharply in its implied system of values with the theory that the material condition of the home and its surroundings are the important factors in "good living."

Still other theories of the standard of living involve the home especially in the fields of rent, home-ownership, family industries, and family organization. Certain investigators claim to find a relation between the well-being and the proportion of income used for rent or for home-ownership. In addition, a great deal of consideration has been given to the advantages and disadvantages of various types of family organization. The "patriarchal family" has been a favorite subject of discussion when considering the family budget. It is implied that too rigid relations, particularly of subservience, between the male head of the household and the wife and children destroy many of the more desirable values of life. Opposed to this idea are to be found the theories of the "Confucianist school of sociologists," including Le Play, who maintain that good order within the family and proper respect by the younger generation for the old generation is the *summum bonum* of an ideal society.[1] Finally, in the field of home production of goods

[1] Filial piety, according to Confucius, is the most workable method for producing the basic character of the strong "individual."

"To prepare the fragrant flesh and grain which he has cooked, tasting and then presenting them before his parents, is not filial piety; it is only nourishing them. He whom the superior man pronounces filial is he whom (all) the people of (his) state praise, saying with admiration, 'Happy are the parents who have such a son as this!'—that indeed is what can be called being filial." (From *Sacred Books of the East*, Vol. 28, pp. 226-227.)

and services for living, there are equally opposing theories. Some maintain that there is a conflict between work in the home and extra-family life.[2] Equally enthusiastic claims are made for "community kitchens" or "specialization for market production," and for the opposite ideas concerned with "preserving the home virtues" or for partly self-sufficing families. In the following discussion, we seek the measure of truth which is to be found in all of these conflicting theories. By understanding them, we hope to clarify the essence of budgetary behavior used for satisfying housing desires.

Distinction Between House and Home

The concept of house is inseparable from those of family and home. The house and household are physical and physico-social structures, whereas the family is a pure social structure. Fundamentally the concept "home" refers to the psycho-social structure which links the family and the house. The house furnishes physical shelter for the family, but the home furnishes psychological and social shelter. The house is the place of physical organization of the inner core of the family but the home is the place or the form of its psychological organization. The house furnishes the fireside but the home includes certain psychological relations between the family and the fireside which tend to give the combination of the two an emotional, a mystic, and a value connotation. A home knits family and house into an institutionalized scheme of values and relations.[3] When one examines most animal species, he notes that they have certain basic forms of organization connected with the life history of the species. Within the human species the family is the basic unit.[4] It evolves all of the fundamental types of social relations which come between man and woman, parent and child, sibling and sibling, the old and the young, the employer and employee, the master and slave, and the governing and governed. All of these types of hu-

[2] See Zimmerman, C. C. and Frampton, M. E., *Family and Society*, New York, D. Van Nostrand, 1935, Chapters XXVI and XXVIII.

[3] See here especially Henry Bordeaux, *Les pierres du foyer*, 13th ed., Paris, 1916, pp. 321 ff *et passim*.

[4] Status, a legal concept for social organization, arises primarily out of the family. See Koenigswarter, L. J., *Histoire de l'organisation de la famille en France*, Paris, 1851, p. 6; and Maine, H. S., *Ancient Law*, London, 1861.

man relations have many expressions outside of the family, but the family is probably the only organization which nearly always involves all of these relations at the same time and repeatedly over periods. This occurs because the family carries on all of the more elementary social functions connected with birth, feeding, giving social status, transmission of culture, the early influencing of behavior, and the regulation of behavior in problems of sickness, death, property rights and citizenship. It teaches people to love and to hate and, at the same time, to direct these emotions. In carrying on these elementary physical and social functions, it has become a social organization with a form largely its own.

The essence of the family is difficult to measure and almost as difficult to understand. It is not "rational" like a code of laws, nor does it move within the range of a single set of motives such as a purely economic institution. A code of laws, for instance, attempts to equate crime and punishment, damage and damages. Theoretically, a misdemeanor is punished less than a felony but each misdemeanor or felony must be met with a similar type of punishment. The differentiation of punishment may be by social class but it is always similar for each class. This may be called "rational" behavior because it seems based upon a purely abstract principle of cause and effect. The family, on the other hand, uses no such abstract principles but meets each situation largely as a unique problem. It may at times punish an apparently minor offence with most extreme measures, and *vice versa*. This happens because the family deals with behavior subjectively rather than objectively. We may call family behavior "irrational" because our so-called rational schemes of logic are based upon the objective relations in the outer or non-family world. Probably the family appears irrational to us because it is so subject to multiple "causation" that we cannot "understand" its behavior as easily as other phenomena.

A somewhat similar comparison may be made between the behavior of an economic institution and the family. If the economic institution fails to pay (function economically), it is abandoned. The family, however, tends to go on whether it functions smoothly or not. That is why the economic institution of the farm family often continues to produce even when it is no longer economically profitable. A factory operates on an eight-hour day and tends to discard the inefficient units. The family operates on a twenty-four-hour day and tends to keep its units whether efficient or not. The processes of the economic unit are derived from shrewd calculation as to the outer environment whereas the drives of family processes come from inside, largely without relation to the outside situation. The family has many complex motives whereas the economic institution probably has few. These are relative degrees of behavior. Ordinarily, we tend to call the economic calculation of cause and effect, or gain and loss, the rational form of behavior. On the basis of this, the family is irrational or multiply motivated.

The family must adjust itself to many different problems and personalities. It must recognize that these personalities are constantly changing. It can seldom approach the same problem twice with the same motives nor can it always clearly understand its own motives. It is built upon suffering, holds itself together by suffering, and always causes suffering when all or some of it disintegrates. However, it is such a part of "the way of life" that the suffering is its own reward. Its internal (sometimes called immanent) processes cause its own disintegration by its provision for other similar units. A parent who gives up his food for another member of the family ordinarily receives his reward only out of the act itself or out of the continuance of the family organization which permits him or others to perform more of the same kind of acts. In spite of the suffering of the family, it is a "romantic" institution, proving the only real romance in life for large numbers of people.

The family methods of operation are often held to be irrational as contrasted with those of the interest groups in the society.[5] It brings all types of pressure to bear upon its members in order to carry out the forms of behavior which individually seem very unimportant. In another period it may use the same pressures upon the same individuals to make them do the very things which were prohibited before. In

[5] The difference is primarily that between status and contract in law. Contract is an agreement based upon a consideration, according to Blackstone. Status involves interests not contractable by the parties concerned. The family is based upon concepts of jurisprudence and natural law wholly incomprehensible to the essence of contract.

any particular period its behavior must be exceedingly elastic in relation to reward and punishment. Its members are bound together by ties which can require, if necessary, the complete immolation of one individual in order to secure what appears on the surface to be the inconsequential behavior of others. It is a spiritual and apparently illogical form of human aggregation which has arisen from human life. It has not often been made rational or logical without tending to destroy it and lessen the chances for the survival of the species. It jealously seeks its own ends without regard for anything except its own egotistical purposes.

The family is largely a value organization for preserving the life of the human species. The units within this system of values, whether they be persons, houses, or modes of behavior, have varied with time and with place but these changes have never been important. Ideas of right and wrong, which form the basic part of any culture, still come fundamentally from the family even in our modern urbanized civilization. However, the family has never completely controlled the whole social organization so that ideas of right and wrong and intellectual learning have always come in part from extra-familial organizations even before the development of the formal public school system. The family is fundamentally a more or less constant unit in society, and the psychological feelings known as the idea of home are but a part of its function. This is contrary to the evolutionary concepts of family and home which have so long dominated the field of "scientific" thinking. However, these evolutionary theories only try to make an essentially illogical organization logical. The evolutionary school reads into the past, whether it be the history of Roman Law, primitive systems of kinship, endogamous or exogamous practices, myths, or folk lore, things which can not be proved to have existed.[6] The family, with its psychological concepts of home, is probably an ubiquitous human organization. This hypothesis fits the facts better than the evolutionary ideas. This does not preclude long swings in the strength or the weakness of the

[6] The most outstanding example is the misinterpretation of the family law in the Roman Twelve Tables where *uti legassit pater familias ita jus esto* has been held to be a canon of primitive law rather than a fiction to facilitate commerce and trade. See Koenigswarter, *op. cit.*, p. 95 ff.

organization as shown by many periods of demoralization. However, these are probably just changes in the vitality of the same organization and are not changes from one type to another. Thus, it is possible that much human behavior attributed to housing may really be due to changes in the home or family.[7]

In addition to the family, the institutionalized system of values called "home" includes the house with its goods. The house is a physical structure varying with the time and circumstance and with the general level and organization of the material culture. It may be an igloo or a thatched hut, a tent of leather or a stone structure.[8] It may consist of a large building including many families closely organized under the "house father" system or of an apartment hotel in which the house-father economy is absent. It may consist of the farm home with its associated industry or the shopkeeper's rooms above or back of his shop. It may consist of all types and forms of buildings from the single room through the rectangle, the "T" house, the "L" house, the large rural domain, the domestic factory, the single family house in the suburbs of American cities, the castle with its moat in the Middle Ages, or the mansion of today. It may be an isolated dwelling, located in a village aggregate or merely a numbered door in a solidly built city block.[9] It may be built for privacy, for protection from other human beings, for working comfort, for economy, for study purposes, or for entertaining.[10] All of these types of structure exist today and have existed in varying proportions in all civilizations. They all serve as homes and largely gather psychological and emotional coördinates about them to enable the family to achieve its purposes.

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[7] For a further discussion of these hypotheses, see Zimmerman, C. C. and Frampton, M. E., *Family and Society,* New York, 1935, Ch. 2.

[8] See Dixon, R. B., *The Building of Cultures* (New York, 1928, pp. 12-14), for a summary of the divergent and at the same time often incongruous distribution of types of housing.

[9] See LeFevre, M. A., *L'habitat rural en Belgique,* Liège, 1926, pp. 159 ff.; Flach, J., *L'origin historique de l'habitation et des lieux habites en France,* Paris, 1899; Demangeon, A., "La géographie de l'habitat rural," *Annales de Géographie,* Vol. 36, 1927; and Sorokin, P. A., Zimmerman, C. C. and Galpin, C. J., *Systematic Source Book in Rural Sociology,* Minneapolis, 1930, Vol. I, Chap. 5.

[10] For some of these variations in the same society, see Avenel, G. d', *Le nivellement des jouissances,* Paris, 1913, Ch. V.

We can now see what comprises a home. It is a psycho-social structure built about a physical structure (house), either temporary or permanent, which is used as the shell for carrying on family functions. When the functions of the family include a domestic industry, such as agriculture or handicraft, the home takes on a dual purpose, that of the family and that of the industry, but primarily the home includes only the psychological and physical coördinates which carry on the family objectives. These family objectives may include procreation, feeding, living together, cultural transmission, and the psychological and physical development of its members. To the extent that the family needs protection from the elements, other human beings, or animals, it must have a shelter. The house will be a sacred institution in so far as the people invoke the mystic aid of the gods to carry out their family functions. A varying psychological feeling will encompass the physical structure of the house in so far as the family needs a home.[11]

Influence of Housing

In other chapters, food, clothing, and other desires are shown to be of great importance in the standard of living. These are primarily physical. In this discussion of housing, we may appear at times to belittle the importance in the standard of living of the house as a physical structure. This view may seem inconsistent with the analyses of food and clothing. The similarity between food, clothing and housing lies in the fact that they are all unimportant (in the non-material standard of living) as mere physical objects, but derive their importance from the symbolic values given them in the social milieu. Thus, if one's house is belittled by the members of one's social group, one's personality is likely to be adversely affected. In another society the same type of house might be highly regarded, in which case one's personality would be influenced accordingly. In this respect, the rôle of housing is really closely allied with that of clothing and food in its influence on the personality and hence on the non-material aspect of the standard of living.

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[11] See Bordeaux, H., *Les pierres du foyer,* appendix on "La voix de la maison," p. 333; also Ribbe, Charles de, *Les famille et la societé,* Paris, 1874, Vol. I, p. 219 *et passim.*

The difference lies in the fact that the house is usually an article of joint consumption and hence is more closely connected with family solidarity. As a result, in spite of the great meaning given to food and clothing, the house assumes a higher proportion of group significance. This is a difference in degree, but the intrusion of the family into consumption of housing immediately turns the emphasis away from material and more toward social factors.[12]

Omitting for the moment these psycho-social relations, let us consider the influence of the physical structure of the house upon the standard of living. It appears that among civilized people the luxury of this physical structure is closely allied to the net amount of consumer's goods or wealth at the disposal of the individual. The wealthy have always built more elaborate houses than have the poor. When, at any particular time, one views the standard of living of the entire population, it will appear that the type of house is more a result of economic well-being than a cause of a higher standard of living. Consequently, we need not yet claim that the physical structure of the house is of primary importance in the standard of living.

Secondly, some of the fundamental influences upon human behavior generally attributed to housing are often functions of the family and the home, and not of the house. It is probable that much of this behavior attributed to housing is due to changes in the family or to variations in strength or weakness of the home as a social institution. Poor houses may contain weak families or so-called "undesirable" home conditions, but these may not be due primarily to the housing structure. Variations in the standard of living can only be attributed to the house itself if it is proved that the housing structure or type is closely related to changes in home and family life. If the above contentions are true, then much of the literature on housing reform presents conclusions concerning the total standard of living which are not justified by the data.

A third important problem is the relation of the family to the physical structure. This is different from the relation between the

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12 The significance of this is seen in the famous statement by Joseph de Maistre: "La patrie . . . est une association, sur le même sol, des vivants avec les morts et ceux qui naitront." See Bordeaux, *op. cit.*, p. 14.

family and a *type* of physical structure. Most of the discussions of housing suggest that home-ownership or the low mobility which comes from a relatively permanent attachment between hearth and family exercises a more fundamental influence than that arising from the fact that the home has particular physical conveniences. Many of the investigations which imply that housing conditions are closely related to the total standard of living, include home-ownership, low mobility, density of population, cleanliness, size of house, its physical equipment, its location and its outside environment in the one idea of "housing." It may be suggested that permanent attachment between hearth and family is distinctly separate from the physical structure of the house. Unless types of physical structure tend to weaken the lines of attachment to one house, there apparently is no important relation between the physical character of the house and the standard of living. Such variations in the physical structure of the house usually have only an incidental and an unimportant meaning in the total standard of living. Thus, in the problem of housing, it is probably not the physical structure but the relations in the psycho-social home which primarily determine the non-material aspects of the standard of living.

Yet the author of one of the most recent works on housing frankly admits that he has based his study upon "the distinct preconceived idea that the chief factor of the modern housing problem is physical structure."[13] He represents housing as lagging culturally behind the technical advances in materials and applied mechanics. The rationalization of methods of house production he maintains is hence the basic problem, while the factors of custom, standards of living, public welfare and the like are simply of secondary importance. Associated with this attitude is the view that the character of a dwelling makes its own impression upon the individuals living in it.[14] It is upon the basis of a belief such as this that many contemporary studies of housing imply that the physical structure has a physical effect on the behavior of the individual.

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[13] Bemis, Albert F. and Burchard, John, "A History of the Home," *The Evolving House*, Vol. I, Cambridge, 1933, p. x.

[14] *Ibid.*, I, 463.

All the physical and social diseases of man have at one time or another been attributed to housing. A typical statement is the following:

> Environment leaves its ineffaceable records on the souls, minds and bodies of men, there to be read by all able to understand. A child living its early years in dark rooms, without sunlight or fresh air, does not grow up to be a normal healthy person, but is anaemic, weak, sickly, like a plant grown in the dark. He is handicapped in his school life; his earning capacity is diminished and his resisting power weakened. It is not of such material that strong nations are made. Improvement of social conditions, as indeed of all others, starts with the improvement of domestic life. When there are no homes there will be no nation.[15]

E. E. Wood even goes so far as to state that one-third of the people of the United States are living under subnormal housing conditions and:

> . . . about a tenth are living under conditions which are an acute menace to health, morals and family life, conditions which tend to produce degenerative changes in those subject to them.[16]

In the *President's Conference on Home Building and Home Ownership* (1932), we find it stated that housing is closely related to health, delinquency, crime, industrial efficiency, migration, happy family life, discord between parents and children, type of family organization (patriarchal, matriarchal, etc.), "ineffective children," morals, education, democracy, and so on. In some cases the statements were made with reservations, particularly in the volume which discusses the relations between housing conditions and crime. However, some of the statements are quite positive, such as the following:

> It is doubtful whether democracy is possible where tenants overwhelmingly outnumber home owners. For democracy is not a privilege; it is a responsibility, and human nature rarely volunteers to shoulder responsibility, but has to be driven by the whip of necessity.[17]

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[15] Veiller, Lawrence, *Housing Reform,* New York, 1910, pp. 5-6.

[16] Wood, E. E., *Housing the Unskilled Wage-Earner,* New York, 1919, p. 7.

[17] The *President's Conference on Home Building and Home Ownership* 1932, Vol. 4, p. vii.

This organization is not the only one which makes such claims. The International Labor Office study of *European Housing Problems Since the War* quotes mortality statistics which show a variation of 100% in the general death rate in London between the one- and the four-room domiciles. A study of labor conditions in France concludes that capitalism has failed on account of the squalid homes and living conditions of the workers.[18] Another French investigation attributes the decline of the French population to its poor housing conditions.[19] An earlier analysis finds that the decline in general mortality in the last half of the nineteenth century was due to improvement in housing conditions.[20] Other studies attribute the depopulation of the rural districts in Europe to poor housing conditions but also indicate the fact that all large cities have high proportions of their population living in inadequate houses.[21] Still others claim that poor housing (in the sense of physical structure) increases labor turnover and reduces productive efficiency. Royalty is quoted as follows:

> If a healthy race is to be reared, it can be reared only in healthy homes; if infant mortality is to be reduced and tuberculosis to be stamped out, the first essential is the improvement of housing conditions; if drink and crime are to be successfully combated, decent, sanitary houses must be provided. If "unrest" is to be converted into contentment, the provision of good houses may prove one of the most potent agents in that conversion.[22]

We see at once that the house implies different kinds of value depending upon the viewpoint of the particular individual. Some persons think of it purely as a physical structure whereas others include additional ideas of home and family. In a statement by a former President made at the Conference on Home Building and Home Ownership, occurs the following:

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18 Pelloutier, F. and M., *La vie ouvrière en France,* Paris, 1900.
19 Rey, A. A., *Le cri de la France: des logements!* Paris, 1912.
20 Cacheux, Émile, *État des habitations ouvrières a la fin du XIXe siècle,* Paris, 1891.
21 See Kaufman, Moritz, *The Housing of the Working Classes and of the Poor,* London, 1907.
22 Clarke, John J., *The Housing Problem,* London, 1920, p. xviii.

> There is a wide distinction between homes and mere housing. Those immortal ballads, *Home Sweet Home, My Old Kentucky Home, and The Little Grey Home in the West,* were not written about tenements or apartments. They are the expressions of racial longing which find outlet in the living poetry and songs of our people. They were written about an individual abode, alive with the tender associations of childhood, the family life at the fireside, the free out-of-doors, the independence, the security, and the pride in possession of the family's own home—the very seat of its being.[23]

Some think of housing from the standpoint of the moral, political, and economic influences arising from the wide distribution of real property and tax responsibility in a capitalist society. Others, when they approach the subject of housing, think of the density of the slum population found in great cities. Still others think of the general outside environment of the house, home, or family. A large number of investigators consider chiefly the number of persons living in a room.[24] To others it is a problem of domestic art, town planning, beauty, and so forth, and finally, housing for some persons, means any social characteristic which can be connected with residence whether it has any causal significance or not. Such, for instance, is the attitude expressed in the study in Scotland by MacKenzie and Foster (a statement which has been quoted with approval by many authors) to the effect that the weight and height of children is causally associated with the type of residence. MacKenzie and Foster conclude that:

> It cannot be an accident that boys in one-room houses should be 11.7 lbs. lighter on an average than boys from four-room houses, and 4.7 inches smaller . . . girls, 14 lbs. lighter and 5.3 inches shorter.[25]

Similar conclusions concerning housing and physical conditions were reached for Germany where it is contended that the difference between

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23 *President's Conference on Home Building and Home Ownership,* Vol. XI, p. 2.

24 See Breckinridge, S. P. and Abbott, Edith, "The Housing Problem in Chicago," *The American Journal of Sociology,* September 1910, Vol. 16, p. 2.

25 See Aronovici, Carol, *Housing and the Housing Problem,* Chicago, 1920, pp. 12-13.

the physical fitness of the rural and urban recruits was due to housing conditions. Furthermore, the increase in criminal assaults against children between 1882 and 1904 in Germany was attributed to housing.[26] In an investigation published in 1903, it was claimed that alcoholism, increased mortality, and contagious diseases were to be directly attributed to housing conditions.

> Everyone acquainted with the conditions feels that the control of the housing problem for the working classes is the absolutely necessary condition for the success of every other social reform.[27]

Conclusions similar to those enumerated above have been reached for Switzerland, Austria, and most of the other European countries.[28]

Housing or Family and Character

In order to probe this problem adequately, it is necessary to give an analytical summary of the evidence supporting and contradicting these conclusions. Work of the same nature was done earlier by Laspeyres in his investigations of the relation between housing and morality. A brief summary of his discussion follows.[29] He based his study largely on Paris, approaching the investigation with the belief that physical housing was a factor in moral standards. He first summarized the data from an investigation made in Paris in 1849. Part of this study involved a survey of 2360 light-housekeeping establishments which were divided into four classes according to the conditions of the homes: good, fair, bad, and very bad. The conduct of the workers in these dwellings was also divided into four classes, ranging from the honest and thrifty worker to the lowest class who spent their time drinking, quarreling, and stealing. These 2360 homes furnished no statistical proof that there was any connection between the physical qualities of the structure and the behavior of the people. A similar study with the same results was made by the Paris Chamber of Commerce in 1860. Thus, on the basis of *individual families* no indica-

[26] See *Jahrbuch der Wohnungsreform, 1908-1910*, Göttingen, 1911, pp. 11-15.
[27] See Jaeger, Engen, *Die Wohnungsfrage*, Berlin, 1902, Vol. I, pp. 93-104.
[28] Rost, Hans, *Das Moderne Wohnungsproblem,* Kempten & Munich, 1909.
[29] Laspeyres, Etienne, *Der Einfluss der Wohnung auf die Sittlichkeit,* Berlin, 1869.

tions were found that good behavior and good housing are associated or that conversely bad behavior and bad housing were correlated.

On the other hand, a large number of investigations were made during this period which correlated districts differing in types of homes with crime rates, and other indices of behavior in these districts. On the basis of these, the following conclusions were reached:

> The higher the percentage of good dwellings in a district is above the whole average for Paris, the higher will be the percentage of good behavior in that district compared with the average of all Paris.

Exceptional districts were found in which there were more than the average number of good dwellings and at the same time more than the average number of anti-social forms of behavior. Furthermore, good housing apparently was less highly correlated with good conduct than bad housing with bad. The influences were somewhat different for women than for men. The following table presents typical statistical results.

RELATIONS BETWEEN HOUSING AND BEHAVIOR FOR PARIS 1849–1860

Variation in Housing	Variation in Anti-social Behavior for Males	Variation in Anti-social Behavior for Females
35% above average	48% above average	20.7% above average
45% above average	51% above average	20.5% above average
15% below average	50% below average	19.0% below average
26% below average	46% below average	22.0% below average

Further studies are reported, one of which classified the workers in two groups: those who live with their employers and those who live in furnished rooms. In this study it was found that living with an employer was an important influence in promoting moral behavior, regardless of the quality of the furnished rooms. However, the men who lived in furnished rooms away from the employers' homes had better records for "good" behavior than the women who had this freedom. The author also attempted to correlate the conduct of the workers with ownership and with rental of their furniture. He concluded that ownership of furniture is an influence favoring "good morals" but indicated that marriage is an important consideration because it was mostly the married persons who owned their own furniture. He finally suggested that housing is a factor in behavior but limited his statement by saying that it is only one of a number of important influences.

Thus, it can be seen that as soon as one analyzes the problem of the relation between physical housing and the total standard of living, its complexity becomes evident. In the first place, direct positive relations between housing and moral or personal behavior for individual families are difficult to demonstrate. The chief conclusions seem to be based on rather broad statistical correlations which permit many other factors to influence the results. Some of these disturbing factors are marriage, mobility, supervision by the employer, community standards of behavior, property ownership, and other indices of changes within the family, the home, and social organization as well as in housing. A typical illustration of this is to be found in the results concerning the influence of housing upon height and weight in Scotland. It is already fairly well established that height and weight are physical functions closely related to race. Since the natives of Scotland are tall, it is to be expected that their children will weigh more than the average (including non-natives) because the correlation between weight and stature is close during the earliest years of life. This correlation exists among adults also but by no means as closely as among children. Since the migrants to these Scottish communities from the non-Scotch people enter predominantly into the lower classes and since these migrants are most often of a shorter stature and of less weight than the Scottish people, it is easily seen that the number of rooms in the house would be closely related to the height and weight of the children. The heavier people (natives of Scotland) predominate in the more well-to-do classes and, at the same time, can afford dwellings with more rooms. This could be predicted from R. Livi's law of the migration and selection of population and seems to be a more reasonable and logical explanation than that of the physical structure of houses which is given in the numerous studies of housing reform.[30]

[30] See a discussion of this whole problem in Sorokin, P. A. and Zimmerman, C. C., *Principles of Rural-Urban Sociology*, New York, 1929, Ch. 4; and Sorokin, P. A., Zimmerman, C. C., and Galpin, C. J., *Systematic Source Book in Rural Sociology*, Minneapolis, 1932, Vol. 3, Ch. 17.

This same difficulty was stated by the committee on housing and delinquency for the President's Conference mentioned above. The introductory paragraph notes this problem as follows:

> The effect of housing conditions upon the problem of delinquency and crime is a subject concerning which there is little conclusive statistical material. For the most part, the available data are of a rather general character and do not provide a basis for drawing conclusions regarding the causal significance of housing conditions in delinquent behavior. Consequently, this report is necessarily very tentative in character.[31]

In later pages of this report, it is shown that the areas of high incidence of crime are also areas of "unhealthy" social conditions such as unattractive and crowded housing, poverty, vice, and anti-social cultural traditions. Since these factors are nearly always associated with high delinquency areas, the committee seemed unwilling, at first, to conclude that the housing alone is responsible.[32] Not only was there difficulty in determining the most important factor but also it was difficult to determine which are primary and which are secondary. They found that delinquency was most prevalent in the areas immediately surrounding the business section of the city and that this was also a section of "bad" housing. However, home-ownership and the proportions of the population that were married also varied. The delinquent areas were filled with tenants and had high proportions of single persons living alone.

The general problem of the relation of the "broken home" (in which the death of one or both parents, divorce, desertion, or separation of parents are used as indices of family disorganization) to delinquency has been studied by many investigators.[33] Some simply compare the proportion of broken homes among delinquents and non-delinquents whereas others analyze the problem more thoroughly. Breckinridge

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[31] Vol. VIII, p. 13.

[32] Vol. 6 of this report edited by J. M. Gries and James Ford. The committee which dealt with delinquency and housing included C. R. Shaw, C. E. Gehlke, Sheldon Glueck, A. W. Stearns, and E. H. Sutherland.

[33] S. P. Breckinridge, Edith Abbott, E. H. Shideler, John Slawson, William Healy, Augusta F. Bronner, Clifford R. Shaw, Henry D. McKay, Cyril Burt, and a number of others.

and Abbott investigated the background of 14,183 delinquent children who appeared before the juvenile court in Cook County, Illinois, between 1899 and 1909.[34] In this study "broken family" situations were found in the homes of a great number of these delinquents. A special study made of 741 cases in 1903-04 showed that one or both parents were missing or were insane for 43.3% of the delinquent boys and 77.1% of the delinquent girls. It was finally concluded from this analysis that the problem of delinquent children lay more in the family conditions than in any physical phase of the environment. Inadequacies of family life might have been slightly related to defective housing conditions but in many instances delinquency was not associated with imperfect housing.

A more thorough study of the relations between family disintegration and the delinquent boy was made in 1914 by Ernest H. Shideler. Through the use of questionnaires concerning familial conditions of boys in institutions for juvenile delinquency in 32 American states, he found that 50.7% came from homes which did not have normal families—both parents living together. The conclusion was reached that "over one-half of the boys of the state industrial schools in the United States come from broken homes." Corroboratory data are given for Great Britain and for a number of earlier studies in the United States. In England and Scotland, for instance, the parents of 55.45% of the delinquent boys came from this type of abnormal family situation. An attempt was made to compare these proportions with families of children in the whole population. It was concluded that only about 25% of the boys in the total population lived in such broken families. The computations of Shideler may be questioned because he makes no allowance for the differences in the age distribution of the delinquents with the total group. Nevertheless, it seems evident that a higher proportion of delinquent than of non-delinquent boys have one or both parents missing.

Further evidence that the family situation is more closely related to the incidence of delinquency than are housing conditions is found in the rural-urban comparisons which Shideler presented. In the urban

[34] Breckinridge, S. P. and Abbott, Edith, *The Delinquent Child and the Home*, New York, 1912.

sections of the United States only 41.5% of the delinquents came from broken families as contrasted with 58.7% in the rural sections. In Chicago and New York only a third of the delinquents came from families in which one or both parents were missing. In Scotland, which is rural, two-thirds of the delinquents came from families with one or both parents missing as contrasted with approximately a half for the delinquent children in England, which is more urban. These statistics can be interpreted in a number of ways. Most probably they indicate that among well-integrated families which, as in rural areas, provide a large measure of the means of social control, the permanent absence (through divorce, desertion or death) of one or both parents results in greater demoralization than among less-integrated families. The broken family thus accounts for a greater proportion of delinquency in rural than in urban areas.[35]

In another study of the delinquent boy, John Slawson analyzes the environment, intelligence, and other factors of delinquency. He found that 45.2% of the families of the delinquent boys studied had one or both parents missing. He indicated, moreover, that only 20% of the families of the children in New York City public schools were "broken." Other comparative data showed even a smaller percentage of broken families among children in the United States as a whole. His coefficient of association between delinquency and abnormal parental relationships was +.30. That the family was a significant factor is shown by the fact that families with an absence of one parent either by death, desertion or divorce did not have the same association rate with delinquency as those with both parents absent. The coefficient of association of delinquency and families with the mother absent through death was +.27, and with either parent absent through separation or divorce +.27 as contrasted with +.38 for the death of both parents.[36]

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[35] Shideler, Ernest H., "Family Disintegration and the Delinquent Boy in the United States," *Journal of the American Institute of Criminal Law and Criminology* 8 (5): 709-732.

[36] A critic wrote that, "The author uses coefficients of correlation without the probable errors in Chapter VII as well as elsewhere. This is poor statistics." In answer I will say that, after a number of years of work in the use of statistical methods in the social sciences, I doubt the great value of probable, standard and other errors. I value statistical methods in Sociology most highly but after all they are not perfect and exact tools of research. Nor do probable errors make them more exact.

These associations are not high, however. Slawson indicates that other important factors, such as defective intelligence, must be taken into consideration along with particular environmental factors. Furthermore, the analyses which use only broken families by no means measure the intangible factors in family life which are responsible for much of its disciplinary influence. Nevertheless, the abnormal family is positively associated with delinquency; while defective housing (as measured by number of rooms per person or number of persons per room) in this study shows no relations with delinquency. Slawson concludes that there is no preponderance of over-crowding in the houses of delinquent boys from New York City as contrasted with the houses of non-delinquent boys of the same environment. Slawson also concludes that there is an association between abnormal marital conditions and delinquency. Delinquent children have 3.2 times as great a proportion of step-parents as non-delinquents. On the other hand, gainful employment of the mother, indicating a condition of poverty which is probably associated with defective physical housing bears no relation to delinquency. As a matter of fact, for the same social class there were more working mothers among the non-delinquents than among the delinquents. Size of family was reflected in delinquency in that delinquent children came more often from large families (*i.e.*, with 7 or 8 children) than did non-delinquents.

Healy and Bronner have contributed an important series of studies which throw light upon the relationships of family situations, housing and delinquency. They have been studying the problem of the young delinquent over a period of years. They find, in general, that delinquency is closely related to home conditions and parental behavior.

> We have every reason to be convinced that the strongest vantage point for attack on the whole field of delinquency or criminalism is in the home.[37]

They note, however, that an important factor at all times is the family rather than the physical qualities of the home.

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[37] Healy, William, *Honesty*, Indianapolis, 1915, p. 23.

> We have observed mental conflicts about parentage at the root of various forms of misconduct.[38]

In another study they hold that:

> We are far from feeling that a mere enumeration of material environmental conditions tells the story of environmental influences important for our present subject.[39]

In their analysis of the psychological factors in behavior, they emphasize that the problem lies basically in the family.

> The experiences and emotional attitudes developed in family life and the individual's inner mental reactions thereto have proved to be matters of the deepest concern for psychoanalysts. They are referred to almost more frequently than anything else in psychoanalytic literature and have found much place in these pages.[40]

They point out that it is easy to attribute the delinquency to the home conditions because the offender generally comes from a home, "but it is pertinent of the scientific observer to ask what makes the homes defective." [41] In their studies of child-placing they pay particular attention to the foster-parents rather than to the house itself.[42] Again, they find bad home conditions for 49% of the boy delinquents studied in Chicago and for 53% of the girls. In four series of delinquents from Boston and Chicago, in each of which 1000 juveniles were studied, they found that respectively 52%, 45%, 42%, and 43% of the children came from broken homes. However, in every case, when they talk about home they are referring to family conditions and not to the physical structure of the home.[43]

Cyril Burt investigated the problem in London on the basis of 200 delinquents and a control group of 400 more delinquents from the same

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38 Healy, William, *Mental Conflicts and Misconduct*, Boston, 1928, p. 213.

39 Healy, William, *Pathological Lying, Acquisition and Swindling*, Boston, 1915, p. 262.

40 Healy, William, Bronner, Augusta F., and Bowers, Anna Mae, *The Structure and Meaning of Psychoanalysis*, New York, 1930, p. 360.

41 Healy, William, *The Individual Delinquent*, Boston, 1915, paragraph 202.

42 Healy, W., Bronner, A. F., Baylor, E. M. H., and Murphy, J. P., *Reconstructing Behavior in Youth*, New York, 1929, p. 106.

43 Healy, W., and Bronner, A. F., *Delinquents and Criminals*, New York, 1926, Chap. 12 and the Appendix.

neighborhoods and residential areas. He found vice in the homes of 26% of the delinquents, poverty in 53%, broken family relationships in 58% and defective family discipline in 61%. The percentages among the non-delinquent were much less. The coefficient of association between delinquency and poverty was .15; defective family relationship .33; vicious homes .39; and defective discipline .55. The problem of the family was much greater than that of the house.[44]

Shaw and McKay studied this problem more recently for 7278 boys in schools from Chicago areas with different rates of delinquency. For further analysis they included a series of 1675 delinquent boys studied by Earl R. Moses for the Chicago Urban League. They found in general that there are insignificant differences in the ratios of broken homes in areas with different delinquency rates or in the proportion of broken homes between delinquent and non-delinquent groups of boys. From this, however, they do not conclude that the family is an unimportant factor in delinquency but rather that broken homes are an inadequate measure of the strength of the family. In an analysis of particular cases, they find that the influence of the family upon delinquency probably arises more from the subtle and intangible relationships within the group than to some more easily discernible factor.[45]

All of these studies lead us to the conclusion that the important factor in the formation of character and hence in the standard of living is the family and social organization rather than housing.

Will New Houses Alone Change Character?

It is clear that home-ownership and marriage, with their patterns of home solidarity, are two clear indices of the relative strength of home and family and not of housing. The President's Committee solves the problem by concluding that although there are insufficient reasons for believing that an appreciable reduction in delinquency rates will result from an improvement of individual houses if other things remain unchanged, nevertheless a reduction in the delinquency rates

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44 Burt, Cyril, *The Young Delinquent*, New York, 1925, pp. 11, 63-98.

45 National Commission on Law Observance and Enforcement, *Report on the Causes of Crime*, Washington, 1931, Vol. II, No. 13, Chap. IX and X.

will most likely result from a program of improving housing by neighborhood units.

Consequently, if the delinquency rate is fundamentally affected by the decline in home ties and the relative disruption of the family and not by physical housing, even the replanning and the rebuilding of large areas will not improve the situation unless these other factors are changed. A rebuilding of slum areas is seldom, if ever, associated with the continued residence of the same population in the newer houses. There is generally a selection of population or an elimination of the outcast elements from the district. Thus, the President's Commission did not establish any closer relation between housing and character than is to be observed from individual studies. It is primarily a relation between home and family and character. Rebuilt houses will not necessarily recreate family and home life for the slum population.

The same type of general conclusion has been reached in the studies by F. S. Chapin in which a living-room scale is used as a method for measuring socio-economic status.[46] He attempted to use an index of the living-room as a single measure of the socio-economic position of a family. Chapin's results gave a correlation coefficient of +0.69 with the Chapman-Simm's scale of socio-economic status and similar results when the scale was compared with social workers' judgments of the family or with other approaches to the family's social position. Chapin reaches no conclusion from these results except that he is measuring socio-economic position based on a scale of the living-room. His results bear out the earlier suggestion that housing is fundamentally an expression of the material goods at the disposal of the individual and does not necessarily play a causal rôle in human character (the character phases of a standard of living).

It is not advisable to carry this position to extremes because physical housing probably has some influences upon character as will be shown later. Nevertheless, its over-valuation must first be indicated. Chapin reaches the same negative conclusions in his discussion of a study by R. C. White on "The Relation of Felonies to Environmental

[46] See Chapin, F. S., "The Meaning of Measurement in Sociology," *Proceedings of the American Sociological Society* 24 (1930) :83-94.

Factors in Indianapolis." [47] White established approximately the same type of distribution of acts of felony in the areas adjacent to the business zone of Indianapolis as did the investigators of the "Chicago School of Sociology" in the concentric circles about the business section on the lake front in their city. Those who committed felonies lived chiefly in a concentric zone about the center of the city and decreased proportionately in the concentric areas nearer the outskirts. Chapin indicates that:

> The history of thought about crime causation has passed beyond the hypothesis that the chief cause is the defective-minded individual, and it has now arrived at the hypothesis that environmental factors are the chief causes of crime. I would suggest a new interpretation of the environmental hypothesis, one which admits that passive environmental factors (functioning as surroundings, situation, and so forth) play their part, but an interpretation which emphasizes active crime promotion as an organized business. This dynamic causal factor has been too long neglected. If accepted, it represents, in my opinion, a more realistic approach to crime, and if this proves to be true, the results of study on this hypothesis are likely to lead to better understanding.[48]

The same general explanation is suggested by the analyses of criminality in down-town slum areas. Taft made such a study for Danville, Illinois, where the spacial distribution of crime was almost identical to that described for other large American cities. In this case, the place of birth and previous crime records of criminals were considered. It was found that:

> . . . more than two-fifths of the adult resident felons committed from the city in 1928, 1929, and 1930 and a larger proportion of those committed from its areas of delinquency had criminal records before coming to Danville.

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[47] See *Social Forces* 10(4) : 498 ff. Here again it is the social organization and not the housing which is given credit for the primary and fundamental co-relationship with the felony rate (index of a low non-material standard of living).

[48] *Op. cit.*, pp. 510-511.

In addition, there were others who had "bad reputations" before coming to the city and still others who were members of families having other criminal members. A careful study shows that the delinquency areas (areas of bad housing) were selective of a great deal of the criminal and anti-social elements found therein.[49]

Most convincing of all, however, is the careful study of *Poverty, Nutrition and Growth in Scotland* by D. Noël Paton and Leonard Findlay.[50] This analysis summarizes the previous conclusions concerning slum areas, housing, density per room, air space per person, etc., and then tests the results by careful analyses of the slums of Glasgow, Edinburgh, Dundee, rural coal mining areas, and agricultural districts.

The authors indicate that previous writers attributed the relatively small size and weight of the slum child to poverty. However, all these studies compare two classes who differ in many other conditions besides income and one of its associated factors—housing. A summary of many studies for Glasgow shows that the mortality rate in houses of one or two rooms was three times that of five or more rooms. A summary of the death rate from nervous and nutritional diseases disclosed a five-fold difference between houses of five rooms or over and one or two rooms. However, their study showed insignificant correlations between income and both weight and height. They also attempted to measure housing conditions by correlating air space with height and weight, recognizing, of course, that the rapidity of replacement of air was as important as the actual air space per person. For children of less than one year of age, the correlations were not significant, and above one they were barely so. They summarized the results with the statement:

> But the size of the correlations does not justify the suggestion that in these homes overcrowding is a dominant factor in influencing the nutrition and growth of the child."[51]

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[49] See Taft, Donald R., "Testing the Selective Influence of Areas of Delinquency," *American Journal of Sociology*, March, 1933.
[50] Medical Research Council, *Special Report Series No. 101*, London, 1926.
[51] *Ibid.*, pp. 133-135.

In a similar way detailed studies were made of diet on the general theory that poor physical housing, slum conditions, and low diet were all functions of a more general variable called low-income. They found, contrary to general belief, an absence of any correlation between the weights of the children and income. Such relations as were found were said to be "manifest over a comparatively small range." After a careful analysis of the problem of the slums, the agriculturists, and the coal miners, summarizing in most cases comparative studies over the last quarter of a century, the conclusion was finally reached that the variations in physical conditions among the Scotch people were fundamentally due to heredity and maternal efficiency and care. The total results with their relation to housing were summarized by the following statement:

> The provision of improved housing accommodation by permitting a larger proportion of mothers to care more efficiently for their children and homes might prove to be a beneficial measure. What is not demonstrated is that simple increase of income would be followed by improvement in the condition of the children. Bad parents, irrespective of their incomes, tend to select bad houses, as the money is often spent on other things. The saying that "what is the matter with the poor is poverty" is not substantiated by these investigations which show that the problem of a slum population is far more complex than such a statement would indicate. The results of our investigations, indecisive as many of them appear, indicate that a position must be taken up removed from that of the sociological or political theorist, on the one hand, who believes that a simple increase of income would remedy all evils, and from that of the thorough-going eugenist on the other. The evidence gives too much rather than too little weight to the environmental factors which, theoretically at least, it might be possible to remedy by economic adjustments.[52]

Conclusions on the Influence of Housing

Much more evidence could be presented and many hundreds of studies could be reported. In general the many other factual investiga-

[52] *Ibid.*, p. 305.

tions of these problems support the same conclusions despite some contentions to the contrary. The physical characteristics of the house vary roughly with the economic and social position of the individual. We are not led to conclude that the variations in characteristics of individuals or that traits associated with income or social position are due to housing.[53] There are, of course, regional differences in housing, but this is not the problem under consideration. As R. B. Dixon has shown, even these regional differences are often illogical and do not fit the apparent needs of various groups as we see those needs.

The important environmental factors in non-material standards of living seem to be due to changes in the family structure, its solidarity, and the "fund of magic" called "home." Once some kind of house is provided, the important factors in the development of a home are not found in the physical structure of the house, but in the social organization of the relation between the family and its hearth. For instance, conditions of demoralization are to be found, though to a less extent, in elaborate apartment houses as contrasted with poorly built "tenements" probably because the social structure of the apartment does not bind the family closely to the hearth.[54] The hereditary tenant, under an established system of agriculture, assumes most of the social characteristics associated with home-ownership. Even in countries where home-ownership is most prevalent, mobility of the people due to the fluidity of land sales reduces the solidarity of the family and the stability of the home even below that of the more stable "hereditary" tenants and laborers in other parts of the world where homes are not owned. The works by A. W. Ashby show this clearly for England. Consequently, even the theory that home-ownership is the fundamental factor in developing family life has meaning only for such countries as the United States where ownership is one of the chief means for promoting stability and low mobility. The division of large estates into small owner farms in many European countries has, of course, its influences.

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[53] This is contrary to the *Report on the Physical Welfare of Mothers and Children*, Carnegie United Kingdom Trust, 1917, Volume III on Scotland, and to similar conclusions in Volume IV on Ireland.

[54] See the data and conclusions in Rost, Hans, *Das moderne Wohnungsproblem*, Munich, 1909.

Nevertheless, the difference is not as great as between the owner and tenant class in "fluid" countries such as North America, because most of these European countries already have stable conditions among the tenants and most of the laborers. There may be some influence if a worker owns his home, but if he soon sells it and moves to another locality, he is not likely to be more stable than the tenant worker. The problem is fundamentally one of stability, whether achieved through continued home-ownership in one section or by hereditary rights and continued residence on a piece of soil or in a rented dwelling in those countries and areas where ownership is less widespread.

Variations in the plane of living may be measured by changes in the physical structure of the house but for the non-material standard of living it has little cognitive value. Those who can afford high levels of living generally have more elaborate houses because they have the purchasing power to satisfy this desire. For the great mass of the people, variations in housing among the social classes represent variations in taste and in wealth. They are not necessarily "causal factors" in the important changes of the standards of living. Differences between peoples are due to changes in the social structures of the family and the home and not primarily to changes in the physical structure of the house.

A careful study of these social mechanisms should be the first step in reform if a people wish to achieve certain objectives in human behavior. Incidentally, a study of these mechanisms clearly shows the fallacy of the idea that rebuilding houses in the slums will necessarily rebuild the characters of the same demoralized population. The wealthy gangster, bootlegger, labor racketeer, extortionist, killer, and owner of a gambling or prostitution racket are certainly not underhoused from the physical point of view. As long as there are individuals who may become members and tools of these organized criminal agencies, the kind of houses in which they reside or find their headquarters can make little difference.

The main characteristics of these social mechanisms are the relative *strength of the family* and the *development of the idea of home*. The family seems a self-disciplining organization which has its own views as to what is a desirable character or standard of living. There are, of course, many types of families, but that part of the standard of living which deals with the preservation of social order is most generally emphasized by family organizations. The disciplining of individuals to make them conform to social norms, and the willingness of persons to sacrifice voluntarily for the support and maintenance of others during crises are illustrations of such family characteristics. Absence of these two types of behavior is fundamental to the deterioration which arises in many districts and which has been attributed to "bad housing." Demoralized populations are those characterized, to a considerable degree, by persons who are less willing than others to subject themselves to the discipline of the social authorities (parents, priests, religious leaders, and the like). Open antagonism exists between social authorities and a high proportion of the population of the deteriorated neighborhoods.

The second mechanism, that of the home, operates through continuous residence in one place so that the constant relations between certain physical objects and members of the family tend to imbue these objects with a mystic or totemistic meaning. Spirits begin to pervade the objects and the people to feel, consciously or unconsciously, that these guardian spirits have a power over the individual. They will harm him or make him feel "unsocialized" if he withdraws from the purposes of the family. In addition, the constant fixity of relations between the family and the house has a meaning for the whole social system so that family members fall under the control of that régime of public information known as *gossip*. Thus, it becomes more and more difficult for individuals to commit anti-social acts without the knowledge of their families. Family justice is not like justice in the civil or criminal courts because the symbolic relations between the "dominating" and the "dominated" members of the families have entirely different rules of evidence, proofs of guilt, and "court procedures." Thus, magical inhibitions and social pressures of the family immediately influence the conduct of the individual. This type of culture is generally "the missing link" in areas which reformers say "have bad housing." [55]

[55] For the significance of superstition and magic in modern life, see A. M. Tozzer, *Social Origins and Continuities,* New York, 1928, pp. 242-266.

Family Strength and Housing

Family strength may be measured in a number of different ways. A family is defined here as all those living in a household between whom there are symbolic relations so that a certain designated "leader" who represents the stereotyped forms of conduct can supervise their behavior by the use of this magic power. This type of power is sometimes called "affection," "sentiment," or "psycho-social" control. It is the normative element which makes possible parental control through means other than physical coercion. It exists in every family all the time and is the most pronounced example of magic in the creation of social systems. Nostalgia is one of the evidences of the strength of this magic.

Areas of bad housing do not often have a high proportion of the population divided into small family groups in which the members are subject to magical control. These areas are rather places where boarders, roomers, lodgers, groups in furnished apartment houses, and in light housekeeping rooms, etc., compose a large part of the human aggregates which make up or fill the physical structures of the houses or residences. The members of these populations, who are "strangers" living in close physical contact, readily develop a culture which may be considered anti-social from the reformer's point of view. The actual family units residing in the slums are in contact with this type of mores and behavior. The child of the slums is not a home child but a street urchin.

One of the most common complaints of the early housing reformers was that close contact of the two sexes led to sexual immorality. The above analysis, however, gives a different explanation of the problem. Probably seven hundred and fifty million people on this globe sleep under conditions where persons of different sexes and ages occupy the same room, some of whom have socially permitted hetero-sexual intercourse with each other. In but relatively few of these families does sexual intercourse of the socially non-permissible kind develop. One explanation of this is the effectiveness of social control by the family even under conditions of "bad housing."

Thus, family strength may be measured by the proportion of interfamily contacts to the total number of direct physical contacts or face-to-face relations which an individual has during the course of his lifetime. This point is of particular importance for children and young adults. It is during these periods that the magic of family organization receives its development, if at all. These are also the periods in which the individual has an unusual excess of energy and a shortage of worldly wisdom. Three types of problems arise which lead to the making or the "breaking" of the individual: questions of obedience, industry, and sexual relations. Disobedience to parents, if carried to a great extent, removes the individual from the apparently illogical controls of the family to the seemingly logical discipline of the public agencies. If the individual fails or refuses to gain habits of industry or to direct his activities into socially allowable occupations, he sooner or later drifts into socially forbidden occupations or means of livelihood. When the adolescent develops more carnal knowledge and activities outside of family life than is ordinarily allowed under the prevailing social system, he becomes a demoralized person. These three situations—disobedience to parents, indolence or misdirected economic activities, and anti-social sexual conduct—are the important types of social disorganization which may arise within the home and which housing experts seek to remedy.

The fundamental difficulty seems to lie in the social organization. Only those housing reforms which will correct the social organization will influence this situation of demoralization. According to many careful studies, the increase of non-family contacts promotes these forms of demoralization. A great amount of physical contact with strangers, particularly by the young, leads in the long run to an increase of the three types of situations or "problems" discussed.

Family integration is also measured and directly influenced by the birth rate. This does not mean that there are linear relations between the number of children and the strength of the family but rather that, within limits, families which have between three and seven or eight children, depending upon their economic circumstances, possess more solidarity than those smaller, larger, or of non-family units.[56] Conse-

[56] See Durkheim, É., *Le suicide,* Paris, 1897, pp. 289-311.

quently, housing reforms which develop economic rationalization of the type which induces a good many families to accept this minimal biological development often aggravate the situation more than they help.

The home is so intimately connected with the family that the two can only be separated conceptually or analytically. Any development of family solidarity increases the fund of magic which is called "home." However, in addition, there are a number of other factors which also react upon family solidarity. These may be discussed under the headings of permanence, relative isolation, and acquisition of common interests (such as property rights in a homestead).

Permanent Attachment between House and Family

Stability or symbolically permanent attachment between a family and its hearth is exceedingly important.[57] Its influence upon the family has already been indicated in a previous discussion. It explains why the feudal tenant, either in agriculture or in industry, had a high development of the psycho-social magic called "home" in spite of the fact that he owned not one jot or tittle of real property. It explains why one, who makes a panoramic study of the mill villages of the southern states, often finds stabilized home conditions in the most ordinary types of houses, and exceedingly demoralized conditions among some of the dwellers in the better houses. The well-painted orderly houses owned by the mill companies often contain demoralized populations. If the instability of residence of these employees, even though they live in excellently constructed houses, does not permit them to develop an *esprit de corps,* such as that of the home spirit, they are apt to evidence various forms of social pathology. Haggard, demoralized faces often peer out of the doors and windows of many of the well-painted company residences, while peaceful and happy faces are to be seen often in the crude outlying villages where the mill employees own their homes and are in more or less permanent attachment to the industry and the place. The mountaineer in his native habitat may have

[57] Frédéric Le Play thoroughly developed this idea.

only a smoky cabin between him and the elements but his moral conditions and the character of his non-material standard of living are generally found more rigid and stable than those of the floating populations distributed in the mobile mill villages and foothill towns. This occurs despite the better houses and more comfortable economic circumstances of the town and urban groups. In other words, Shintoism, Animism, and Ancestor Worship, which are but expressions of the mysticism which relate hearth or place and family, do not develop among populations unless there are repeated and constant relations between these populations and particular houses or places. Consequently, housing reforms cannot rebuild the home spirit unless their changes are associated with long-time and increased stability of the family residences in these new houses.

Closely connected with this is the relative isolation of a family. This word isolation is used as a sociological and not as a physical concept. In the peasant villages of the Orient, where from 30 to 1000 people live within speaking distance of each other, the families are socially isolated although physically in close contact. On the wide dispersed "isolated" farms of America the families are less socially isolated than in the Orient but have much more physical isolation. Home ties and home spirit depend, in a relative sense, on the development of this long continued social isolation of the family from other families and from non-family individuals. This cannot be achieved by the mere rebuilding of houses unless it is associated with a different social organization. It depends upon fundamental psycho-social factors.

Finally, the acquisition of property rights is, for the great masses of the people, absolutely essential in order to acquire the other characteristics mentioned above.[58] In any society, such as ours in which real property holdings seem the fundamental prerequisite for stability, isolation, and for what the economists call "the character building phases

[58] This is why rural societies, rural peoples, and rural periods generally limit testamentary succession. Most societies generally discriminate between mobile and immobile property in their laws. Maine holds (*Dissertations or Early Law and Custom*, pp. 96 ff) that the fiction of adoption arose from this principle of tieing up family and property.

of economic activity," the prevalence or absence of it has a marked influence upon home life. House ownership in itself is unimportant unless the discipline of acquiring the house has built up family solidarity, increased the stability of the people, and knit those mystic and sentimental attachments between people and place called "home." But like all ideas in the social sciences, this one has its limits. Home-ownership has no "improving" effect on the non-material standard of living if it restricts the birth rate below a certain minimum. People who live in suburbs where it is fashionable to "keep up with the Jones" become overstimulated in respect to housing and create an unstable population. They wish a costly house which they cannot afford, together with the usual obligations and expenses of rearing a family; so the size of the family is restricted. From the character-building point of view the decline in family size offsets the gain in property ownership. Neither is the effect great if the home is achieved with such little effort that its "value" to the people is not developed through sacrifice. All values imply scarcity and sacrifice. Socialist measures for the immediate transferal of homes from the landlords to the tenants do not attain the social objectives generally implied in home-ownership programs. Human character is too complicated to be achieved by such short-cut wholesale methods. Rhetorically speaking, there are only a limited number of paths to righteousness and these may seldom be shortened. This is what is meant by the non-material "standard of living." It implies adherence to any widely accepted code of mores which will give some stability, some predictable element to human character.

Summary

The purpose of this chapter has been to determine what there is in the domestic establishment which leads to the development of that part of the culture which influences character building. It was shown that "good character" arises out of organizations which promote a certain amount of industry, honesty, and chastity considered necessary for civilization. The conclusion is reached that the important variables

are to be found in the strength of the family and in the magic connected with the sacredness of home and not in the physical structure of the house. A number of important subsidiary forms of behavior, such as home-ownership, stability of tenure, social isolation and relative immobility are shown to play a rôle in the development and fixation of these two forms of social organization.

At the beginning of the chapter, several series of "conjugate" principles were outlined. An attempt has been made to find the measure of truth in these conflicting theories. The first problem involved the conflict between extra-home life (extra-family and extra-house life as well) with that part of domestic behavior spent within the confines, or under the direction, of the house, home or family. The second involves the conflict between the "patriarchal" and the "equalitarian" family or the Confucianist and Le Playist versus the "modernist" and "socialist" doctrines about the family. The third and final problem is that of the conflict between domestic and community industry, such as is illustrated by the entire production and preparation of food at home, on the one hand, or the entire dependence on extra-home agencies, on the other.

These propositions deal with the balance between the level and the non-material standard of living and the emphasis which is placed upon one of each pair shows the emphasis which the society has placed or is placing upon these two types of lives. The society which emphasizes extra-domestic life, the so-called equalitarian family, and the community versus the domestic industry is giving increased attention to the level of living whereas the other side of these principles deals with the human character. The implication which one can draw from this is that a choice of one or the other set of factors is a choice regarding the emphasis of one of the other types of living.

If the emphasis of the social order at this particular time is largely, if not entirely, upon material development, then we shall try to go further in the development of extra-home life, of what is erroneously called the equalitarian family, and of other types of non-home industries, like the community kitchens, etc. If, on the other hand, the leaders at the present time are fundamentally interested in problems, such as social stability and character development, solutions of which are inherent in other phases of culture, we must make a different choice for the next as contrasted with the past generation. It is significant to point out that present thinking on the problem is confused. All seem to be seeking a solution to "welfare" problems of human character. These solutions seem to depend upon an increase in the magical relations which accompany home life, domestic organization, and family solidarity. At the same time, we appear to avoid the restrictions of home and family life as far as possible. We do not seem to understand that freedom has its price, and restraint, its rewards.

CHAPTER VIII

Laws of Housing Expense

Complex values implicit in rent.—Various theories as to proportions of income used for rent.—Bases for testing these theories.—Five economic theories of rent.—Surplus theory of rent by Smith.—Differential theory of rent by Ricardo.—Sacrifice theory of rent by Austrian economists.—Productivity theory of rent by Clark.—Opportunity cost theory of rent by Davenport.—Popular and economic rent.—Difficulties in analysis of rent.—Non-economic systems of paying rent.—Among Nomadic groups.—Among hunting, pastoral, and agricultural groups.—Among isolated farm families.—Among urban peoples.—Economic systems of paying rent.—Objectives in paying rent.—Factors in demand and supply of housing.—Rental proportions in countries with different levels of average income.—Rental proportions by economic classes.—Lack of general relations between income and rent expense.—Ramifications of owning and renting.—Comparison of sociologic and economic analyses of rent.—Non-economic sacrifices involved in rent and ownership.—Influence of culture upon rent.—Relations of rent and income in cities.—The insecurity of satisfactions to basic housing values in urban commonwealths.

Rent is a highly complex value involving many considerations in every concrete social situation. Supply and demand, needs, wishes, desires, personalities, incomes, places, the character of the people, and all the stimuli of human life are combined in an *apperceptive mass* of stimuli and response which makes up the housing market. One has difficulty in predicting, on the basis of these complex factors, the housing behavior of a population under given income conditions. Let us first summarize the theories of amounts and proportions used for rent and housing.

The first systematic attempt to construct an empirical or "rule of thumb" law in regard to rent was made by Heinrich Schwabe, editor of the Berlin Yearbook. In 1868, he maintained, on the basis of various collected data, that the law of rent parallels Engel's law for food—the lower the income, the higher the proportion expended for rent, and *vice versa*. Schwabe claimed that: "mathematically speaking, the poorer a person, the greater must be the part of his income used for rent."[1] He maintained that this law is absolute based on income alone and not relative to the social class.

This study was criticized by E. Laspeyres in 1875 on the ground that the percentages were influenced also by social class as well as by income. Laspeyres held that within a social class the proportion used for rent increased with decreasing income, and *vice versa*, but because of these class standards of living one could not compare a clerical worker with a laborer of the same income group.

It was in this same year (1875) that Carroll D. Wright, then Massachusetts Commissioner of Labor, published his conclusion that under conditions of increasing income, "the proportion of expenditures for rent, fuel and light stays invariably the same." This was accepted without much criticism until studies by L. B. More (1905), and R. C. Chapin (1909) of New York families, showed that the proportion used for rent decreased with increasing income. W. F. Ogburn in his 1916 study for the District of Columbia also claimed that rent "fell slightly" with increasing income.

During this time, there were also a number of discussions of the problem in Europe, the most important of which were by del Vecchio and G. Albrecht both published in 1912. Del Vecchio, from a limited study in his *Relazioni fra entrata e Consumo*, thought of lodging as one of a number of expenditures operating under his logarithmic law. The proportions for rent decreased as the logarithm of income or of total expenditures increased. According to him, rent was a response operating in accordance with the Weber-Fechner law of the relation of response to stimulus. Albrecht, in his *Haushaltungsstatistik*,[2] tested both Schwabe's law and Laspeyres' modification on the basis of German data and claimed that the modification applied to the higher groups, both laws to the middle group, and no law at all to those with incomes under 1200 marks. In the higher income groups each class of "income spenders" used a smaller proportion for rent than the one lower in

[1] See Schwabe, H., *Die Verhältnis von Miethe und Einkommen in Berlin*, Berlin und seine Entwickelung Zweiter Jahrgang, Berlin, 1868, pp. 265-276.

[2] Berlin, 1912, p. 113 ff.

economic scale but the broad occupational groups were not comparable. The officials formed one standard, the entrepreneurs another, the *rentiers* a third, and so on. For those with middle class incomes, increases were associated with a smaller percentage for rent, and the various occupational groups were very similar to each other. Below 1200 marks, there were no predictable regularities.

Finally, Friedrich Lütge analyzed the whole problem, dividing the expenditures for housing into: (1) rent, (2) heat and light, and (3) upkeep and furnishings. He concluded that Schwabe's law was fully confirmed among workingmen, less so for salaried employees and not at all for officials. He thought it evident that expenditure for housing depends upon social rank: "the higher the social standing the higher the relative expenditure for housing." [3]

Viewing these conflicting claims and results, one may doubt that there is a law of proportions for house rent. There are three general situations which may form the context studies of the influence on housing rental proportions of variations in income. One is a comparison of two countries in which different incomes, different laws, and different social conditions prevail. A second is within the same country where it is possible to classify individuals living under more similar social conditions but with variations in income. A third arises when the incomes of the masses increase or decrease under conditions of increasing prosperity or depression. Incomes are rapidly depleted in depressions whereas money investments in houses and "great expectations" are more wide-spread under prosperous conditions. Under any one of these three conditions, rentals may involve the same proportion of each income group, a lesser proportion, a greater proportion, follow a curve of increasing or diminishing utility, or fluctuate without regard to "laws." These possibilities present a number of complicated interrelations which must be unravelled before it may be claimed that there is any particular relation between rent and income. First, however, it seems advisable for us to determine what is meant by the term "rent."

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[3] Lütge, F., "Die Wohnungsausgaben und das Schwabesche Gesetz in den letzten grössen Haushaltungsstatistischen erhebungen," *Jahrbücher für Nationalökonomie* 133 (1930): 265-282.

What is Rent?

It should be pointed out that house rent is used here as an index of total housing expenditures. It is the largest item in housing, on the one hand, and all expenditures for housing generally bear a close positive relation to it, on the other. Large and expensive houses generally require high rents and also great expenditures for furnishings, equipment, heating, lighting, and upkeep. The opposite is true for the small and inexpensive house. In the ordinary budget studies, practices vary as to the classification of goods used for the house. On the other hand, rentals are a specific group more easily isolated for study. Consequently, in order to save confusion and, at the same time, to study housing expenditures accurately we survey rental costs alone. Conclusions concerning them will give a fairly accurate picture of the whole behavior of that part of the profile of economic desires entering into housing.

Rent has been one of the most controversial subjects in economic theory. The theoretical treatment has in some cases been over-simplified and in others unduly complicated. For present purposes, the controversial aspects of rent will not be considered. It will suffice to indicate briefly the main lines of the theoretical development.

These are five main theories of rent outlined in economic writings.[4] These are the surplus, the differential, the sacrifice, the productivity, and the "opportunity cost" doctrines. The surplus theory holds that rent is a gift of nature because its productivity is more than sufficient to pay the wages or upkeep of labor and the necessary profits to the entrepreneur. It is a monopoly charge accruing to the landlord who has secured the control of the land. The differential theory, on the other hand, emphasizes relative surpluses made available by the different degrees of productivity of marginal and other lands, and calls these differentials rent. The sacrifice theorists regard rent as a form of

[4] It should be pointed out that all of these five theories of rent are philosophies about a theory of harmony between *natural law* or *law in nature* and the actual behavior of man. Our problem in this work is essentially an inductive one whereas these ideas are essentially deductive. See T. E. Cliffe Leslie, "The Political Economy of Adam Smith," *The Fortnightly Review*, No. XLVII, New Series, November 1, 1870, pp. 549-563.

repayment for the use of an economic instrument belonging to another. In the same way any use of a given instrument must be repaid by rent because of its exclusion from other uses. The productivity theorists hold that rent is the amount of values produced by any group of instruments in contrast to other groups. If a new group be added the resulting difference in productivity is the rental due from this new unit. Rent for land is the difference in production of the total economic unit when this factor is added. Finally, the "opportunity cost" theorists hold that rent is the profit to be expected from the use of an economic instrument for its next best purpose or "opportunity." If the alternative opportunity for a house lot is farm land, its rental tends to be close to its economic productivity in agriculture.

These are all different deductive views of the same phenomenon, an assumed "natural law" accounting for economic resistance. Synthetically, they illustrate a part of the reasoning back of the value process in economics. Individually, they show only the different aspects of this phenomenon, such as happens when the two eyes are not coördinated to make a composite image in perception.

The surplus theory was emphasized by Adam Smith. According to him, rent, as the price paid for the use of land, was necessarily a surplus, a gift of nature, which, when appropriated by man, afforded a monopoly. Land holders could exact a rent payment when there was a demand for its use by producers. Smith distinguished the different uses of land: first, for the production of food, and secondly for aiding the satisfaction of other wants of mankind, such as clothing, lodging, etc. Since the land used for the production of food, according to this author, always produced more than enough to maintain labor and pay profits, the surplus belonged to the landlord. Land used to supply clothing or lodging may or may not afford a rent, depending upon whether the land is in its original crude state or improved. In general, the rent of the cultivated land which produces human food regulates the rent of other cultivated land. He contended that,

> No particular produce can long afford less; because the land would immediately be turned to another use: and if any particular produce commonly affords more, it is because the quality of the

land which can be fitted for it is too small to supply the effectual demand.[5]

David Ricardo, Smith's student, developed the differential theory based on the concept of a margin. He defined rent as "that portion of the produce of the earth, which is paid to the landlord for the use of the original and indestructible powers of the soil." He distinguished between the rent paid for the original powers of the soil and that paid for improved soil which is really a payment for the use of capital. He claimed that rent rises because the supply of land is limited or is not uniform in quality. As a country becomes more populous, the demand for land increases. The best grades of land will be put under cultivation first, but later, in response to increasing demand, other land of inferior grades will be cultivated. With equal portions of labor and capital applied to each grade of land, there will be differences in the amounts of production according to the quality of the land. This differential, measured from the poorest land, is the rent. The least productive increments are the marginal ones, the point from which the differential, or rent, is measured.

Sacrifice theories of rent were emphasized by Austrian economists who emphasize the relation of rent to costs which are reflected in value. In their system, the explanation of rent exhibits a similarity to the concept of interest. It is a "special case of interest from durable goods." They did not declare Ricardo's theory of rent to be wholly incorrect, but admitted the existence of differential rent. To them, it appears only in a limited way; for example, when land is devoted to one specific use. According to them, Ricardo's error consisted in building an entire theory of rent on a partially valid base. It neglected the larger and more fundamental part of the problem which, according to von Wieser, is "general" rent. Differential rent does not enter into costs. It presupposes an abundance of land which is free at the margin and, therefore, becomes a matter of "economic indifference." *General* rent, on the other hand, does enter into cost. It must be so for all land is required to meet existing demand to the extent that some land will be tied up in a given use to the exclusion of some other use.

[5] Smith, Adam, *The Wealth of Nations*, New York, 1901, Vol. I, Ch. XI, p. 246.

> The sacrifice of . . . rent [in one use for that of another] means an outlay of costs which cannot be neglected in calculating the costs. . . .[6]

Productivity theories of rent are principally associated with the name of J. B. Clark. In spite of the fact that he was greatly influenced by the Austrians, he emphasizes the productivity theory of distribution. Each agent of production, according to him, gets what it produces, whether it be labor, capital, or land. He assails the classical theorists for relegating rent to a residual share. He maintains that their theory is contrary to popular notions, for in practical life any instrument of production may earn rent. Interest is the name given to the income of capital, but the income from capital goods is popularly termed "rent." Net rent (the earnings after deduction for replacement) is identical with land rent, but is computed in a different way.

The earnings of all instruments of production are surpluses or differentials measured from the poorest grade of each instrument respectively. Each has a no-rent point. The margin of each instrument is determined by the law of the best combination of instruments. In the case of land the margin is not determined by the poorest land but rather by the rates of wages and interest which determine which grade of land may be profitably used. The product of each instrument is what it adds to the product of the other two that are combined with it. This amount, the product of land as well as that of labor and capital, may be computed directly and is in no way a residual share.

Alfred Marshall gave a wider meaning to the term "rent" than did most of his predecessors. He believed that:

> . . . the rent of land is no unique fact, but simply the chief species of a large genus of economic phenomena; and that the theory of the rent of land is no isolated economic doctrine, but merely one of the chief applications of a particular corollary from the general theory of demand and supply; that there is a continuous graduation from the true rent of those free gifts which have been appropriated by man, through the income derived from

[6] Von Wieser, *Natural Value,* London, 1893, p. 209.

> permanent improvements of the soil, to those yielded by farm and factory buildings, steam-engines and less durable goods.[7]

Marshall carefully selected, enlarged, and modified the theories of his predecessors. He thinks of rent as a surplus, but not in the naive sense of the earlier writers. It is a surplus above cost arising not only in the case of land but also in regard to capital, labor, and consumption.

The income from instruments of production, such as equipment that is let, buildings, and the like, constitute rent, but Marshall prefers, for convenience, to call such income derived from instruments made by man *quasi-rents.* This income differs from interest on capital in that the returns for short periods of time depend on the prices of the product; hence, it has the nature of rent. Dwellings are classified in this category. In the long run, the income derived constitutes interest on the investment, but in any comparatively short period of time the income from houses is subject to the law of supply and demand. Instruments that wear out slowly cannot at any particular time directly influence the supply price.

The "opportunity cost" theory is primarily associated with the name of H. J. Davenport. He views the problem from the point of view of the individual entrepreneur. In a general way, rent is the payment for the use of land and its amount "tends to be proportional to the value of the opportunity." [8] In a competitive society, land is an agent affording a valuable opportunity. In any line of production, rents (as well as wages and interest) express the limitation in the quantity of agents accessible for the particular industry. Alternative opportunities for land operate to limit the supply for various uses. Scarcity of agents result in a relative scarcity of products and consequently prices, as well as the remuneration of the respective agents, are high. The remuneration is a cost in its supply-limiting aspect.

These five major concepts only emphasize some of the different psychological factors in rent. "Rent" is a general term implying many

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[7] Marshall, A., *Principles of Economics,* London, 1916, p. 629. Here Marshall takes the same position as Roman jurisprudence where the two contracts, *Emptio Venditio* or Sale for Price, and *Locatio Conductio* or Hiring for a Consideration, are held to be substantially the same thing and that the rules which govern one may be applied to the other.

[8] Davenport, H. J. *Outlines of Economic Theory,* New York, 1896, p. 76.

types of earnings by the three factors of production: land, labor, and capital. In popular usage, it is a money payment for the use of land and capital equipment. In economic conceptions, rent comprises the earnings that accrue to factors possessing advantages, opportunities foregone, and general productiveness. For our purpose, it is immaterial whether one limits the scope of rent to one factor as did the classical economists, or gives it a broader meaning covering the earnings of all factors as did the Austrians. The fact remains that economists have not differentiated *house* rent but have attributed to it the same nature and behavior as that of other types of rent.[9]

One reason for this failure in discrimination is the fact that economists have been more interested in the problem of distribution than they have been in consumption. House rent is both a producer's and a consumer's problem. In the long run in "Market Competition Societies" an adequate return is expected on investments in dwellings or "economic persons" will cease to build them. Dwellings are fairly durable instruments; it is quite necessary that their earning capacity should not be impaired before they are worn out by ordinary usage. Not infrequently buildings become obsolete due to the pressure of exterior factors. Later construction in a locality may change the nature of the surroundings to such an extent as to impair greatly their earning capacity.

This is the case when commercial interests encroach upon the residential sections of cities. In time the occupants leave to seek other localities which are more agreeable. Their ideas of housing expenditure may thus imply mobility. The old mansions are made over into multi-family structures for it is more economical (from the owner's point of view) to do this than to tear down the buildings and replace them by other structures. The replacement comes in due time, however, but during the transitional period the one-time mansions serve as shelter for a different social class. As R. E. Park put it, these are areas of

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[9] In the same manner, these economists have not differentiated between custom rents and competition rents. Although competition rents are much less general in the world than custom rents, the economists all assume that *Rent* is competition rent. See H. S. Maine, *Village-Communities in the East and West*, New York, 1880, pp. 182-196.

low rents but high land values. Although the buildings were adequate to serve the needs of a single family, they do not lend themselves to the multi-family type of dwelling except at an expense that is economically prohibitive. Consequently, many aspects of housing are sacrificed, such as privacy, economy, ventilation, etc., in order to have low rents which will be adjusted to the low earning power of the present occupants.

The importance of the above theories for the future considerations of rent lies in the fact that they provide a general background which explains why social systems have to be adjusted in one way or another to compensate for the privileges inherent in having a residence. Some of this compensation is achieved by money, some by psychic and physical sacrifices, and some by the sacrifices of individuals inherent in social systems.[10]

If we leave the purely abstract consideration of economics and approach the problem of house rent or the proportion or amount of income paid for a residence, we at once encounter further difficulties. The first problem is to determine the nature of the objective which the individual family is seeking when it pays a popular or an economic rent for residence.[11] The second is to determine whether or not the behavior of popular rent is the same as that of economic rent. Once these two problems are settled, we must then discuss a series of so-called budgetary laws of rent such as the one by Schwabe, the rent law erroneously attributed to Engel, the revised rent law developed by the critics of the spurious law of Engel, and the several other alternative theories of the relation between economic or popular rent and income. Only by solving these problems can one clear up the fog which enshrouds theories of the relation between rent and the standard of living.

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[10] This last part of the sentence means the achievement of that almost indescribable thing known in law as *status* in those societies and those groups (by no means uncommon even today) where *status* implies the right and duty of dwelling in a particular house or on a particular piece of land.

[11] We are using the term "popular rent" to denote economic payments for residential privileges when the individual does not have title to the property and "economic rent" to include all payments for place where the individual is his own landlord. All of the above assumptions are fitted to a society of competition-price in house rentals. The factor of custom or status right is too involved to consider in detail here.

Factors in Rent

There are no general world statistics upon the renting and ownership of residences. The United States Census classifies occupied dwellings into those rented (which constitute more than half of the total), those owned free (about three-tenths) and the remainder which are owned under a mortgage. We can estimate that there are approximately 360 million residences in the world, if we exclude all summer homes and crop-watching cottages from the total and include only permanent winter residences. However, from our standpoint, since we are discussing in one broad category both the concepts of popular and economic rent, it is these 360 million residences which are of interest to us and not only that proportion (between 30 and 50 percent) involving popular rent. Thus, we solve the second problem raised above by indicating, for the moment, that economic and popular rent are fundamentally of the same character. This does not mean, however, that all 360 million families pay economic rent.

Non-Economic Persons. A survey of this 360 million indicates many systems of paying either a popular or an economic rent. These systems are of importance to us because they provide instructive information about the whole problem of types of housing. The first "level of development" is the nomadic tribe of "savages" who wander from place to place within a definite territory and who do not really construct elaborate "houses" in our sense of the term. We really know little about the rents of these peoples because of the conflicting testimony, the relative instability of their residences, the temporary construction of their dwellings, and the difficulties of understanding their social institutions. Hobhouse, Wheeler, and Ginsberg [12] attempted to summarize the property characteristics of several hundred groups according to a division into hunting, pastoral or agricultural groups. These are all more or less nomadic. The lower hunters "have no permanent dwelling, but erect windbreaks, live in caves, or put up very slight and temporary huts of boughs or palm leaves . . ." The

[12] Hobhouse, L. T., Wheeler, G. C., and Ginsberg, M., *The Material Culture and Social Institutions of Simpler Peoples,* London, 1915, Chs. I and IV.

higher hunters "have houses of a substantial character, or well-built, even if temporary, tents of hides or skin." The lowest or "incipient" agriculturists are nomadic and their houses are very variable. The pure agriculturists or the second group build substantial houses of timber. The highest agriculturists have some specialized trades in addition to pottery, spinning, and weaving. They also build fairly substantial houses. The pastoralists are somewhat similar to the agriculturists although their nomadic life largely prohibits the building of substantial houses. Ordinarily they live in the open or in tents but in some cases they have fixed habitations for a part of the year. These fixed habitations may be associated with fairly good houses.

These authors summarize property-holdings, particularly land, according to whether it is styled as "communal, intermixed, private, chief or nobles." They indicate that "private property in personal matters, weapons, dress, ornaments appears to exist everywhere." [13] Practically all kinds of ownership and control, including the leasing of land, were found among nearly all groups. It was claimed that there was a tendency for communal property to be replaced by feudal property with a rise in the economic and social scale. About the same proportion of individual property was found in all groups. However, this characterization of landed property by no means applies to the dwelling because it is generally the custom among such groups to "rationalize" productive resources more readily than dwelling houses or other articles of joint consumption.

These few remarks about the types of houses are about all that may be said except to note the following two principles. First, the residences are closely connected with nature and with the occupation, and second, the chief cost of rent is membership in the group. Once membership is established, either by birth, initiation, or by adherence to the mores and practices, what housing they have is automatically taken care of through required individual behavior and social customs. They satisfy the sacrifices in the psychology of "rent" by roundabout social arrangements, on the one hand, and by individual and co-exploita-

[13] In most societies (all of which I have investigated), the law of *movable things* is more free than the law of *immovable things.*

tion of unappropriated resources, on the other.[14] "Status" and its rights and duties is mixed with house rent with its rights and duties.

Among the historical peoples, the agricultural group with its dwellings is the lowest economic rank generally studied. First among them are many agricultural peoples who live under the group habitat system where popular rent for a dwelling may or may not be a part of the culture. These peoples have village sites in which the members of the community are often entitled to build houses and construct homesteads on preëmpted lands. Others rent lands with housing privileges included. Consequently, the rent of the house consists of obligations as members of that particular community, of the physical exertion used in making the house and furniture, of the time preference used in setting out the fruit trees, and other paraphernalia connected with a home. Ordinarily, in such communities, the house is constructed by the large family or by community labor so that the contribution of the individual to his particular house does not involve its entire construction. However, in order to participate in such affairs, the individual must contribute part of the labor to the building of the houses of other members of his own family or of his neighbors. Since these "house raisings" are fundamentally recreational in character (*i.e.* are not classified as economic labor), the economic costs of a house are not great.

Consequently, all these agricultural dwellings are made of local materials and—apart from the pattern which is not determined by the materials—reflect a strong regionalism.

Another group includes the isolated farm families and many of the village types of families where the paying of popular rent is a definite part of the culture pattern. For this group, the structure of the houses becomes more complicated and rent has the following economic and social characteristics. The farm owner builds a house either by purchasing materials and hiring labor, or through his own resources. He pays no popular rent but, from an economic point of view, his rent costs him interest on the original cost of the house plus its upkeep and improvements. If he himself builds a house from materials on his farm, the economic cost of his rent is the alternative use-value of his

[14] A comprehensive discussion of this problem is to be found in Richard Thurnwald's *Economics of Primitive Communities*, Oxford, 1932.

time. Since his time generally has little alternative use-value, he cannot be said to pay much of an economic rent unless conditions change so that the house is capitalized as a part of the farm value. In this particular case, he pays an economic rent because, from the economic point of view, he loses the interest-bearing value of the greater sales capacity of the farm because of the fact that he now has a house. However, under any circumstances, he pays a social rent because, from the utilitarian point of view, the energy spent in building the house was probably more than the normal exercise which his body required for maintenance purposes. Against this he must balance the physical and psychological income of the house. Nevertheless, the concept of rent, either in an economic or a popular sense, has little meaning for this group of people. Variations in types of houses to which rent could be imputed also represent variations in the families so that one cannot really say, "causally speaking," that rent is other than an effect or a result. A "good" family in the rural districts generally constructs a good and substantial house.[15]

For these agricultural peoples, attention is paid more to the business aspects of farms and less to the housing aspects. Although there is some tendency for these persons to prefer farms with good homes (those with apparently high rental values), it is extremely difficult to separate the two. Any conclusions concerning the influence of the amount or proportion of either economic or imputed rents upon the character of the people is, at the most, only a very rough, and often valueless, guess.[16]

Other than these, we shall principally consider the houses of the urban peoples. In this sense, urban is used to apply chiefly to all non-agricultural occupations among historical peoples. From this group, however, must be segregated many whose places of residence are included with their jobs, such as are found in governing, religious and other classes.[17] Such persons pay a social rent inherent in the demands

[15] For an excellent monograph upon many of the details of rural housing in the United States, see Margaret G. Reid, "Status of Town and Village Housing in Iowa," Iowa Agricultural Experiment Station, *Research Bulletin No. 186*, July, 1935.

[16] Margaret Coffin's correlations between value of house and tenure stability in her excellent study of housing conditions in the Maryland University, *Bulletin No. 341,* do not prove a causal relation one way or another.

[17] Among these groups "status" and "rents" mix with each other.

of their occupations. In many cases their pay is reduced because their housing is furnished. Many American railways, for instance, furnish their minor officials with houses. Theoretically, these workers would be paid more if the houses were not furnished. However, the situation is very complicated because it is assumed that the house will enable the employee to give his employer certain extra services which ordinarily he could not give unless he lived in these quarters. For instance, the section-hand boss on the railways has a house adjoining the storeroom containing certain railway equipment. His presence there is a sort of burglary insurance against the removal of tools and supplies and, at the same time, requires no important sacrifice, either economically or socially, by the employee.

More illustrations of this phenomenon could be given. The economic and social rentals paid by these groups cannot be computed nor can the concept of rent be said to have any application to them. It is doubtful if we pay a king, a president, an official, a missionary, a protestant minister, a catholic priest, or a monk in a monastery any less wages because his home is furnished or that he makes a social sacrifice to compensate for the fact that he lives in a palace, the White House, a parish house, or a monastery free of economic rentals. Some of these classes receive no rewards at all other than psychic and prestige values. Many of them belong to groups that an outsider might call "magical human sacrifices." They are not supposed to live a life like the ordinary person but rather to protect against the devils or the gods or the neighbors or to make the social machine work by personifying "collective representations." Living in the house is a part of the job. The "magic" would fail if one did not have a grand palace or stay in the monastery. Consequently, they ordinarily do not pay either a popular or an economic rent for houses but lead a "way of life" which includes a residential place. In many respects, the masses of the agricultural classes are also similar to this group. We simply cannot think of them as rent payers at all. As a matter of fact, they may be called in part "uneconomic persons." [18]

[18] The problems of status and custom rent have never been clarified in their relation to competition rent. This is a problem too big to undertake in this chapter so these preliminary observations are not to be taken as final statements.

Thus, if we summarize the rents paid by the social classes we see that the volume of actual economic expenditures for rent is associated with continuous changes in the meaning of housing to the people. To the non-economic persons housing is significant because the way of life meets the basic housing needs of the individual. Within this group, there are those to whom a house means only place, protection, and shelter (the primitives), those to whom housing means an economically productive occupation in the realm of occupational division of labor (the upper agriculturalists), and those to whom housing is an incidental part of larger functions in social life (non-economic persons in urban cultures).

The Rents of Economic Persons. The ordinary urban families, however, do pay rent either to themselves or to someone else, mostly the latter. What they seek in housing determines in large part the amount of rent actually paid and the standards of how much should be paid. A summary of these motives should thus enhance our understanding of "rent behavior."

One consideration is merely that of place. If we look at the so-called social horde, we find it is not a fluid interchangeable mass but that at any particular time its units are separated from each other by attachment to a geographic place. This is one of the fundamental bases of social organization because society is dependent upon "constant and repeated relations." The first factor in rent then is an "address."

The second involves several kinds of protection. One of these consists of clear-cut boundary lines recognized by law or customs so that the individual has certain sanctioned rights within that place which are greater than those of other persons. This is recognized by the legal doctrine that "a man's home is his castle." Protection involves also some measures to alleviate the direct influences of nature upon the individual whether they are storms, flood, fire, bad water supply, cold, heat, or other influences. Consequently, the individual is influenced by a whole combination of factors, each of which may vary with time and place.

A third characteristic of rent is social position. Social position is exceedingly complicated in itself depending upon a number of social abscissae and ordinates.[19] Position is to some extent a function of organization. This has particular reference to the family, but also applies to the age and sex of the individual. Furthermore, in the ordinary life cycles of the *genus homo* some positions and circumstances involve a future expectancy different from others. The young person grows up and leaves his present home. The young married couple, in most cases, has children. On the other hand, the older person may expect to see his position decline. Thus, this phase of the social position may have an important bearing upon what the individual desires in that general economic category for which household rent is paid.

Another phase of social position is the relative status of the individual or family in the vertical aspect of the social organization. To some extent the individual lives as he can afford and to some degree as he wishes he could afford. A certain address may enable an individual to maintain a social position and conversely a certain social position requires him to have a certain type of residence. Ideas of beauty, prestige, display, and so on enter into the determination of rent because these are functions of the relative social status of the individual as well as of individual interests.

These three rent considerations—place, protection, and social position—must be considered in relation to market price or the law of supply and demand. Only by carefully considering each factor in relation to the others can one more fully understand the rents of economic persons.

Demand for and Supply of Housing. These two are functions of each other. Demand is also directly related to the productivity of the family—to its income. As a general rule, it may be said that the larger the income, the more will be demanded in the household and the higher will be the rent. This is particularly true for economic persons —the group we are now discussing. This means that more will be paid for the interrelated elements: place, protection, and social position. The expensive place will be more costly for both protection and maintenance of social position. The place will be larger, and taxes, costs, and upkeep will be greater. It will cost more to protect the resi-

[19] See Sorokin, P. A., *Social Mobility*, New York, 1927, Ch. 1.

dents, the garden, and accessories from the direct influences of nature. The household upkeep and the manner of living in the house will be more expensive.

Other factors in demand will be found in the natural conditions, the proximity of location to place of work, and any other characteristic of the three factors in housing which make the supply of currently accepted needs differentially desired. A part of this general demand is to be found in the size of family, the size and density of population, and the "bullish" nature of the general economic situation. The growth of individualism which tends to obviate one's desire to live near the maternal or paternal family must also be taken into consideration.

Many of the same factors have direct bearing upon supply as well as upon demand. It should be recognized that there can seldom be a sufficient supply as long as there is ability to purchase more. One family may have several addresses and several places if it can afford them. Thus, a wealthy individual may have his regular home, his summer home, his winter home, and additional scattered residences. His expenses for protection or for social position can be expanded or contracted for the simple reason that in a house one can find some satisfaction influencing practically every value in life. If he wishes the quiet peaceful life, to which Seneca paid lip service, or the gorgeous display and confusion of a Roman banquet, he can secure both by an increase of expenditures in the home. This explains why it is possible during prosperous years in a rich society to have a tremendous demand for the things which go into housing or "rent" and a few years later to find a surplus of unrented houses.

Supply is also considerably influenced in modern societies by rent legislation. Attempts to stabilize the amounts paid for rent in societies with dynamic price levels result in a decrease in building and in the general housing supply. This happened in practically all belligerent European countries during the World War.[20] After the war these measures were continued by socialistic governments. The states and cities attempted to increase the supply by building houses themselves. There was the usual graft and favoritism in this political control of a

[20] See Bemis, Albert F., "The Economics of Shelter," *The Evolving House*, Vol. II, Cambridge, 1934, Chap. XI.

large economic problem leading in some countries to disastrous results.

Supply is also influenced by the amount of land, by the amount of building materials, and by all the characteristics which enter into social position.

For this economic group, as contrasted with non-economic persons, housing assumes a different rôle. The compulsory connection between a way of life and housing tends to diminish. The individual is free to house himself as he chooses. If he makes a mistake, the loss is his. Theoretically, at least, he may continue to be a member of the social system though he have no house at all. On account of this freedom of choice, his housing mobility increases and his forms of housing-aggregates begin to diversify. He assumes many responsibilities which may lead to the extinction of any housing rights at all if not fulfilled. He may buy an expensive house or mortgage his present one. If social conditions change so that it is impossible for him to carry out either contract, he loses his shelter.

Hence, we must conclude that the whole problem of rent and housing expenditure is so entangled with the other aspects of life that it is difficult to see why one group would necessarily pay more for accommodations except when the members are wealthier or when the social customs make economic housing a factor in social position. Since many other factors can affect any of these characteristics, we cannot always expect to find that wealth is associated with higher rentals or housing expenditures. Changes in social life which make other indices of social position more widely accepted than the type of residence will also affect any "social class law of rent."

With these hypotheses in mind, let us examine actual rental expenditures.

Expenditures for Rent

The rental proportions expended in countries with different levels of average income are compared first.

The International Labor Office of the League of Nations has summarized the percentages of total incomes used for rent in Europe and America by the masses of the people before, during, and after the World War. These data depict a settled situation before the war, conditions during the rapid increase of money wages and of price fixation in many countries during the period of the war, and the period of depreciated currencies afterwards. The figures enable us to unravel a number of the problems concerning the percentages of income used for rent.

These countries varied in average income per capita but we find little or no relation between the size of income in a country and the proportion used for rent. For instance, it is estimated that in the United States, Germany, Poland, and Hungary an average of approximately 18% of the total pre-war family budget was used for rent. It is obvious that these countries varied a great deal in wealth, economic position, urbanization, and general culture. On the other hand, Italy, France, Switzerland, and Sweden spent between 10% and 12% for rent although they also varied in wealth and in culture. Denmark, Norway, Great Britain and Austria spent about the same percentage (from 14% to 16%) for rent. Denmark and Norway spent approximately the same percentage as Great Britain whereas Sweden, its neighbor, was similar to Italy. Finland, on the other hand, was similar to France instead of Norway, Denmark, or Poland. Thus, in stable pre-war conditions, there was no relation between income and rent when national averages are compared.

During the war, rents were fixed in most of these countries. Since money incomes rose during this period, the percentage for rent dropped, reaching the low mark of 2.54% in Hungary in July, 1918. That of the United States reached approximately 11% between 1918 and 1920 but by 1923 it had risen again to 18%. In that year, Denmark, Norway, Sweden, Switzerland, and Finland paid from 10% to 11% whereas Great Britain paid 13%. The remaining countries used the following proportions: France, 7.2%; Italy, 5%; Poland, 3.4%; and Germany, Austria and Hungary less than 1%.[21]

Of course, these figures do not at all depict the complete situation. Rents were stabilized, tenants were secured from eviction, the housing shortage grew, currencies were inflated, taxes and service charges were

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[21] International Labour Office, *European Housing Problems Since the War, 1914-1923,* Geneva, 1924, Series G, No. 1, 484 p.

increased, conditions became more crowded, and so on. Governments began to build houses. Both labor unions and contractors used available opportunities to keep up wages, thus making housing costs expensive, and there were many forcible transferals from former to new owners under various socialistic schemes. However, together with the pre-war figures they permit one to suggest that neither in a normal nor an abnormal situation is there a constant proportion used for rent in different countries. These proportions do not appear to bear any fixed or constant relation to the relative wealth or incomes in these countries. Finally, there is no adequate basis for any conclusion concerning the relation between proportions paid for rent and the character of a country, a people, or a family. In other words, an international summary of rents makes us more skeptical than ever of any avowed relationships between income and the proportions used for rent. The differences in conditions, in laws, in what is included in "rental values," and in the fact that rent, similar to food demands, may be at one time an absolute value and at others a functional one, make it impossible to find international regularities.

SUMMARY OF THE RELATIVE EXPENDITURES FOR HOUSE RENT BY GROUPS FOR VARIOUS PARTS OF THE WORLD[22]

Relative Expenditure for Rent (%)	China		Japan	India	Le Play Studies	U. S.	England	All Studies
	Summary by L. K. Tao	Ministry of Commerce						
0— 4.9	18	3	2	....	47	5	7	82
5— 9.9	31	8	2	19	36	33	9	138
10—14.9	21	11	21	7	16	81	15	172
15—19.9	9	5	5	1	1	66	4	91
20—24.9	2	2	....	....	....	22	2	28
25—29.9	....	....	....	....	....	....	2	2
30—34.9	1	1	....	....	....	....	3	5
Total	82	30	30	27	100	207	42	518

Comparisons of the Economic Classes. The above table summarizes 518 groups representative of many important parts of the

[22] This table summarizes 518 groups of persons for whom a budget study gave an average figure as to the proportions of income or expenditure used for rent.

world. It gives the percentages used for rent and shows that, in general, every country has wide variations in proportion ranging from less than 5% to more than 20% although the mode is between 10% and 15%. These are representative of the laboring and working classes since few studies have been made of other classes. The table shows wide variations depending principally upon differences in incomes but to a large extent upon many other characteristics. The full analysis cannot be given here but a careful study does not show any fundamental changes in physical or moral conditions as we pass from one broad income class of workers to another. In the United States for instance, there is no evidence that the moral conditions of the 66 large groups of wage-earners who paid between 15% and 20% rent are any better or any worse than the 33 groups who were paying from 5% to 10%. Furthermore, there appear to be no fundamental differences among the groups of families from the other countries, such as China, Japan, India, England, or nineteenth-century Europe, when we arrange them according to the percentage which they pay for rent. This is in entire disagreement with the idea of the Dutch economist, N. G. Pierson, who said as follows:

> It ought to be our object to render defective dwelling accommodation no longer obtainable. It is likely enough that, if this idea were attained, there would no longer be rents so low as those which many families now pay . . .; but this would not be altogether a bad thing. The result would be that workmen would marry later in life than they do at present, their families would be smaller, in fact their standard of living would be raised. As we inquire more deeply into the causes of pauperism, we shall find further reason to be convinced that the low standard of morality and civilization lies at the root not only of the housing question, but of all social questions in general.[23]

It seems inevitable that certain types of civilization have different types of houses but we cannot go so far as he does at one place and consider it as the chief cause of pathology in the social system. It

[23] Pierson, N. G., *Principles of Economics,* Tr. by W. A. Wotzel, London, 1902, p. 175.

would rather appear that there is more truth to another theory which he states as follows:

> . . . the first thing a man does when he obtains a considerable increase of income and sets about spending it, generally is to look for a better house. Nothing affords a better indication of a family's means than the kind of house in which they live. There appears, therefore, to be every reason for assuming that the housing question is a money question.[24]

An analysis of the change in the percentage used for rent or housing as incomes increased or decreased was made for a group of eastern and western families, mostly of those living in China, Japan, India, and America. These are to be added to the analyses made earlier by H. Schwabe, E. Laspeyres, F. Lütge, C. D. Wright, L. B. More, R. C. Chapin, F. H. Streightoff, W. F. Ogburn, Hector Dennis, Maurice Halbwachs, and others. A summary of the results follows:

> Of ten large-scale studies, each summarizing a wide range of incomes in China, five showed decreasing percentages used for housing (rent and expenditures) with increasing incomes; one showed an increase; one showed practically constant proportions of various income spent for rent; two showed first an increase, and then a decrease; and one was very irregular.
>
> Two studies among the Japanese showed practically constant expenditures as measured by the percentages. One was for 1,575 "salaried" employees, and the other for 3,210 wage-earners.
>
> Six studies for Burma and India gave the following results: one increased percentages for housing and rent steadily with income and one decreased steadily; and four others showed curvilinear relations in which the proportions for rent by the lowest income group was higher than the percentage expended by the highest income group but with curvilinear relations between. The four curves indicate that for a period the percentage used for rent tended to decrease with income, but after that there is some evidence that they began to rise.
>
> Thirty-two investigations were conducted for American rental conditions from the Civil War to the present. Of this group of

[24] *Ibid.*, p. 168.

representative studies covering many thousands of families, it was found that twelve showed a decline in percentages used for rent with increase of income; two showed a rise; two showed stable percentages; seven showed first an important rise and then a decline; three showed first a decline and then a rise; four showed first a decline, then a rise, followed by another important decline; and, finally, one showed a rise, then a decline, and then a rise again. The thirty-second showed curvilinear relations similar to those found for China.

Conclusions

What conclusions may we reach? It was earlier suggested that there is no important functional relation between rent and character among the economic classes. Now we must conclude that there are no fundamental general relations between income and the proportion used for rent, except a general tendency for those who have more to spend more.

Why, then, have all of these theories arisen concerning the relation between income and the amount or proportion used for rent? Why is it that there is no such relation generally found in the same countries or in different countries? The explanation is simple. The values classified under "rent" are so complicated and so many influences come to bear upon the rental paid for or imputed to a house that each time and each social situation leads to unique results.

The various theories discussed have been due to the fact that the experience of the investigators was chiefly with such small parts of population that a similarity of conditions gave an appearance of regularity. However, a change of conditions arising in the size of the family, in the demands or spirit of the people, in the economic conditions, in the material culture, or in the supply and demand for housing inevitably change any given situation before long. Such theories are but premature generalizations based on inadequate data.

Let us turn to the earlier differentiation which was made between popular and economic rent. In this discussion, it was indicated that the fundamental problem of rent as considered by many groups was one of conditions which brought about the development of home and family life. The mobility which is generally associated with renting *seems* to make the development of these two social values somewhat difficult, although under primitive conditions the nomadic peoples did not seem to be so influenced. This was because nomadic movement was really community migration within a defined area periodically returning to the same place according to the seasons and crop conditions. Their home magic was found sometimes in the tent or the general area in which the people moved. In others it was limited to human relations so that nostalgia was primarily attached to persons. In the modern city mobility is by individuals and the pathways seldom retrace themselves.

Thus, owning and renting have many ramifications. It is chiefly in the city that the problem comes to the forefront although, of course, "land rights" have furnished one of the outstanding themes of peasant life.[25] Here, however, the problem primarily involves two other categories of living—the right to permanent occupation and the distribution of the produce between land, labor, and capital. Peasants' uprisings and farmers' movements have been incited more by these two aspects of land, and home-ownership *per se* has played only a minor rôle in such developments.

One of the factors in urban home-ownership is the growth of multiple dwellings in the city. As Karl Pribram and others have pointed out, multiple dwellings of some type or another were found among the earliest men. However, the apartment house is too large a unit for ownership by the average man and the growth of this unit of dwelling in all cities, particularly in Europe, has made the urban resident primarily a popular rent payer. It is in America with its greater wealth, resources, and mobility that the problem of home-ownership has come to the forefront. Here it seems that ownership has become necessary for a limited amount of stability.

From the economist's standpoint, it makes no particular difference whether a man is his own landlord or not. In the one case, he invests

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[25] "Parler à Paris de l'habitation familiale, n'est-ce que pas un paradoxe? Jean-Jacques Rousseau appelait Paris un désert d'hommes. C'est plutôt un désert de pierres. Il n'y a plus de maisons, il n'y a plus que des immeubles de rapport." Bordeaux, Henry, *Les pierres du foyer*, 13th ed., Paris, 1916, p. 324.

his savings in a building or he collects interests and dividends as his own landlord; in the other, he invests it in some other enterprise and someone else who specializes in the building business owns the house. However, from the sociologist's point of view, with particular reference to urban conditions in America, the problem is more complicated. First, there is a general tendency toward saving arising from desires for home-ownership which may not occur or become so important if the family does not intend to buy a home. Secondly, there is the tendency for home-ownership to bind the family together, to give it a place for physical and psychological refuge, to build up the home magic, and to reduce the individual mobility of the people.[26] Thus, despite the apparent indifference of economists to this problem because of their general belief in the similarity of behavior of economic and popular rent, it would appear that a wide distribution of home-ownership for countries like the United States is not only justifiable but necessary from the standpoint of the non-material phases of life. It enhances the social responsibility of the individual. However, ownership in itself is only a means to an end and is only justified to the extent that it achieves its end.

Ordinarily rent largely reflects the purchasing power. It is merely a reflection of the remuneration which individuals give for the surplus, the differentials, the opportunity costs, the sacrifices, and the productivity of the economic wealth invested in housing. The amounts and relative proportions paid for rent, if we place them in a more general scheme, tell us something about the material paraphernalia of a culture but little about the non-material aspects of life.

There are many sacrifices involved in renting a home or in securing property for a house not all of which are economic in nature. Neither are all of them economically rationalized. It is the urban resident who dwells apart from his occupation and to whom an occupation does not involve a certain way of life who is the "economic person" to whom the

[26] See Carpenter, Niles, "Relationship of Income and the Home," in *Home Ownership, Income and Types of Dwellings* by the President's Conference on Home Building and Home Ownership, Washington, 1932, pp. 45-145. "Oû trouver une place pour l'intimité, nécessaire à la poésie familiale, dans nos appartements modernes?" from Bordeaux, *op. cit.*, p. 241.

rent theories apply. His motives in renting are involved in the whole social system, important components of which are demand and supply factors, such as place, protection, social position, and ability to pay. On theoretical grounds, no general principles of proportions, which are or should be given for rent, could be foreseen.

Rent-paying, either in an economic or popular sense, is an expression of the general culture and cannot be understood except for its specific results under given conditions and at particular times. Generally speaking, peoples with complex cultures have more and use more of the things classified under rent. The same applies to the wealthier classes as contrasted with the majority of the population. However, it is but a part of a general cultural expression which has so many involved factors that it apparently moves without rhyme or reason. Within limits human character with its good and bad points adjusts itself to many varying conditions. It is only exceptional or exaggerated combinations of circumstances which tend to show an apparent correlation between the phenomenon "rent" and the abnormalities of human behavior.

Housing consists of a group of items, ordinarily next to food in economic importance, consumed jointly by a household or family aggregate. These three general questions arise. Does a continuous increase in income result in continuous increases of the same type of housing expenditure and other response? Is there any relation between the amounts used for housing and the conditions which make a given level of income possible? Does a decrease in income involve a decrease in housing expense by the same pathway as it reached its original heights? Answers to these three questions in the field of housing desire are pertinent to the general theory of standard of living.

In general, it appears that the relations between income and expenditure in the field of housing are so unpredictable and so varied that no absolute laws can be postulated. The lowest scale of expenditure in housing arises among groups which largely satisfy the absolute needs for housing by memberships in social systems (tribe or community) in which a minimum of housing is forced upon the individual if he remains a part of this system. Increases in expenditure for a time do nothing but expand the comfort of these dwellings and joint goods without destroying their permanence as fixtures to satisfy the minimum and absolute housing needs.

It is in the city and among the economic and popular rent payers that the absolute amounts and proportions of incomes used for housing increase greatly. It is here also that the response not only increases but begins to change its character. No longer are the absolute needs of place, protection, and basic social position held as the primary objects of housing expenditure, but new meanings are given to these so that they lose much of their original content. Under such conditions, more and more is spent for housing but less and less do the absolute needs for place, protection, and social position become guaranteed of continuous satisfaction. The more complex levels of expenditure tend to become less and less secure. The housing response becomes less and less adjusted to joint consumption by families. This is shown by the declining birth rate with increasing housing expenditure among many groups. Elements foreign to family relationships enter into the units for joint consumption. An illustration is the joint consumption of water, light, and even heat by larger and larger groups. The presence or absence of something to fill the absolute needs for housing begins to depend upon many factors and persons other than those of the family. Higher and higher proportions of the population become popular rent payers and are less and less certain that they will have any housing in case of an individual misfortune or a general depression.[27]

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[27] Decentralized industry is even worse unless tied up with part-time agriculture. See here the study of Kingsville (Gilbertsville) in Zimmerman, C. C. and Frampton, M. E., *Family and Society,* D. Van Nostrand, 1935.

CHAPTER IX

Housing and the Family[1]

Family's influence through population processes on standards of living.—Reproduction as primary function of family.—Importance of birth rate in family life.—Convergence in family of population, birth rate and standard of living.—Malthusian theory of influence of population on standards of living.—Derivatives of this theory.—The economic theorists.—The Neo-Malthusians.—Criticisms of Malthusian theory.—Factors of under-population.—Biological selectivity of city.—Erroneous attribution of social effects to over-population.—Further limitations of Malthusian doctrine.—Reciprocal relations of family size and income.—Theory of continuous and linear relations.—Theories of cyclical development of family.—Criticisms of these theories.—Family control of distribution of energy and resources.—Family control of saving.—Significance of capital accumulations through familial control.—Inadequacy of comparisons of family and non-family behavior.—Multi-sided nature and influences of family.—Family as major element in reconstruction.—Non-rational nature of family.—Family as principal element in material phases of living.—Family as principal element in non-material phases of living.—Rôle of family in population changes.

In the previous chapters we have discussed the factors which build up a relation between family and house which is the psycho-social organization known as home. In this chapter we discuss the influence of the family on standards of living through its population processes. The family and population are related since producing, supporting, and training new members constitute the primary functions of the family.

[1] A reviewer of the manuscript suggests that this chapter "is a treatise on population laws and the family, with housing badly neglected. The chapter should be considerably cut, throwing out among other things the laws of population growth. The position taken is interesting and challenging, but there is much in the chapter that does not contribute to the main theme."

My answer is that I am trying to take the whole problem of standard of living out of the deductive natural law frame of reference of classical economic philosophy and bring it back to deduction again after the facts of life are brought into the picture. I have shown that "home," a value between family and physical structure, is the important theoretical fact in dwelling as a part of the standard of living. If I show here that population is the central essence of the family, I have not gone far astray. Housing is a fact of social organization. The most important single varying act in social organization is legitimate birth. How can one discuss standards of living and neglect the Malthusian philosophy!?

The concept of the family was made clear in Chapter VII. Before continuing our analysis it is necessary to establish the fact that reproduction is the primary function of the family. Thereby, one may more fully understand the influences of the family upon standards of living.

Most of the writers about the family assume that it is a form of social organization with functions, such as marriage, sex-love, property rights, education, feeding, support, personality control, reproduction, and the like. Most of the writers tend, if they evaluate the comparative importance of these functions, to give each about an equal place in a description of the family. It appears, however, that the basic function of the family is reproduction and the maintenance of population.[2] The others are merely dependent functions associated with the unit which controls population. This is recognized in a general way by Westermarck's conclusion that *marriage is founded in the family and not the family in marriage.* Failure to recognize this has often led to a legal regimentation of marriage and divorce, little of which has achieved its stated objectives as shown by the studies of Westermarck, Lichtenberger, and a number of others. The chief difficulty with the family in these periods of great legal regimentation[3] of marriage is that the mores and the spirit of the people have changed so that the families are no longer as willing to have children.[4] This was true for the period of regimentation under Emperor Augustus in Rome and continued down through the decline of the Western Empire. It also seems evident in the present great development of marriage regimentation in western society. Legal regimentation of the family is *partly* reciprocal to the decline of the family as measured by the declining birth rate.

The decline of the birth rate in western society is generally recognized.[5] Studies show a rapid decline in the birth rate in western society

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[2] "He only is a perfect man who consists of three persons united, his wife, himself and his offspring; thus says the Veda. . . ." *The Laws of Manu*, S.B.E., Vol. XXV, p. 334. ". . . Reprehensible is the man who approaches not his wife in due season. . . ." *Ibid.*, p. 328.

[3] By regimentation in this chapter we mean the attempt to control all phases of the family by laws or edicts rather than through the mores alone.

[4] See J. Ferlet, *L'abaissement de la natalitie à Rome et de la population des campagnes,* Paris, 1902; W. S. Davis, *The Influence of Wealth in Imperial Rome,* Chaps. 7 and 8; and Westermarck, E., *A Short History of Marriage*, p. 308 et passim.

[5] However, the reader should consult the works by O. E. Baker, R. R. Kuczynski, L. I. Dublin, A. J. Lotka, P. K. Whelpton, Corrado Gini, Major Greenwood, J. Bertillon, Oswald Spengler, Livio Livi, and many others.

during the nineteenth and twentieth centuries. The declining birth rate, according to Spengler, is but one of the phases of the death of a culture. This has also been a period of increased regimentation of the family through marriage, divorce, tax, civil status, and other forms of legislation. The following table gives the changes in crude birth rates for a number of countries for recent periods.

CRUDE BIRTH RATES PER 1000 POPULATION (EXCLUDING STILLBORN)[6]

Country	Earlier Period	Birth Rate	Rate in 1928
United States	1872	37.3*	19.7
England and Wales	1841–45	32.3	16.7
Scotland	1851–55	31.3	19.8
Ireland	1866–70	26.8	20.5
France	1811–15	31.8	18.2
Germany	1851–60	36.8	18.6
Italy	1863–70	37.6	25.9
Sweden	1751–60	35.7	16.2
Norway	1735–39	29.9	18.0
Denmark	1801–10	31.3	19.6
Russia	1883	49.4	44.0**
Australia	1861–70	40.8	21.3
Argentine†	1874–75	43.0	29.4***
Brazil‡	1893	24.3	33.6****
Chile	1850–54	41.7	43.1***

* White population only as calculated by L. I. Dublin and A. J. Lotka.
** 1926.
*** 1927.
**** 1921-26.
† Buenos Aires province only.
‡ San Paolo province only.

The importance of the birth rate in family life is readily apparent. First, familistic societies are those in which the birth rate is high. This applies not only to countries and areas, such as Asia and America, but also to rural and urban districts. Second, periods of decline of the family are periods of lowered "real" birth rates.[7] Attempts to modify rapidly the social characteristics of a family with a high birth rate are

[6] All data are compiled from the study by Corrado Gini, "La dinamica della popolazioni," *Demografia,* Torino, 1930, pp. 547-736.

[7] There is a difference between a crude birth rate and a real one. A crude rate is the number of births per 1000 population whereas the real one is the number of births per 1000 women between the ages of 15 and 45 (adolescence and menopause).

usually unsuccessful. This is shown by the revival and virility of the family in Russia in spite of the communist anti-family ideologies and legislation. Third, most of the important cycles in family behavior are correlated with the birth rate. This is shown in the consumer-worker ratios used by many of the Russian budget investigators, the cycles above and below the poverty line in the works by B. S. Rowntree, or similar fluctuations in the amount of farm lands being cultivated and the social life of the family as developed by C. P. Loomis in his study of North Carolina families.[8] In the Russian studies the cycles of prosperity of the family, omitting extraneous circumstances, were closely associated with the ratio between workers and consumers. Children were consumers and not workers. In Rowntree's studies, the childbirth periods were those in which the family was pushed nearer the poverty line. Later, when the children contributed to the income, the family tended to reach one of its recurring heights of relative prosperity. Loomis found that increases in size of family were associated with larger areas of cultivated land and less extra-family life. These clearly show that basic changes within the family are functionally related to changes in the birth rate. Fourth, a careful study of many family systems show that the other functions of the organization (feeding, education, support, personality fixation, social status, etc.) are closely related to the birth rate. Most of them imply parent-child relationships by their very names. Although other considerations are important, a decline of the birth rate inevitably alters the organization, the constitution, and the importance of the family.

This last is extremely significant. Many conflicting theories concerning this point seem to be based upon a number of logical fallacies. Many childless couples *seem* to form closely integrated family units. However, one must realize that these unions approach the organization of the family with children, and even, if they do not become complete, exist within and have to conform to the family mores constructed in a world which is dominated by complete parent-children relationships. Furthermore, with the increase in senescence of these two childless

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[8] Loomis, C. P., "The Growth of the Farm Family in Relation to Its Activities," North Carolina Agricultural Experiment Station, *Bulletin No. 298,* June, 1934.

people, they will have no other social position in the world of family society unless they cling together in a semblance of family organization. Socially, legally, and religiously, their union is generally considered to have the same contractual or moral nature as that of parents.

Practically all of the earlier societies and most of those existing today permit a man to take a second wife if the first is barren. Examples of this are to be found in Confucianism, Hinduism, and in other Asiatic religious codes. The Hebrew Old Testament is full of cases in point. It is also a general practice among most peoples to name barrenness as the one unquestionable ground for divorce. This is a clear recognition by society that the fundamental function of the family is reproduction. The divorce rate is much greater among families with no children than with one or two children and so on. A part of this is also due, of course, to the fact that divorce often results from the failure of two personalities to harmonize, and if this failure soon becomes evident many are divorced before they have children or refrain altogether from having children. Nevertheless, it is generally recognized that children tend to bind the organization together. Even the divorce laws generally make different provisions for cases where there are children and for cases where there are not. Ordinarily a divorcee takes only her *dot* or her own maintenance if she has no children, but otherwise she may be granted a large share of the property. Divorce provisions in most societies generally follow such a pattern.[9]

Thus, population, birth rate, and standard of living all converge in the family. Keeping this clearly before us, let us now examine various theories of population which claim that the size of the family directly influences the standard of living.

Malthusian Theory

The best known theory of the influence of population upon the standard of living is generally attributed to T. R. Malthus whose first book on population was published in 1798. In general, he was inter-

[9] The rights of women in family property are very complicated in different societies and at different times in any society. Here the primary general hypothesis is set forth that the mother of a child has a more prominent legal status than the barren wife.

ested in investigating "the causes that have hitherto impeded the progress of mankind toward happiness; and, . . . [in examining] the probability of the total and partial removal of these causes in the future." [10] He was impressed by the fact that all living things ("plants and irrational animals" and man) were "impelled by a powerful instinct to increase their species, . . . and the superabundant effects are repressed afterwards by want of room or nourishment." [11] On the basis of a careful examination of the records of many societies, he finally concluded as follows:

> 1. Population is necessarily limited by the means of subsistence.
> 2. Population invariably increases where the means of subsistence increase, unless prevented by some very powerful and obvious checks.
> 3. These checks, and the checks which repress the superior power of population, and keep its effects on a level with the means of subsistence, are all resolvable into moral restraint, vice, and misery.[12]

These theories led him to conclude that food and population had different rates of increase: that of food being arithmetical, and population being geometrical. During his time there were 11 million people in England. He estimated that, under ordinary circumstances and without restriction of population, there would be 176 million people on the Island by 1900, "and the means of subsistence only equal to the support of fifty-five millions, leaving a population of a hundred and twenty-one millions totally unprovided for." [13]

Since this principle had been effective since the dawn of history, according to Malthus, certain checks on population had been developed. These checks he divided into two groups: one called "vice and misery," which arose through the forcible pressure of population upon natural resources; and the other called "moral restraint," which included in one category all of the social customs, from marriage through ab-

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[10] Malthus, T. R., *An Essay on Population,* Everyman's Library edition, Vol. I, p. 5.

[11] *Ibid.,* p. 6.

[12] *Ibid.,* p. 18.

[13] *Ibid.,* p. 10.

stinence from sex relations, which men used to keep down the numbers of population and to avoid vice and misery.

The works of Malthus, especially in his later editions, are well-documented. In no place does he attempt to explain just why the world of his time or individual areas, in defiance of his natural laws, had a very small population.[14] Out of his theories have sprung two schools of thought with the classical economists, on the one side, and a group of Neo-Malthusian theorists, on the other. The first of these has formulated the relations between the quantity of population and the standards of living according to economic theory; and the second has attempted to find, and promulgate the use of, means of contraception which would permit man to satisfy his sexual desires and, at the same time, avoid the scourge of over-population.

The economic theorists have been so numerous that it is impossible here to give all of their names and minor variations of ideas. In general, however, their systems of thought concerning population reduce to the two following equations which involve the relation of their plane of living, in our sense of the term, to natural resources and the law of increasing and diminishing returns.

$$\text{Plane of living} = \frac{\text{income}}{\text{population}}$$

in which

$$\text{Income} = \text{natural resources} \times \text{industrial technique} \times \text{labor power.}$$

These formulas, although stated in terms of mathematical relations, have, of course, no precise significance. They are merely forms to balance a number of factors which theoretically contribute to one side or the other. The implications largely concern the gross amount of the material standard of living. The assumption is made that the material standard of living is closely and fundamentally related to the average income. It recognizes that any increase in population leads to an increase in laboring power so that both the numerator and the denominator of the fraction which determines the material standard

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14 Lujo Brentano raised this point against Malthus in *Konkrete Grundbedingungen der Volkswirtschaft*, Leipzig, 1924, p. 129.

of living are influenced by a change in birth rate. In general, however, the economists hold that income is influenced by the combination of three factors: natural resources, industrial technique, and labor power. Continuous additions to any one of the three factors operate according to the law of increasing and diminishing returns, so that, even if added population did increase the labor power, the net increase in income would eventually be less per capita once a combination of these resources reached a certain point. This was outlined by Marshall as the *law of diminishing returns to individual factors of production*—

> . . . namely, that the increase of production due to the increase, by a small increment, of any factor of production, will, in general, be smaller, other things remaining the same, the greater is the supply of that factor already employed.[15]

Since, in general, the economists believed that the point of diminishing returns had been reached by the first of the nineteenth century, as far as the population factor in the equation is concerned, they attributed the concurrent increases in population and in material standards of living during the nineteenth century to changes in the industrial technique which freed more natural resources. Thus, the factory system and the development of the sciences and the arts increased the efficiency of natural resources and produced more economical techniques. They enabled the development and exploitation of the new world. However, since these only changed the position of the points of diminishing returns on the curve of production and did not abrogate this important law, the industrial system only deferred the fear of over-population to a later period and did not make any fundamental alterations in the original equation. Thus, A. C. Pigou, in his *Economics of Welfare,* finally came to the conclusion that a national minimum standard of living should be set and the attention of a country should be directed toward the prevention of any increase of population which would force the marginal families below this level.

The Neo-Malthusians follow out this doctrine without any particularly involved discussion of theory. They offer many rationaliza-

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[15] Quoted by Pigou, A. C., *Economics of Welfare,* London, 1924, Ed. 2, p. 617.

tions to explain their great emphasis upon the restriction of births, particularly as to means of preventing conception without restricting sexual intercourse. Examples of these are "the elimination of differential fertility," "the improvement of child welfare," and so on.[16] Fundamentally, however, their basic idea is to keep down the pressure of population upon natural resources. They even go so far as to maintain that over-population was and is the chief cause of war. They visualize an Utopian world in which all countries restrict their populations "according to natural resources," in which there are no international wars, in which differential fertility between the social classes has been eliminated, in which eugenic breeding determines the future populations, and in which a sort of paradise has been created through the efforts and activities of man to limit the number of his progeny. They have boundless faith in the possibilities of developing such a world. To them man is not a beast of prey but a "thinker" who is capable of living with almost complete rationality.

Criticisms of Malthus have been based upon the fact that his predictions have not been fulfilled during the nineteenth century, and upon numerous claims that his exact formulae were inaccurate. Furthermore, adherents of Malthusianism have been scored on the ground that demoralization follows the widespread use of contraception. However, all of these objections were easily met or overruled by the economists and other proponents of the Malthusian doctrines so that the arguments carried little popular weight. On the surface, the theories appear to be so simple, so logical, and so convincing that only a few people have had, under the name of science, the temerity even to attack the ideas. However, as is to be shown, the whole problem is much more involved than the Malthusianists have imagined.

Population

Let us now consider the general nature of the changes in population rates. Leaving aside the nineteenth century and turning back the pages

[16] Fictions, such as this, pervade our present society. Most interesting of all is the fiction growing up in Catholic circles that the Church is interested primarily in the *means* and not the *fact* of preventing conception. See here *The Rhythm* by L. J. Latz, a book of which more than 100,000 copies have been sold. Even here the welfare fiction is kept up through the dedication of the profits of the book to charity.

of history, one is forced to come to several conclusions contrary to those inherent in the Malthusian equations. First of all, under-population has been prevalent in many societies and it has been as much of a plague as the over-population discussed by the Malthusianists. Thus, Corrado Gini was led to conclude that:

> . . . the more closely we study primitive races the more evident it becomes that they are often undergoing a decline in numbers, which in some cases at least, has proceeded, or anyhow begun, independently from all contact with higher races.[17]

Among the Polynesians about the sixth and seventh centuries A.D., where the genealogies enable some historical perspective, there is abundant evidence of a growth of trade and commerce with increased population. This then declined until the twelfth century when a revival of commerce again took place. If commerce had the same relations to population in Polynesia as in other parts of the world, these periods of change in the importance of trading were cycles in population growth and decline.

If, however, there is any doubt about these population growths and declines among the Polynesians, we may be sure that population cycles occurred among the Mayas. Their first great expansion took place about 200 A.D. Many cities of economic, political, and religious importance grew up in the tropical belt and on the slopes of the Cordilleras. Between 200 and 600 A.D. Palenque and Yaxchilan were flourishing cities in southern Mexico; Piedras Negras, Tikal Naranjo, and Quiriqua in Guatamala; and Copan in Honduras. All these important cities required large supporting populations. By the seventh century, however, due to civil wars, internal dissension, and exterior troubles, these had lost most of their population and declined in significance. Yet in the ninth and tenth centuries there was a renaissance in Yucatan. The city of Chichen Itza was reoccupied and new centers, such as Uxmal and Mayapan, were founded. These three cities formed a confederacy which lasted until the beginning of the thirteenth century at which time more civil wars and outside (Toltec) influence led to a decline. Three

[17] Gini, Corrado, *Population,* Lectures of the Harris Foundation 1929, Chicago, 1929, pp. 5-6.

centuries later the Spaniards arrived and rapidly dominated the whole of Mexico by using one element of the population to help conquer the others.[18]

Many other examples can be found if the evidence among the various peoples of the world is carefully studied. Practically every group shows by signs of race mixture, by archeological remains, and even by myths (which are sometimes indicative) that they occupy an area in which different populations have grown and declined, sometimes many times, and generally without direct relations to natural resources.

In the present historical societies and in the remains of others which can be found during the present time, many instances of under-population are to be found. Rome, from the Age of Augustus on, or Greece, in the later periods of its classic culture, may be cited as illustrations in the west. In the Orient, there have been many great populations with high cultures which have now disappeared, such as the Ancient Babylonians, Assyrians, Egyptians, and Mesopotamias. These populations have dwindled in spite of the abundant natural resources still existing about them. The Island of Ceylon, which was once the center of the great Kandy Empire of the Buddhists, is now relatively depopulated and jungles grow where once fertile rice fields yielded the finest of food for a great population. The same may be said of the Indian Empire which fell into the dark ages at the death of Emperor Asoka, the Malay civilization at the time of Sri-Vishaya, the Cambodian civilization of the Khmer emperors, the Siamese civilizations of the Sukhotai and the Ayuthia dynasties,[19] the Mongolian peoples, the Japanese in their earlier periods of prosperity and under the various later Shógunates, and many of the minor kingdoms in the islands of the Pacific. Without regard to causes, one must admit that the declines of great civilizations and underpopulation generally go together, no matter which is responsible. To appreciate this fully, one only has to traverse Asia and see the trees of the jungle growing out of the ruined

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[18] See the data summarized in Prescott, W. H., *The Conquest of Mexico,* 2 vols., 1933. Ixtlilxochitl in his *Historia Chicemeca* makes a great deal of these population changes. They are self evident to any observer today—*i.e.* Cholula. The history of this whole civilization in early America is one of the most fascinating.

[19] See Zimmerman, C. C., *Siam: Rural Economic Survey 1930-31,* Bangkok, 1931, for an application to a non-Malthusian (organic) population theory to this country.

structures of the former great capital cities. These cities belonged to civilizations which, in many cases, are now populated only by a thin remnant of people no longer able to keep up the industrial technique which made the earlier civilizations possible. Thus, the river Mekong in French Indo-China runs through wild jungles which show archeological and cultural evidence that they were once level, cleared, well-watered, and well-manured rice fields. Man has had to struggle, not only against over-population, but against those disintegrations of his *esprit de corps* which have led to under-population, the rise and rebellion of subjugated races, successful attacks from outside enemies, and the leveling of his complex civilizations. Southern Mexico today gives abundant evidence of this. In Cholula, near Puebla, which once had a different temple for every day in the year, now but a thin remnant of people till the countryside.

A second consideration involves the methods of contraception. One is led to believe by the implications in much of the Neo-Malthusian literature that contraception, at least for the masses of the people, is a nineteenth century invention. On the contrary, the French population was well-informed as to methods of control long before the modern development, as J. Bertillon pointed out many years ago. If we go back into the history and into the sacred writings (which form the chief early literature of all historical peoples), we are impressed by the fact that population control by the killing of the embryo and forced menstruation, infanticide, infant exposure, etc., must have been widely prevalent or the religious writers would not have indicted so severely childlessness and certain of these practices. Thus, in the Sacred Laws of the Âryas, it is said that:

> Those versed in the sacred law state that there are three acts (only) which make women outcasts, (viz.) the murder of the husband, slaying a learned Bramana, the destruction of the fruits of their womb.[20]

In the Zend religion, the following clear statement is made:

> If a man come near unto a damsel, either dependent on the chief of the family or not dependent, either delivered (unto a husband)

[20] *Sacred Books of the East*, Vol. 14, p. 133.

> or not delivered, and she conceives by him, let her not, being ashamed of the people, produce in herself the menses, against the course of nature, by means of water and plants.
>
> And if the damsel, being ashamed of the people, shall produce in herself the menses against the course of nature, by means of water and plants, it is a fresh sin as heavy (as the first).[21]

We know, following the careful researches by Norman Himes,[22] that the early Egyptians and the Romans had about as adequate knowledge concerning contraception as we have at the present time. Soranus wrote a great treatise on means of preventing conception a hundred years after Augustus tried to get the Romans to go back to simpler ways and to reconstruct family life and the birth rate. The Egyptian papyrii have many formulas, some good and some apparently not so efficient, to prevent the sperm from joining the egg. The earliest one still extant—a reproduction of which is presented by Professor Himes—was written in 1850 B.C. Joseph at Pharoah's court, although married at the beginning of the seven good years, only had two children by the time of the beginning of the seven bad years. In that sense, he was extremely modern. We know furthermore from the Hebrew Old Testament that the principal methods practised among all the early races at the eastern end of the Mediterranean were similar to those used by French families to stabilize the population of that nation.[23] Factual evidence indicates that very few, if any, of the civilized peoples and most of the so-called primitives have permitted population to grow as rapidly as is biologically possible. This was so much in evidence among the early Hindus that their religious works classified any man as a murderer who permitted his daughter to pass a menstrual period without finding her a husband. Such edicts as these show strong evidence that historical man has seldom, except in individual cases, let

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[21] *Sacred Books of the East,* Vol. 4, pp. 178-179.

[22] See Himes, Norman E., "The Practice of Contraception and Its Relations to Some Phases of Population Theory," unpublished *Ph.D. Thesis,* Harvard University, 1932; Carr-Saunders, A. M., *The Population Problem,* Oxford, 1933; Sumner, William G., Keller, A. G. and Davie, Maurice, *The Science of Society,* New Haven, Yale University Press, 1927, Vol. I, Chap. II; Witkowski, Gustave, S. A., *Histoire des accouchements chez tous les peuples,* Paris; Niebœ, H. J. "Die Bevolkerungsfrage bei den Naturvölker," *Correspondenz-Blatt der deutschen Gesellschaft für Anthropologie, Ethnologie und Urgeschichte* 24(1903) :143-150.

[23] See Jacques Bertillon, *La dépopulation de la France,* Paris, 1911, p. 99.

the birth rate be the blind determiner of his future. This explains why, in addition to vice and misery, the populations which Malthus surveyed had not already, in their long history, filled it to "standing room only."

Moreover, we should not ignore the rôle of the non-material factors in the general standard of living. The formulas of the economists deal directly only with the material well-being. Practically all great thinkers agree that the non-material standard of living is the psychological control or balance which makes the material possible. It is not only periods of increasing population in regard to natural resources which disturb this balance but also periods of stable or of decreasing population and great extensions of individualism. We can see that the more complex material structures require, at the same time, more complex and stable non-material structures. In the non-material structures, family life with its fundamental components, the birth rate and children, is probably one of the most important determining factors. Man is a vain and careless animal, and often tends to create the very structures which destroy him. Consequently, the "spiral" development of a material standard of living is in most cases one of the important elements tending to inhibit the further development of wealth and material well-being. Antagonisms in the race for material goods arise among the social classes and among the various nationalist groups when such goods become the primary objective in any civilization. Confucius, Aristotle, Mohammed, other early writers, and Le Play all sensed this. There is also much evidence of this in many modern works. Consequently, on the basis of this idea alone, the so-called population principle of the Malthusianists, in the sense in which they present it, is not an absolute idea, but merely a relative one, or one of a set of "conjugate principles."

This same demoralization and decline was explained as the biological selectivity of the city by many writers.[24] However, their efforts were not completely successful, largely because they were trying to explain a psychological and sociological problem on a purely biological and biometrical basis. It is to the weakening of the spirit of the people under conditions of rapidly increasing and aggravated prosperity due

[24] Such as G. Hansen, Otto Ammon, G. Vacher de Lapouge, and Oswald Spengler.

to excessive change and mobility that we must attribute many of the structural changes which some biometricians have attempted to explain by selection.[25]

It is difficult to believe that wars or famines are "caused primarily by over-population" or may be eliminated by reducing the population. Certainly Europe was not over-populated during the Middle Ages even with an agricultural technique which was not as efficient as that of the Roman Empire. The works by P. Boissonade, Henri Sée, W. E. Heitland, and others prove this.[26] Yet this was a period of many wars. Relative to Asia, Europe cannot be said to be over-populated at the present time and yet its wars are not less than those in Asia. The Roman population, as far as its total density was concerned, was probably not greater but less in the latter half of the empire than in the first, but yet the wars continued. Exceedingly dense populations are sometimes the most peaceful ones. The emergence of war as a result of over-population has probably been exaggerated.[27] One country invades another or wars another for numerous reasons. Over-population is one of the explanations or rationalizations which are presented for "popular consumption." But we need not hence conclude that over-population is the chief or main cause of war or that a control of numbers will in any way eliminate war. As long as wars continue with their damage to the civilian populations on account of resulting disorganization, famine, and diseases, an increase of population is necessary to fill the gaps.

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[25] Full evidence of this is to be found in Sorokin, P. A. and Zimmerman, C. C., *Principles of Rural-Urban Sociology*, New York, 1929, Ch. 20 ff., and Sorokin, P. A., Zimmerman, C. C. and Galpin, C. J., *The Systematic Source Book in Rural Sociology*, Vol. III, Minneapolis, 1932. See also Sorokin, P. A., *Contemporary Sociological Theories*, New York, 1928, Ch. 5.

[26] See Boissonade, Prosper, *Life and Work in Medieval Europe*, New York, 1927, particularly Chs. 7-10 in Book I. Henri Sée shows in his *Esquisse d'une histoire du régime agraire en Europe aux XVIII et XIX siècles* (Paris, 1921) that only 2/5 of the good lands were cultivated at the beginning of that time in France. Conditions were similar in the rest of Europe. See also his *Les classes rurales en Bretagne au moyen âge*, Paris, 1896, and *Les origines du capitalisme moderne*, Paris, 1926. For the middle age developments in the Roman Empire, see the Byzantine writings in Heitland, W. E., *Agricola*, Cambridge University Press, 1921; and Diehl, Ch., *Byzance*, Paris, 1919, Ch. VI.

[27] See the arguments on both sides in Sorokin, P. A. *Contemporary Sociological Theories*, New York, 1928, pp. 398 ff.

Practically the same analysis applies to famines whether they arise from natural causes or from fluctuations in the business cycle (depressions). While it is true that a country which is heavily populated may suffer more from a severe famine than one less populated in relation to natural resources, nevertheless, if the population in every district were reduced to the maximum which could be supported during the worst famine, there would be few people left. The average peasant family has its good years and its bad years but it tends, like the average worker in the cities, to consume a higher proportion of all that is to be found on hand during the good years. Hence when the bad years come, they are often without sustenance similar to the average urban family. In spite of the fact that the United States is less populated than most of the rest of the world in relation to its industrial technique and usable natural resources, it has its suffering and misery. Famines and wars seem to lie partly in the course of nature and partly in the course of man. A considerable depopulation in most districts may make these communities less able to withstand the next famine or the next war.

Of course, both of these ideas have some truth in them. In the theoretical sense, Malthus is right. The chief difficulty, however, lies in the fact that under actual conditions a population seldom, if ever, permits itself to be pushed by its own fecundity to a continuous famine level. On the other hand, it has its famines and its wars whether under-populated or over-populated. To that extent, we are not bound to support the Malthusian conclusion. There is some evidence at the present time that under-population will be the chief difficulty of the twentieth century in contrast to the fear of over-population during the nineteenth century.[28]

It is not claimed that these brief arguments have demolished the Malthusian doctrine. On the contrary, an effort has been made to show that it has a limited validity in the field of standards of living and should be considered. It is one of the perpetual trend theories, such as the Hegelian belief in the trend toward rational freedom or the

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[28] L. I. Dublin, O. E. Baker, Corrado Gini, R. R. Kuczynski, and many other eminent scholars indicate this in their works.

classical economic belief in the limitless movement toward *laissez faire* and economic rationalization. Opposed to it are all the cyclical theories of the growth of populations and of organic bodies. These organismic and cyclical theories passed out of popularity during the nineteenth century for several reasons. Man's memory of the Middle Ages, the dark periods in western society following the fall of Rome and Greece, or of the depopulation of hitherto many densely populated and prosperous areas failed him under conditions of change and "progress" which existed during the century.[29] Neither did the thinkers of the nineteenth century consider the great declines in population and the growth of individualism in many of the oriental states and nations which had happened from time to time in the course of history. Only nationalists, romanticists, and religious leaders were at all willing to recognize the limits of Malthusianism during the nineteenth century.

With the rapid spread of the small family idea and the realization that most of our western countries are to be faced with a shortage in numbers rather than with the continued increasing pressure of population upon the natural resources, there seems to be signs of a change in sentiment. An illustration is the attempt to develop nationalistic ideals as to the value of a high birth rate for preserving the life spirit of a nation. With these few remarks, let us now leave the subject and turn to a more concrete study of the complex influence of the birth rate and the family upon the standard of living.

Family Size and Living

The size of the family affects both the material and the spiritual or non-material phases of living. The influences are very complex and can hardly be separated. In the field of budget studies, it is ordinarily assumed that the size of family is reciprocal to income. This idea is also to be found in the statistical works about demand curves. One of the next most common assumptions is that the laborer, with a fixed earning capacity, has decreased his material standard of living by

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[29] See Calverton, V. F., *The Making of Man,* New York, 1931, pp. 2 ff; Bury, J. B., *The Idea of Progress,* New York, 1932, pp. xi, 65, 127, 340, 352; Whitehead, A. N., *Science and the Modern World,* New York, 1926, pp. 1, 3, 5, 298 *et passim.*

increasing his number of children. In order to maintain a given level of living, he is advised to limit this number. Some of the idealists affirm that the most economical form of social organization would be one in which the low income classes had few children and the high income classes a greater number. Thus, the ratio of income to children would be more similar for the different groups. This factor has been responsible, along with the belief in biological difference between the social classes, for much of the agitation about differential fertility. Much earlier G. Vacher de Lapouge paralleled Gresham's law of money by a similar law of population; namely, that "bad people drive good people out of circulation." [30] However, in spite of the theories and agitation, it was generally observed that in dynamic western society the lower classes had most of the children and the upper classes most of the money. This is not necessarily true for oriental or peasant societies or for all western groups.[31]

One of the outstanding characteristics of this economic theory which holds that size of family is reciprocal to size of income is the belief in straight-line and continuous relations between the two variables. The only difference made between a family of one size and a family of another is in the age and sex distribution of the members. Adult equivalent scales were worked out but it was always assumed that a change from 1.9 to 2.5 adult equivalents was the same as a change from 5.9 to 6.5 units. As we shall show later, this is not necessarily true for their influence on standards of living.

Somewhat on the basis of this idea that size of family and amount of income were reciprocal, Rowntree constructed his cyclical theory of family development which is as follows:

> The life of a labourer is marked by five alternating periods of want and comparative plenty. During early childhood, unless his father is a skilled worker, he probably will be in poverty; this will last until he, or some of his brothers or sisters, begin to earn

[30] G. Vacher de Lapouge, *Les sélections sociales,* Paris, 1896.

[31] See C. C. Zimmerman and Phra Chedt, "A Demographic Study of 8 Oriental Villages yet Largely Untouched by Western Culture," *Metron* 11(3) :179-198, Rome, 1934.

money and thus augment their father's wage sufficiently to raise the family above the poverty line. Then follows the period during which he is earning money and living under his parents' roof; for some portion of this period he will be earning more money than is required for lodging, food, and clothes. This is his chance to save money. If he has saved enough to pay for furnishing a cottage, this period of comparative prosperity may continue after marriage until he has two or three children, when poverty will again overtake him. This period of poverty will last perhaps for ten years, *i.e.,* until the first child is fourteen years old and begins to earn wages; but if there are more than three children it may last longer. While the children are earning, and before they leave the home to marry, the man enjoys another period of prosperity—possibly, however, only to sink back again into poverty when his children have married and left him, and he himself is too old to work, for his income has never permitted his saving enough for him and his wife to live upon for more than a very short time.

A labourer is thus in poverty, and therefore underfed—

(a) In childhood—when his constitution is being built up.
(b) In early middle life—when he should be in his prime.
(c) In old age.[32]

This theory by Rowntree is simply a typological development of the Malthusian idea and makes no allowance for any other changes. Other studies of a similar nature among the economists indicate the same beliefs although the family cycles are somewhat different. Thus, for instance, Alexander Tschajanow found a different relation between size of family and standard of living for peasant families than did Rowntree for the laboring families.[33] For a measure of family growth Tschajanow uses the number of workers divided by the number of consumers. An adult man is both a worker and a consumer—a fact which gives a ratio of unity between production and consumption. The adult marries and his wife is, relative to an adult male, nine-tenths of a consumer, but also nine-tenths of a worker. Consequently, until a child is born, the peasant family still has a ratio of unity between

[32] Rowntree, B. S., *Poverty, A Study of Town Life,* London, 1922, pp. 169 ff.
[33] Tschajanow, A., *Die Lehre von der bauerlichen Wirtschaft,* Berlin, 1923, Ch. 2.

workers and consumers. Each individual may consume the equivalent of his entire production or save a part of it for capital goods or future consumption. The birth of a child reduces the ratio of workers to consumers because it increases the number of consumers and not the workers. A peasant family with a child less than one year of age has a ratio, therefore, of 1.6 which means that the productivity of every hundred workers in such families is divided among approximately 106 consumers. (Fifty infants under one year of age consume the equivalent of six adult males according to Tschajanow's estimates based on Russian conditions.) The addition of a second child increases this ratio to 1.7, a third child to 1.22, and a fourth child to 1.33. This is based on the assumption that there will be large families with approximately nine children born before the first one becomes fifteen years of age and, speaking in rural terminology, a "full field hand." At this particular time, according to the computations by the Russians, the ratio of consumers to workers is such that 194 adult equivalents consume the productivity of every 100 workers. From this period on, the children reach working adulthood as rapidly as new ones are born and since the fifteen-year old adult can produce more than a new-born infant can consume, there is a reduction in the ratio of consumers to workers so that by the 26th year of married life, 132 mouths eat the bread produced by every 100 pair of hands. At this point, Tschajanow makes the assumption that fertility ceases and, from then on, the worker-consumer ratio changes back toward unity. By the fortieth year of the family, if the children remain unmarried and the parents can still work, the ratio is unity again. Every 100 mouths have 100 pair of hands to feed them. This is the essence of Tschajanow's cyclical theory. It is somewhat different but equally as gloomy and as tinged with Malthusianism as is the earlier one developed by Rowntree.

Now let us consider the facts of the situation. In the first place, relatively few families in any culture let the birth rate increase as freely as that pictured by Tschajanow. Although the eight-child family was typical in Russia during the last half of the nineteenth century, this does not reach the full potentiality of 26 years of constant fertility as pictured in the computations just given. In addition, it must be recognized that not all adults in any society are married, or have children if they are married.[34] Since, in a family economy, these unmarried or childless adults are attached to other families, the ratio of consumers to workers seldom, if ever, reaches the full maximum just given. We can get a clear picture of the nineteenth century economy among the unsophisticated families in the hinterlands of Europe and Asia (including Russia and Siberia) from the careful studies made by the Le Play school during this period. In spite of the fact that the families were large, each family organization tended to gather about it some members who added to the productivity at a greater rate than they added to the consumption in contrast to the parent who was contributing to the birth rate. Migratory laborers in Russia, having left home under the Artel system, subtracted their living expenses and sent the rest of their income home for the general upkeep of the family. In other words, the family as a form of social organization has by no means tended to build up its destructive forces more rapidly than its constructive ones.

One of the primary functions of the family is to support its numbers. It has always worried as much about maintenance as it has about its continuance through time. The sinner was not only "a killer of the embryo" but also the one who failed to provide the necessities, comforts, and luxuries of life for his family. Consequently, it is evident that these gloomy Malthusian theories exaggerate unnatural tendencies. Every society tries to balance "self" against "altruism." Although there are fluctuations between individualism and non-individualism, it is as difficult to find clear pictures of the over-development of non-individualism as it is to find those of over-development of individualism. Sometimes tendencies of over-population plague a society, and *vice versa*. Problems of one period cannot be entirely solved by rules of another.

The next criticism of these ideas applies to the assumption concerning units of productivity and consumption. This assumption appears to make the family as a whole nothing but the sum of its members.

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[34] "I shall suppose all men married, which is more than I need to do, since numbers are single." See Young, Arthur, *Farmers' Letters*, Dublin, 178?, p. 191.

Common sense, as well as sociological theory, shows us that the productivity of a group like the family, particularly in agriculture but also in industry, is something more than the sum of the individuals, and, during normal times, its consumption is something less. An agricultural couple do not consume as much as two separate adults, and yet at the same time produce more. We have the old statement that "two can live as cheaply as one." This is not necessarily true but it does indicate that family consumption is not ordinarily as inefficient or as wasteful as individual consumption.

In agriculture, particularly the diversified kind which is the most common, there is a number of complementary, supplementary, and competing relations between the different tasks. These are naturally more adapted to family management so that the development of organized family life increases the economic productivity more than the sum of the individual efforts of members working alone. Someone must watch the pot and care for the working animals. Someone must keep the birds away from the crops and sound the alarm if enemies or thieves approach. Most agricultural lands are quite distant from the homesteads. A single individual, according to general experience, is greatly handicapped, whereas two or more not only receive the individual productivity of each but also the increased productivity which comes from the elimination of many handicaps. In a great number of agricultural communes, a five-year-old child can contribute as much to the productivity of the family as another adult because he can take care of the simpler activities, such as carrying messages, food, and drinking water to the workers, warning them in case of fire or danger, or watching the animals, which would otherwise require an adult.

In a somewhat similar manner, although to a less degree, the city family as a unit has greater productivity and less consumption than that of its individual members taken separately. Although this is not always true for the upper middle and extreme upper classes of the city (ranks which form the immediate background of the writers who contribute these unrealistic theories about life), nevertheless it holds for the masses of the people. These masses form the greatest proportion and the mainstay of any economy. In spite of all theories to the contrary, we do know that members of the same family, among all historical peoples, have ordinarily lived in a much closer relation and have had much more intimate coöperative consumption than is found for non-family members. Siblings of both sexes, even past adolescence, have always lived in more intimate contact with each other than non-family members. This generally happens without any disrupting moral results. These individuals are held back from intimate sexual relations by the discipline of the family, by the lack of sexual stimulation which comes from long familiarity, and by the strong magical taboos against incest. Thus, the family consumes more efficiently and, due to the division of labor into small tasks which can be performed by the children instead of adults, the unit can produce more efficiently. Even in some cities, one commonly sees children from 4 to 10 years of age taking care of their younger brothers and sisters which leaves the older children and parents free to work. If there are more children than needed to take care of the younger, these also contribute to the domestic work. This applies especially to small rural towns, where, as in agriculture, the birth rate is fairly high. It is also true for the slums in large cities.

Thus, we see that these cyclical theories exaggerate the influence of the birth rate in depressing the material level of living. Nevertheless, it must be pointed out that, from the material standpoint, if no other factors were to be taken into consideration, any family attachment puts obligations upon the individual. If he were absolutely selfish and cared nothing for the mores, customs, or life itself, he would eat, drink, and be merry on an individual economic basis and the human species would disappear from this world in the same manner as dinosaurs, mastodons, and many other animals have done. However, there are other considerations which are involved in addition to that blind desire to secure as much individual sensory pleasure as possible. These are stimulation to production and to productive effort, guidance as to the means and ways of distributing energy and resources, the use of capital in addition to labor and natural resources as a factor in the size of income, and the extra length of the work period in the life of the individual which comes from the fact that he is a family member and not an individual atom.

In spite of eighteenth century beliefs about the natural goodness of man, inherently he does not seem to be a working animal. He wishes to live and amuse himself. Children consider work only another way of amusing themselves. This kind of play, besides using up their surplus energy, has social prestige because the children imitate their parents. By the time these children reach the age and strength necessary for a particular task, they recognize its monotony and are generally unwilling to continue unless some form of reward or social pressure is manifest. Thus, the average individual in practically all societies, unless he is disciplined by a strong social organization, never uses anywhere near the maximum of his economic working power. Peasant people throughout the world, even under complex systems of social organization, work fairly hard only a few months of the year. This applies not only to the oriental peasant but also to the American farmer with his seasonal distribution of labor. One of the influences of the family upon the individual is its internal pressure on necessity and its development of customary forms of adaptation which force the individual to apply himself more productively to his work. If the individual can avoid work, he will usually tend to do so. If his wife and children will support him, the man will avoid as much labor as possible.

The family guidance in the distribution of energy and resources is also an important factor in the economy of man. A common characteristic of the non-family man is that he wastes what he has with no thought for the morrow. On the other hand, the family man is disciplined to be thrifty and to save his extra income for future capital or in case of straitened circumstances in the future. The gold miner, the timber worker, or the migratory laborer without family discipline is the one who spends his season's wages in a grand debauch lasting only a few days. He is the one who makes the best customer for extra-family agencies, such as the saloon, the opium den, or the gambling house. Though the married worker also participates in such activities he does so less than the unmarried and he is always under pressure to refrain. This pressure comes from his wife, children, parents, neighbors, and others who attempt to keep him from spending his resources and wasting his time at these things rather than devoting it to the family.

The family also requires him to accumulate some form of property and a residence, all of which stimulates him to greater effort and to the allocation of a part of his funds into savings and investments. The members of the family usually know how a man spends his money. Many a man prefers to give his wages to his wife and children rather than be subject to constant attacks of disapproval. In the long run these characteristics sharpen his judgment and make him more capable of providing for himself and his family. Even from the material standpoint the blind desire to live as an individual is promoted by that same organization (the family) which the Malthusianists claim drags him down to poverty and starvation. Nature provides a system of checks and balances. Otherwise, by this time the human species would have disappeared from the earth.

Land and labor are not the only elements in economic production. Of great and growing importance is capital, most of which as far as the masses are concerned is carried down through the family. However, the average man from a large family generally inherits very little capital so that on the surface this would appear to make little difference to his economy. Nevertheless, particularly in agricultural societies, capital is generally made available to the family man in proportion to his labor resources. Many agricultural villages redistribute their capital resources every so often according to the number of mouths in the family to be fed. This is because much of the capital is attached to land, which is redistributed on the family basis. Each man receives a share of the cultivated soil which has on it the capital accumulations of many years of careful tillage. The difference between field and jungle is one of capital investment or accumulation and is extremely important.

In addition, capital accumulations are made necessary by family life so that many families begin to add to their labor the extra facilities furnished by their savings. This capital, whether it be a coal wagon, a horse, a sheep, a dog, or a ragpicker's license, generally grows, if at all, with the increase in the size of the family. Later the sons and daughters add to and inherit some of it. All of these influences come in between the actual material level of living and the gloomy predictions by the Malthusianists. In one sense of the word, a part of this capital is the character of the man and of the members of the family under mutual discipline. This enables him to have more preference for jobs and wages and increases his income.

This latter problem is concerned also with the greater energy and the extra length of the working period of the individual in the family organization. Numerous studies, including those by Durkheim, show that the strength of the family aggregation is an important psychological factor in the energy and health of the individual. It may be partly a selective factor, as a critic will wish to point out. Nevertheless, whether selective or environmental, it prevents the family with an increasing number of children from being pushed as far into the poverty line as can be computed by absolute mathematical and logical reasoning. The family provides the individual with some security, both psychological and physical, from the outside world. This tends to make the individual steadier in his application and gives him a length of work period, not only in time but also in intensity, which is greater than the average of the non-family man and of typical representatives of the childless couple. It is an important factor which limits the full effect of the birth rate in pauperizing humanity.

Finally, there are additional non-material factors which must be taken into consideration. Any organization which has existed in the long and fortuitous history of man must have created something making it partly self-sufficing. In any words, institutions such as the family probably do not exist unless they "pay their own way." An important phase of this is the internal satisfactions which it gives to the individual which enables him and makes him wish to get along with fewer external resources. No social system can carry on without a combination of both material and non-material sides of life. These non-material can be made to cost much or very little. The man without a family, and the same applies to a woman as well as the childless couple, pays more for a type of satisfaction which comes naturally in the total process of living to the man who is "baby poor." This individual can satisfy his ego by being lord of his domestic affairs whereas, under other circumstances, he might have to distinguish himself by public feasts, gifts to the gods, or to community activities. A part of this difference is a forced adaptation and a part of it is spontaneous. Under any circumstances, it achieves the same ends.

This may be illustrated by a recent study of the elasticity of demand by Jacob Marschak,[35] in which he plots logarithmic relationships between income and expenditure for tobacco on the basis of recent German governmental studies. He finds straight line relations between the logarithm for income and that for tobacco expenditures when families of the same size are compared. The line for families of six adult units is constantly lower than the ones for families of five, four, and three. This means less consumption in the large families simply because they cannot afford tobacco. However, the line for families of two adults is an exception, rising at a much more rapid angle when incomes increase. Thus, the differences among the "full" families, but differing in size, are relative variations of the *same* type of behavior. However, the consumption of tobacco for the small and the "no children" families is not only relatively different but the actual angle of regression is fundamentally changed. This indicates a qualitative change in consumption greater than the relative differences in the size of the families. Families consisting of two adults or two adults and one child, in contrast with families of two or more children, indicate greater differences in consumption of this item than in per capita incomes. The type of behavior changed radically in passing from the family to the non-family form of social organization.

This point has not been investigated as far as it should, but from available evidence and general observation one is able to suggest that family and non-family behavior are so different that one cannot apply conclusions drawn from one type of behavior to the other situation. Neither is one able to understand the whole matter by the application of the deductive method. It is a part of the world which must either be "understood" or measured. It cannot be known by the projection of logic from theories.

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35 Marschak, J., *Elastizitat der Nachfrage,* Tubingen, 1931, pp. 103 ff.

The Family and Standards of Living

The uniqueness of the family in the social system seems to require an emphasis upon qualitative and "understanding" (*verstehende*) analyses. In addition to the characteristics possessed by other social organizations and institutions, it has certain physical and biological backgrounds, which make it in an "ubiquitous" unit. One may be a Democrat, a Socialist, a public school graduate, a voter, a taxpayer, a Christian, or a Buddhist without necessarily playing a rôle in more than one of these groups. On the other hand, in the normal processes of birth, life, and death, nearly everyone becomes automatically a member of and involved in the functioning of some family. Hence, changes in the family influence everyone.

This general prevalence of the family is not entirely due to the fact that the family system is organized for reproduction. One of the most important parts of this "bio-social ubiquity" is due to the growth of the human body. As an infant and to the time of adolescence, the individual requires some organization or institution to guarantee his support and to direct his spontaneous energy into harmless directions. After maturity, the gradual weakening of the human organism, senescence, sets in. At first this has considerably more social influence than physical but both in a physical and a social sense the individual needs an intimate group to stand with him and between him and the outer world. The period from adolescence to the beginning of senescence (approximately from 15 to 45 years of age) is the only one in which the individual is really capable of being a floating unit in an ungrouped world. This is the very period in which the individual is most potent sexually. Consequently, without regard to any "evolutionary" or "developmental" theories of the family, it is evident that the human organism would try to tie all of these stages together through its mores, its customs, its laws, and its social systems. All peoples of whom we have any record have combined the problems of reproduction, infancy, sexual potency, and senescence into a continuous unit known as the family. Thus, "being" and "support" make their way together in the world. This does not mean that none of these phases of life are outside of the family. Rather, all historical societies have their illegitimate children, their orphanage systems, their extra-family systems of prostitution, and their bachelor arrangements. But in none of these societies is there a competing single institution which combines all of these functions. Consequently, from the functional point of view, no group can in the long run compare with the stronger mores of this multi-sided organization—the family.

In addition, the family has nearly always played a double rôle—it has carried on its peculiar functions and, at the same time, part of those of many other social organizations. In the less complex societies where many of the extra-family organizations such as we have do not exist in the same widespread form, the family takes on an all-embracing rôle. Furthermore, in complex societies such as ours the breaking up of extra-family organizations throws their functions upon the shoulders of the family. If a man loses his economic standing, his citizenship, his religious affiliation, or his community prestige, he generally falls back on the family for the solution of his maladjustments. Thus, the family is a *non-rational organization* compared with the usual rationality of other institutions. This is because our ideas of institutional rationalism have been derived from non-family organizations. Consequently there are reasons to believe that the deductive and purely "logical" approach to the family will lead to misunderstanding because these theories and methods of analysis and forecasting were primarily developed on the basis of non-family and "rational" organizations.

The importance of the family is demonstrated by the rôle which it has been given in all reforms and crises. No matter what is responsible for the situation, the family is made to play the major rôle in reconstruction. Demoralization may be due to the too rapid increase or decrease in levels of living, to wars, to famine, to business cycles, to transportation increases or breakdowns, to plagues, or to the general "cussedness" of mankind, but in all circumstances it is the family which has to take over the primary burden of reconstruction. Thus, we have the "family reforms" of the early Chinese Emperors, Augustus and the other Caesars, the Tokugawa dictators in Japan, Mohammed, all other great religious leaders from Zoroaster to Martin Luther, and many others. All of these reconstructors turned to the family, whether or not it was the agent responsible for the social demoralization. Even in the study of *Recent Social Trends,* in spite of its clear statements that non-family agencies are to solve the problem of "cultural maladjustments," we can find full evidence that the family is a fundamental agency helping many to bridge over the "crisis."

There have been many attempts to analyze the family. Most of these analyses approach the family with logical methods derived from experience with other social organizations. They tend to find an "origin," an "evolution," and a "weighed in the balance" characteristic of the family. But where do they lead? All of them set up theories, largely by a selection of facts, misrepresentation of the importance of individual cases, etc., which do not convince even their contemporaries who are using the same methods. Family research literature is a constant repetition of the "logical" mistakes of such men as Sir H. S. Maine [36] with his faith in the patriarchal theory, J. J. Bachofen with his faith in the matriarchal theory, and the moderns who reprint old ideas in new books. No matter what logical conclusions they reach, the family still behaves in its earlier "non-rational" manner and carries on, serving as the primary agent for the solution of human maladjustment.

Besides the "religious" writers, who do not base their conclusions on "facts," the outstanding approach to the family, in which this qualitative analysis has been used, is that of Le Play. A summary of his ideas, which are given in Chapter III, shows that they afford a unique illustration of the method which might be employed.

Using the same general method of analysis, the following conclusions concerning the relation between the family and the standard and level of living seem evident. First, *the family plays the principal creative rôle in the material aspect of living* because it disciplines the individual, inculcates in him a knowledge of the economic arts and sciences, and prepares him physically and psychologically to go into the outside world as a *homo-economicus.* It gives him his first lessons in the taboos of private property which is the basis of the material standard of living. It gives him his first lessons and strongest stimulus

[36] This criticism of the complete validity of Maine's theories does not underestimate the value of his work in the field where it applies.

to desire property and material goods in order to share them with an "inner group."[37] It gives him his first lessons in the differentiation between an inner and outer group, so that rather loosely, within the limits of the prevailing concepts of private property, he is willing to live by the law of the jungle with an outer group in order to share his goods according to needs and not according to productivity with an inner group. This is really the non-rational basis of the economic system and of the material standard of living. A man must be true to a few other persons in order that his alignment with them will enable them to exploit the soil together, to destroy ruthlessly the other organic things, to make either wage or factual slaves of other men, or to outbuy or outsell his competitors. This explains why the Chinese, with their strong family system, are at one moment the helpless prey of relatives and at the next moment the sharpest economic individuals to be found in the world. The Jew, who is reputed to be one of the world's sharpest traders, does not exist in as great a proportion among the Chinese as he does in the other world civilizations because, as is commonly said in the Orient, the Chinese are even sharper than the Jews in trading. All of the old family religions provide one form of behavior for the inner group and another for the outer. While this has its disadvantages if carried too far, nevertheless, it is the basis of the material living. Alfred Marshall understood this when he discussed the characteristics of modern industrial life as follows:

> . . . While custom in a primitive society extends the limits of the family and prescribes certain duties to one's neighbours which fall into disuse in a later civilization, it also prescribes an attitude of hostility to strangers. In a modern society the obligations of family kindness become more intense, though they are concentrated on a narrower area; and neighbours are put more nearly on the same footing with strangers. In ordinary dealings with both of them the standard of fairness and honesty is lower than

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[37] "Married Women, who are Guilty of this Vice (envy), which few are not, are always endeavouring to raise the same Passion in their Spouses; and where they have prevail'd, Envy and Emulation have kept more Men in Bounds, and reform'd more Ill Husbands from Sloth, from Drinking and other evil Courses, than all the Sermons that have been preach'd since the time of the Apostles." (B. de Mandeville, *Fable of the Bees,* 6th ed., 1732, p. 145.)

in some of the dealings of a primitive people with their neighbours, but it is much higher than in their dealings with strangers.[38]

As a second characteristic, *the family plays the rôle of the fundamental factor in the non-material phases of living.* We have already given many illustrations of its importance from this point of view. It is the dominant unit in that part of human nature which is non-economic. It allows the individual to balance his aggressive jungle behavior, on the one hand, with an ethical spontaneous sacrificial type of life, on the other, so that at the end of the ordinary routine of the day, week, month, or year, the total personality of the individual is refreshed and he can return to his economic behavior. It builds up his standard of values and inculcates a minimum amount of religious and magical beliefs into his personality. It smothers his non-economic life in a dull routine of necessary behavior which refreshes him. He cannot appear at the factory, the office, the forum, or the plow-handles unless it is because the worries in these situations have been forgotten through the psychological life of the family in the intervening times.

This experience of living, received through the family, is the basis of much of the social order. It adds to his desire for material things and sharpens his wits for securing these. It gives man a world filled with a fund of magic which reconstitutes in each new generation similar non-material elements of life which make the social and cultural organization possible. It finds a place for man in the world. It explains the world to him and gives him a routine answer as to how he should behave in most situations. Thus, childhood is molded through the family into a system of values and beliefs (the non-material standard of living) which is the paramount factor in making possible complex as well as the simplest cultures. The failure of the family to function is measured by "diseases" in the non-material standard of living and by the failure of the individual to take up the burdens of material life.

Along with these comes the third contribution or rôle of the family in the standard of living. *This is its birth rate and its contributions to population replacement and growth.* A part of this birth rate is the price which man pays for being human. A second part is the way in

[38] Marshall, Alfred, *Principles of Economics,* 7th ed., London, 1916, p. 6.

which the social machine works to build up the non-material, and hence the material, standing of living. A third part is the tendency for a strong social organization to grow internally and thus sacrifice some of the other phases of life. One must have good soil in order to have good grass on the lawn, but once the soil is there it tends to promote weed growth as well. The grass tries to meet the situation by growing so rapidly that it chokes the weeds. The Malthusianists, eager to increase the growth of grass on the lawn, and unaware of the self-protective devices of the grass, are attempting to eliminate all weeds. Their theories, if followed too far, lead to the poisoning of the soil which eventually eliminates the grass also.

Leaving aside these figures of speech, we can see that the family, which is strong enough to increase a population or at least to hold it from decreasing, is necessary for a high standard of living. It does this by building up the spiritual virtues of a population and by inspiring them to find ways and means to satisfy all types of desires. As Mandeville long since observed, population is one of the necessities for prosperity.

A spacious Hive well stockt with Bees,
That liv'd in Luxury and Ease;
And yet as fam'd for Laws and Arms,
As yielding large and early Swarms;
Was counted the great Nursery
Of Sciences and Industry.[39]

Finally, we are able to see that "housing," which led us to go into the analysis of house, home, and family, is but a shell covering a biological, social, and psychological famliy. Much that has been attributed to housing may be due to the family or to the changed concept of the social rôle of the home. This puts our theories of well-being, attributed to the formal characteristics of the house, in a somewhat different light. No kind of housing can compensate for a weak family organization. A strong family can often make strong character in very mediocre houses. The moral of it all is that the standard of living is as much a social as a physical fact, if not more. This lesson seems particularly needed by many of our social leaders of the present time.

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[39] Mandeville, *Fable of the Bees*, p. 9.

CHAPTER X

The Rôle of Clothing

Budgetary attention devoted to clothing.—Four approaches to sociology of clothing.—Origin and evolution of clothing.—Functions of clothing.—Changes (fashion) in clothing.—Relation of clothing to social position.—Modesty, protection and adornment as rationale of clothing.—Mobile and immobile types of clothing.—Sartorial classification of clothing.—Institutional and fashionable clothing.—Relations of clothing and personality.—Fixation of sex patterns.—Fixation of age patterns.—Fixation of institutional and occupational patterns.—Fixation of regional patterns.—Fixation of group patterns.—Definition and rôle of fashionable clothing.—Cyclical nature of stylistic features.—Influence of economic conditions and mores on fashion.—Characteristics of societies following "the fashion."—Psychical compensations of fashion.—Influence of fashion on standards of living.—Carlyle's *Sartor Resartus* furnishes the motif for understanding the social rôle of clothing.—Those who seek to recreate the basic social structure favor uniforms.—Those who seek to make society an amorphous horde favor non-institutional clothing.

Clothing is second only to food in respect of the proportion of budgetary attention devoted to it by the individual. Housing is a good consumed jointly with others. Each individual, however, ordinarily eats his own food and wears his own clothing. The initial problem is to determine the importance of clothing in the life of a people and the "laws" of clothing expenditure. "The beginning of all Wisdom is to look fixedly on Clothes, or even with armed eyesight, till they become *transparent,*" as Carlyle said. To do this it is necessary that the concept of *clothing* be defined as carefully as possible.

The literature on the sociology of clothing approaches the subject from four points of view: its origin and evolution, its functions, its changes (fashion), and its relation to social position. Observations concerning the relation between clothing and social position include discussions of percentages spent on clothing and of the relation between the type of clothing and human character. To facilitate our understanding of what is meant by clothing, it is desirable that a brief résumé of previous discussions be given.

Theories as to the Origin and Evolution of Clothing Behavior

The evolutionary school of thought has merely observed some of the functional characteristics of clothing and attempted by introspection, selection, and arrangement of facts concerning primitive peoples to find logical reasons why man wears clothing. This is evident from the fact that the three main branches of the school which deal with the subject are those which attribute the origin of clothing to modesty, protection, or adornment.[1] These are nothing more than a partial classification of the observable functions of clothing and an attempt to show that the evolution of these functions brought about our clothing behavior.

Outstanding examples of modesty theories include those by Heinrich Schurtz, Havelock Ellis, and observations in the Hebrew Old Testament. The Old Testament theory is based upon the hypothesis that God's children were originally created "in his own image." These "blessed" were to be fruitful and replenish the earth, subdue it, and have dominion "over every living thing which moveth upon the earth." The Lord God planted a garden called Eden in which he placed this amoral creature—man. In the middle of this garden God planted the tree of the knowledge of good and evil and commanded man that "thou shalt not eat of it." However, the serpent enticed Eve to eat of the fruit of the tree and to give some of it to Adam because the fruit was said to be good for food, "a delight to the eyes," and made one wise. "And the eyes of them both were opened, and they knew they were naked; and they sewed fig leaves together, and made themselves aprons."[2] On account of this breaking of God's command, according to the Hebrew theorists, God, as a punishment for the daughters of Eve, established the pains of childbirth, restricted the range of sexual intercourse of women to their husbands, and created the patriarchal

[1] Mandeville, before the modern studies, outlined all the basic theories of clothing. In that way he shows that the evolutionary theories are not original. Mandeville, Bernhard de, *The Fable of the Bees, London,* 1732, Ed. 6, pp. 129-130.

[2] Genesis 3:7.

family in which man had dominion over women. For man, he established toil, the difficulties and vicissitudes of food production, thorns and thistles to compete with his crops, somatic mortality, and other burdens and trials of life. In addition, as God was not satisfied with the mere fig leaf apron, he developed "for Adam and his wife coats of skin, and clothed them." Furthermore, both Adam and Eve were sent out of the garden of Eden.

This imaginative description of the origin of clothing indicates that a foreign covering for the body of man appeared with the most elementary forms of social organization and was intimately connected with modesty. However, together with this came a change in economic circumstances of man so that protection immediately became a functional aspect of clothing. Even the elements of decoration are implied because the clothing was related to the local environment (fig leaves in the garden of Eden and skins for persons in more rigid economic environments) and to the social organization. Numerous social functions were added to the life of man and woman so that clothing soon varied with the occupation, function, and rank.

A somewhat similar theory has been developed in modern literature by Heinrich Schurtz chiefly upon the basis of a study of the ethnology of primitive peoples of Africa.[3] Being convinced that one could never settle the problem of the origin of clothing by orthodox induction, he supplemented his data with introspection and deduction. After sifting the evidence, he concluded, as have many others, that clothing as such began to be worn about the lower regions of the abdomen. He believed that the feeling of shame is universal and that for this reason the sexual parts are covered (this theory limits the sexual parts of the body to the lower abdominal regions). While Schurtz's analysis is by no means as comprehensive as the more imaginative one by the Hebrews, it begins at the same point, sexual modesty.

Havelock Ellis, on the other hand, not only included sexual modesty as a factor in the origin of clothing but adds disgust (fear which primitive man was supposed to have of the devils associated with the sacro-public region and its excretions) and fear which the female in-

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[3] Schurtz, Heinrich, *Grundzuge einer Philosophie der Tracht,* Stuttgart, 1891.

stinctively had of the male.[4] He cited illustrations among many animal species of females avoiding males. Ellis also points out that both of these motives are readily combined with the use of clothing as a sexual lure, so that soon after the inception of clothing it came to have a double purpose: to attract as well as to conceal. All of these theories illustrate the way in which modesty is used to explain the origin and evolution of clothing.

A second analysis attributes clothing to the function of protection. Certain theorists hold that primitive man clothed himself in an effort to guard against climate, insects, evil spirits, and human beings. Louis Bourdeau [5] and von Schleinitz [6] argued that clothing appeared to prevent the continual discomfort arising from extreme heat or cold. Opposed to this idea has been the argument that primitive man was very adaptable. For instance, Darwin observed that the only protection that Feuguans required against the biting sleet was the small otter skin which they could shift from one shoulder to another.[7] However, K. von Steinen [8] and K. Dunlap [9] carried the protective-function analysis further and claimed that garments were to protect the moist parts of the body from insects and flies. Opposed to this has been the fact that most primitive garments afford little protection from insects and flies, and that many so-called primitives prefer to harden themselves to insects and diseases rather than to be burdened by the constant need of protecting themselves. J. M. Campbell, A. E. Crawley, and Wilhelm Wundt,[10] argued that the protection is against evil spirits rather than against climate or insects. Their hypothesis approached the functional school more closely than some of the others already mentioned because of their emphasis upon clothing and decoration as a form of protective

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4 Ellis, H., "The Evolution of Modesty," *The Psychological Review* 6(1899) :134.

5 Bourdeau, Louis, *Histoire de l'habillement et de la parure,* Paris, 1904.

6 See Sanborn, H. C., "The Function of Clothing and Adornment," *The American Journal of Psychology* 38(1) :4.

7 Darwin, Charles, *Journal During the Voyage of H. M. S. Beagle,* 1889.

8 Von den Steinen, K., *Unter der Naturvolkern Central-Brasiliens,* Berlin, 1894, pp. 190 ff.

9 Dunlap, K., "The Development and Function of Clothing," *Journal of General Psychology* 1(1928) :67 ff.

10 Campbell, J. M., "Notes on the Spirit Basis of Belief and Custom," *The Indian Antiquary* 24(1895) :266; Crawley, A. E., "Dress," *Hasting's Encyclopedia of Religion and Ethics,* Vol. 5, pp. 43 ff; and Wundt, W., *Elements of Folk Psychology,* New York, 1916, pp. 85 ff.

magic. In contrast to this idea, many influences could have originated clothing, some of which seem to have little to do with supernatural beliefs. Finally, there is the hypothesis, as presented by F. Ratzel [11] and others, which maintains that clothing appeared to protect the virtue of a married woman from other men, or, as suggested by others, to protect one male from another in fighting. As all of these contentions have their counter-arguments, there appears as yet no solution to the problem.

The adornment function of clothing is stressed by approximately nine-tenths of the writers who have made an analysis of the rôle of clothing in human life.[12] In general the writers stress about five possible motives which lead to this adornment. These are: sex attraction, vanity or an instinctive desire for display, differentiation of persons inspiring fear in enemies, and finally as a mark of status or social position. Among these five motives the most important place, whether justifiably, remains to be seen, has been given to the idea that sex attraction was the original motive for adornment in clothing. This is particularly stressed by E. A. Westermarck, J. C. Flügel, E. Grosse, and others.[13] They argue that variations in the amount of exposure of the genital organs was found to be more stimulating sexually than complete nakedness; that, following the psycho-analytical theory, the first clothing merely symbolized the genital organs; and finally that colors in clothing, such as red, are sexually stimulating. All of these explanations have been criticized and counter-criticized until the final remaining kernel of truth appears to be that clothing, like many other goods and practices which make up the standard of living, is generally involved in the apperceptive mass of conditioned and unconditioned responses which make up the sexual phases of life.

The instinctive desire for display or for ornament was a very popular explanation of the appearance and function of clothing during the hey-day of the popularity of simple instinctivist explanations of human behavior. Among its chief proponents we may mention W. I.

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[11] Ratzel, F., *The History of Mankind,* London, 1896, Vol. I, p. 93.

[12] See Spencer, H., *Principles of Sociology,* Vol. II, Ch. IX on "Badges and Costumes."

[13] Westermarck, E. A., *The History of Human Marriage,* Vol. I, New York, 1922, p. 570; Flugel, J. C., *The Psychology of Clothes,* London, 1930; and Grosse, E., *The Beginnings of Art,* New York, 1897, p. 62.

Thomas, Carl Rohrbach, J. Lippert, S. H. Bliss, P. F. Peschel, and H. C. Sanborn.[14]

Man's desire for distinction from other animals is closely connected with the belief that clothing arose from considerations of vanity. It was promoted by approximately the same writers and has been subjected to the same criticisms. The theory that clothing was adopted primarily to inspire fear in enemies, although less stressed, also appeared in a number of writings.

The last claim which we have classified under adornment hypotheses is that clothing arose for the purpose of denoting the wearer's social status. This is supported by the apparent fact that all groups of humans, concerning which we have information, have some degrees of social stratification beginning with age and sex differentiations and continuing through exceedingly complicated economic, political, national, and social groupings. Furthermore, it is generally observed that all of these groupings differentiate themselves in some form by their clothing characteristics. Not only does the adornment differentiation involve clothing but also tonsorial appendages; other ornamental decorations such as jewelry, physical mutilations such as the removal or filing of teeth or modification of the ear lobes and the nose, tattooing of the skin, binding of the feet; posture, residence, approach to and withdrawal from each other, forms of address in speech, social and economic privilege, and many other forms of behavior.

In all of these social-status practices, marks, and privileges, clothing has played an important but variable rôle similar to its relation to sex practices. All of these phenomena are interrelated as Thorstein Veblen has shown in his *Theory of the Leisure Class.* Adornments involving class distinctions have implications and significance concerning sex rights, privileges, and other behavior as well. These differences vary from society to society. For instance, the cord twisted seven times seven about the neck of a Brahman has more implications in social

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[14] Thomas, W. I., "Psychology of Modesty and Clothing," *The American Journal of Sociology* 5(2):246-262, 1899; Rohrbach, Carl, *Die Trachten der Völker vom Beginn der Geschichte bis zum 19. Jahrhundert,* Leipzig, 1882; Lippert, J., *The Evolution of Culture,* New York, 1931; Bliss, S. H., "The Significance of Clothes," *The American Journal of Psychology* 27(2):221 ff., 1916; Peschel, P. F., *The Races of Man,* New York, 1876, p. 176; and Sanborn, H. C., *op. cit.,* p. 7.

stratification among the Hindu people than has the most expensive evening gown in western society. The evening gown, which may have cost hundreds of dollars, may be worn in western society by a mistress or a prostitute of humble origin, whereas the simple cord of a Brahman is generally worn only by one held to be strongly differentiated by birth from the other Hindu castes, from the warriors to the untouchables. Nevertheless, in all of these societies, clothing plays an important rôle in social stratification.

Even if it were possible, it is not our purpose here to solve the problem of the origin of clothing or to make an absolute differentiation of its functions. We have no clear proof that clothing originated among the human species at its present stage of biological evolution. We cannot completely differentiate clothing from the other goods and practices of life. Many forms of goods and practices, other than those ordinarily called clothing, have modesty, protective, and adornment functions. Many of the goods which go into clothing are also used for other purposes. Consequently, we shall have to modify what Carlyle said,[15] that "the first spiritual want of barbarous man is Decoration," and say that all men appear to want something which is called clothing and that it plays a many-sided rôle in their lives. Furthermore, the rôle of clothing is played by many other goods and practices of life, and the materials which go into clothing perform many other functions besides those classified under clothing.

Types of Clothing

A brief résumé of the types of things which fall under the general classification of clothing shows clearly the involved nature of the concept. Factually, there are at least two major kinds of clothing: one is worn attached to the body, and the other used as a covering when the body is motionless, as shawls and bed clothing. This second serves approximately the same functions as clothing which is attached to the body but is a sort of category midway between the goods which constitute clothing, on the one hand, and those which constitute house

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[15] Carlyle, Thomas, *Sartor Resartus*, London, 1929, pp. 28-29.

furnishings, on the other. In general, we shall have little to say concerning immobile clothing or coverings because, in spite of the fact that it serves nearly all the functions of mobile clothing, it is more closely related, as part of living, to household goods than to clothing.

We are most concerned with mobile clothing in this discussion. It admits of two possible classifications, both of which must be discussed if the concept of clothing is to be entirely analyzed. The first may be termed a sartorial one because it deals primarily with the various forms of garments which are used by the human race. The second is concerned with the types of clothing used by the various social aggregates. From our point of view, the second or sociological classification is more important. Both, however, will be discussed in some detail.

We are indebted to C. H. Stratz for the most useful sartorial classification of the types of human clothing—the primitive, the tropical, and the arctic.[16] The most typical primitive costume is any covering which is worn about the loins often taking, in its earliest stages of development, the form of a mere ornament. It is generally suspended from a hip band. The sartorial development of this type usually includes an enlargement of the covering which is hung from the hip and an increase in its ornateness.

When the loin covering of the primitive type actually takes the form of an apron or skirt, it merges into the tropical variety. The essential transition from the primitive type consists in raising the hip ring to a waist ring or girdle, from which is suspended the skirt. Although sometimes a covering for the upper part of the body is associated with the girdle of the tropical customs, the garments are always loose and do not cling to the body.

The essential characteristic of the arctic type is that it fits closely and more or less completely covers the body. In order to cover the legs tightly, a division between them is noted for the first time. Trousers, instead of skirts, appear.

Thus, the sartorial classification of clothing gives the fundamental types in a semi-evolutionary sequence. But as students of the standard

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[16] Stratz, C. H., *Die Frauenkleidung und ihre naturliche Entwicklung*, Stuttgart, 1922.

of living, we are more interested in the influence of clothing upon personality. For this analysis we use a sociological classification of clothing found in any one particular society.

The history of society is filled with conflict between two antagonistic principles, one concerned with preserving the old order and the other attempting to introduce change.[17] This simplification of history is not mere sophistry but is a necessary description of one aspect of social dynamics. Society has always found it necessary to adapt itself to an ever-changing *milieu*. At times this adaptation has been given free reign so that change took place in all departments of society in response to unusual demands for adaptation. At other periods the change has been postponed, and the old order preserved.

A superficial glance at the clothing behavior of man leads to the conclusion that it is one of the fields of behavior which is constantly dominated by change, due partly to the fact that there is a close association between the concepts of clothing and fashion. Closer analysis, however, reveals that clothing behavior is in no sense confined to the realm of fashion. There are many forms which do not change from year to year, which, in short, are not affected by the forces of fashion. Clothing which is thus relatively fixed in time and space will be termed institutional clothing, in contradistinction to the other or fashionable clothing.[18]

At the same time, we must recognize that all phases of social organization which attempt to "fix" or institutionalize personality are not necessarily institutions in the strict sense of the word. Thus, age, sex, and regional aspects of social organization, which seem to require a relative amount of fixation, are not necessarily represented by single institutions. Nevertheless, among these groups clothing plays the same rôle of personality fixation as it does among the more strictly institutionalized groups in a society, such as the church and the army. In

[17] See V. Pareto's residues of combinations and the persistence of aggregates; also W. I. Thomas's wishes for security and for new experience.

[18] For many suggestions concerning this classification, I am indebted to J. W. Riley, Jr. who collaborated with me. For a more extended treatment of the rôle of custom as opposed to fashion in clothing behavior, see Nystrom, Paul H., *The Economics of Fashion*, New York, 1928, especially Chap. VI, "The Influence of Custom on Consumption." Herbert Spencer in his discussion combines the institutional and fashionable clothing for the same ceremonial ends.

the following sociological analysis of clothing behavior, we approach the static factors in personality under the general nomenclature of institutional clothing and the dynamic factors under the fashionable category.

Clothing and Personality

It is generally noticed that clothing and personality are inextricably bound up. Clothing forms a sort of "social body-surface." Among primitives, the idea that a man might be successfully represented by his clothes, is widely prevalent. To be well-dressed is held as an expression of well-being. On the other hand, a descent in social status may be brought about by clothing or adornment not fitted to the situation. For example, among some primitive tribes, the common people are not allowed to approach the chief unless they are naked.

Apart from primitives, does civilized man give us any indication of this close relation between clothing and personality? Little research has been undertaken regarding this interesting problem but all the conclusions point to the validity of this relation. The personality appears to be more or less extended into the clothes, thus making them a virtual body-surface. Many experience a stimulating effect from donning new clothes after a series of failures and disappointments. The effect upon the personality cannot be denied.[19]

Fixation of Sex Patterns. In the primitive sartorial type, the only universal sex difference is in the ornamentation of the covering. It would appear that the skins of animals and other trophies of the chase are used more often by the men, whereas the floral designs of agriculture are adopted by the women. This sex distinction has been preserved to the present day, and may depend, as Flugel has suggested, "upon the deep-lying psychological identification of flowers and woman-

[19] See Flaccus, L. W., "Remarks on the Psychology of Clothes," *Pedagogical Seminary,* 1906, pp. 61 ff; Hurlock, E., "Motivation in Fashion," *Archive of Psychology,* Vol. 17; Rusling, L., "Questionary Report from Children," *Pedagogical Seminary,* 1905; Flugel, J. C., "On the Mental Attitude to Present-Day Clothes," *British Journal of Medical Psychology,* 1929; Macauley, E., "Some Notes on the Attitude of Children to Dress," *British Journal of Medical Psychology,* 1929; Riley, J. W., Jr., "Some Chapters on Clothing," unpublished manuscript, Harvard University, 1933. Carlyle went further than this and identified "clothes" with the "symbols" of civilization (*Sartor Resartus,* London, 1929, p. 203.)

hood. . . ." [20] Since we are not primarily interested in the historical development of clothing, it will be sufficient to suggest that modern female clothing of western civilization is somewhat like the tropical type, while modern male clothing is akin to the arctic. Hence, modern clothing is a typological combination amenable to Stratz's classification.

We shall, accordingly, analyze in some detail the significance of the age and sex variations in the form of the clothing which represents this curious combination of the tropical and arctic types. In all modern societies differences in the apparel of the two sexes are to be found. Of course, these differences vary from society to society depending primarily upon the amount of sex division of labor. These sex differences in clothing are mixed up with other characteristics such as age and occupation. Among young children, until the secondary sex differences have developed, the general practice is to make little or no difference between the clothing of the sexes. However, beginning with five or six years of age, if training for the life's occupation begins at that time, or at least by the age of puberty, radical differences appear between the apparel of the male and the female.

> By a man and woman, until fifteen years of age, there is no committal of the sin of running about uncovered.[21]

This is a sex institution which calls for differences in clothing. These differences are more apparent in various societies depending, as was said above, upon the division of labor and upon the predominance of clear-cut stratification among the social groups. In the more primitive rural societies where, under the family system, women enter into many extra-house occupations, there is a greater similarity between the apparel of the two sexes than is to be found in the Victorian type of society or in those in which the sex division of labor is more clearly marked. Nevertheless, the differences exist whether in color, form, or type of "hitch" with which the garment is held to the body. Sex is the most universal factor which leads to differences in clothing in all societies. Either with or without written laws, it is considered wrong, degrading, immoral, or anti-social for one sex to wear the clothing of the

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[20] Flugel, J. C., *The Psychology of Clothes,* London, 1930, p. 124.
[21] *Pahlavi Texts,* Sacred Books of the East, Vol. 5, Oxford, 1880, p. 287.

other.[22] While to an outsider these clothing differences may not be readily apparent yet to a member of the community they are very evident.

With clothing comes the assumption of a rôle and other institutionalized forms of behavior. A particular woman may be stronger than most men or a man may be weaker than most women, nevertheless, the donning of clothes which denote the sex immediately shapes the personality of the individual into the conventional rôle assigned to that sex. The psycho-analysts have made much of this influence of clothing.

In general these other forms of behavior, consisting of the mass of the social pattern assigned to each sex, are carried on by pressure through the mores and represent racial experience based on the observation of the great mass of human kind. Although there are many individual exceptions and some persons whose secondary sex characteristics are not clearly defined, these are generally made to conform to the characteristics of that sex. It is these exceptions which many are thinking about when they talk about the "socialized society" in which men and women will dress alike and act alike. Such societies do not exist except in the minds of the thinkers themselves because there are important primary and secondary biological differences between men and women which lay the basis for their mental differences in behavior. Society does not operate rationally nor does it openly allow for exceptions. Consequently, we may recognize that sex differences in clothing are strong determiners in the crystallizing of personality. Few things so disorganize a child as continuing in clothing of the opposite sex past the time customary in his society. Few things create a greater moral furore in the community, even in our present society "freed from inhibitions," as for a male to appear in female clothing and *vice versa.*

Fixation of Age Patterns. The differences in clothing are not as great for age groups as for the sexes. In most societies three age

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22 Legislation, current in many municipalities, which makes it illegal to wear the clothing of the other sex, indicates this social disapproval. "She was worshipped by men inhabited as women and vice versa; for which reason in the Torah (Deut. xx. 5) the sexes are forbidden to change dress." Quotation from Richard F. Burton, *The Book of the Thousand Nights and a Night,* Vol. X, 1886, p. 230.

groups are recognized: that of infancy, that of pre-puberty occupational training, and from puberty through the adulthood and senescence. In the infancy period, which runs up to two years and often till five or six, the children wear clothes peculiar to that age. In warm countries they are often naked or wear a primitive type of garment which consists of an abdominal strap until six or seven years of age except in a few of the foreign settlements. During this period the sexes are treated more or less alike. The differences appear in the types of jewelry and sometimes in the form of tonsorial appendages. Beginning with the age when the children become ready for occupational training, whether by following their parents in the field or in attendance at school, slight differences appear in the dress between the sexes and considerable between their clothes and those of the younger age groups. The greatest difference begins at adolescence when the individual is initiated or becomes a working member of the society and assumes the clothes and other behavior of an adult. It is at this period that the same groups perform tonsorial ceremonies, that practically all peoples are sure to wear clothes indicative of sexual maturity and that the customary clothes of the adult members of society are put on.

> At fifteen, she assumed the hairpin. . . . [23]

> At twenty, he was capped . . . and might wear furs and silk.[24]

A few societies permit slight variations in costume for older persons from the ages approximately sixty onward but these are unimportant.

> In this month [the second of autumn] they take especial care of the decaying and old. . . . For the figures and embroidery on them [these garments] there are fixed patterns. . . . For the caps and girdles (also) there are regular rules.[25]

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[23] *Texts of Confucianism* (The Li Ki), Sacred Books of the East, Vol. 27, Oxford, 1885, p. 479.

[24] *Ibid.*, p. 478.

[25] *Ibid.*, pp. 287-288. In Maine's study of the legal outlines of social systems the fiction of social death before physical death is a part of this same phenomena. This applies to ancient Hindu and Brehon law. Here the withdrawal from secular life, the disbursement of property rights and duties to an heir or heirs, and the devotion to religious life by the aged parent is often associated with certain clothing behavior. See especially H. S. Maine, *Dissertations on Early Law and Custom*, New York, 1886, p. 22.

The purpose of this discussion is to show clearly that the broad age groups generally are most differentiated by their clothing and that it is the custom for this clothing to be used as a mark of ready distinction in the building up and crystallizing of the personality of the individual. Boys in long trousers are expected to act like men and failure to do so brings them immediately under the censure of the society. The same applies to women when they don the apparel of their sex. These differences are not always clearly marked and there are many variations from society to society and from time to time. Nevertheless, they play a considerable preservative rôle in marking off groups for the institutionalizing of the personality of the individual. The chief harmful effect ascribed to a low clothing standard of living, as far as these clothing customs are concerned, is that which arises when the individual is, for some reason or other, unable to don the apparel of his age and sex groups. The mores of society are generally so strict, however, that some way is found to provide for these types of clothing, either through individual effort, through the passing down of clothes worn by others, or through public charity.

Fixation of Institutional and Occupational Patterns. The chief characteristic of the behavior which lies back of institutional clothing is the desire to preserve the solidarity and carry out the purposes of some institution or group by an overt manifestation of that solidarity.[26] One of the most convenient methods of accomplishing this end is to wear clothes which are symbolic of the institution or group. Some of the more important factors and institutions which induce institutional clothing will be discussed. Emphasis will be placed upon the effect which the desire to preserve group solidarity has upon the personality of the individual.

One of the oldest institutional costumes is that of the fighting man. Here is exhibited the most outstanding development of hierarchic dress. There are regimental differences as well as rank distinctions within each unit. During peace the soldier naturally wants to maintain his former position of importance in society. He is proud of his particular

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26 Herbert Spencer elaborated this thesis in detail. See *Principles of Sociology,* Vol. II, Chaps. IX and XI, 1892.

unit and his status therein. With this suggestion the persistence of military dress becomes comprehensible. Two outstanding examples of this persistence are the uniform of the Yeomen of the Guard in London, which has remained unchanged since the reign of Henry VIII; and the Swiss Guard at the Vatican, who still dress as did their predecessors under Pope Sixtus V. Thus, in the case of probably the two best known guard units in the world, the uniforms have remained unchanged for over four hundred years. It is safe to conclude that a goodly measure of the internal solidarity and the external dignity of these two military groups is due to the overt manifestation of these elements in the uniform.

Any established social class, especially one which is closely related to heredity, is always interested in preserving the customs and ceremonials of the early period of its supremacy. This explains, for example, the persistence of the robes of royalty in England, and the carefully differentiated parliamentary robes of the English noblemen. The Chinese regulated dress for all classes.

> The articles of dress, to be worn by individuals according to their rank, from the sovereign downwards, in their ordinary attire, and on special occasions, were the subject of attention and enactment in China from the earliest times. We find references to them in the earliest books of the Shu (Part II, Books iii, iv).[27]

Nearly all of the Sacred Books furnish other illustrations of the clothing requirements for each occupation or caste.[28]

Even the dignity of some professions seems to depend in part upon outward manifestations. For example, it is safe to conclude that a good deal of the impressiveness and authority of the court would be gone were the judge to dispense with his gown. The same is true of academic robes on solemn occasions. Religious costumes generally have symbolic meaning attached to them. The tenuous and fictional character of most present day religious institutions perhaps demonstrates why the maniples, albs, cassocks, robes, chasubles, stoles and

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[27] *The Texts of Confucianism,* S. B. E., Oxford, 1879, p. 469, fn. 2.

[28] See particularly *The Sacred Laws of the Âryas,* S.B.E., Vols. 2 and 14. *The Institutes of Vishnu,* the *Laws of Manu,* and the *Minor Law Books* have numerous such statements. For references, see "Costume," S. B. E., Vol. 50.

surplices, etc., have persisted with such great tenacity. Furthermore, in the case of the priest, it is not fitting to the eyes of most people that one who is in intimate contact with the gods should be dressed as a common mortal. If his religion means anything to him it should at least mean that he will so dress as to shape his personality to meet the ruler of the universe. Thus, a Buddhist priest dresses like Buddha in the yellow robe because he too is trying to approach *Nirvana* which Buddha reached before him. Only in countries and among peoples where religious institutions have lost much of their force do we find the "Men of God" dressing and acting like common people. In many of the more vital religions, where people take their faith more seriously, even the masses of the people who adhere to that particular religion show its evidence outwardly in their clothing. No true Mohammedan will wear a cap with a brim on it and no true Brahman will be seen without his seven-times-seven cord about his neck. The priestly occupation or the religious institution has thus clearly marked its intimate followers from the mass of the common people. In general, all formal life may be said to be in some way connected with one or more institutions. Those institutions, which call forth emotional reactions such as marriage, religion, funerals, etc., tend to be bound by custom, and the ceremonial dress is accordingly more or less fixed or institutionalized.

The other occupational groups are not so universally marked off from each other. In general, the peasant, farmer, or manual laborer have assumed a service uniform of "collective responsibility." The chief differences here, however, are that the urbanite has really chosen a uniform different from that of the peasant, and the upper class one different from that of the manual laborer. Here the problem of social class, as far as uniform and clothing are concerned, is tied up in the broad distinction between the manual and non-manual laborer or between the urbanite and the peasant. The official classes in a rural country, as contrasted with the peasants and masses of the common people, wear uniforms most of which are associated with the same institution as the army. These officials also represent the incarnation of that collective spirit known as nationalism and official army rank is generally inherent in their civil titles.

The uniforms of the masses are their service garbs or garments. These satisfy the minimum of required dress and give the wearer a feeling of belonging, even if it is only to a low rank. In modern society with its extreme social mobility and knowledge that physical labor for reward denotes membership in the class at the base of the social pyramid, we have come to believe that the wearing of service clothes is a mark of social degradation. It is supposed to upset the personality of the workingman if he must appear in public in such clothing. To meet this situation, in a society where there is such anonymity as in ours, the workingman carries his service clothing or leaves it at the shop so that he may appear on the street dressed only in fashionable clothing. Thus, he avoids degradation which might inhibit his personality, and he has facile movement in the social life of an anonymous society. This is quite true in our restless, neurotic society where much of the life is anonymous but it is far from being valid for rural societies or for those in which the processes of social mobility are by no means so rapid. In the ordinary peasant society, which we shall use for illustration, the wearing of service clothing gives one a feeling of membership in the group and satisfies the ego of the individual to the same extent that the wearing of fashionable clothing by the workingman on the street car gives a modern individual a feeling of group membership. The grimy overalls and the sweaty shirt of the American farm boy of the outlying districts give him a feeling of solidarity which is helpful instead of devastating to his personality. Abundant illustrations of this can be found in Samuel Clemens' picture of interior America of the last century in his stories of *Huckleberry Finn* and *Tom Sawyer*. In times of antagonism between the masses and the politicians (fashionably dressed), men such as "Sockless Jerry Simpson" come to the forefront and enter the ruling political class partly because their service apparel gives the masses a feeling of *rapport with the leaders*. Theories as to the relations between the type of clothing worn and personality have to be considered largely from the point of view of the characteristics of the particular society as well as from the point of view of the type of clothing.

Fixation of Regional Patterns. It is particularly in custom-bound and in immobile societies that region plays a rôle in the type of clothing worn. This arises from complex factors. Customs among a group of people become institutionalized and anyone among that group denotes his membership by wearing the customary clothing in the prevailing manner. As one moves from region to region in Asia or in the peasant districts of Europe these regional differences may be seen very readily. This is particularly true for Siam where, moving directly north across the country, one can locate oneself by the style of garment worn about the lower part of the body. The two principal groups, however, are the Lao in the north, who have preserved much of the language and many of the customs of the ancient Khmer dynasty, and the Thai, or Siamese proper, in the south, who have been most forward in developing Siamese culture and nationality. The Lao wear a barrel-shaped garment like a shirt held to the waist by a fold, a half-hitch, and a roll. The Thai wear a *panung* which is a long piece of cloth wrapped about the loins in such a manner that it looks like a pair of trousers from behind and a skirt from the front. One finds many variations of these two styles, as one travels from the south to the north.

Similar differences may be found in the interior of Europe. F. Le Play noted this particularly in his nineteenth century studies.[29]

Not only does the clothing of these broad groups with imaginary ethnic interrelations differ by regions but also by villages, especially in those sections of the country where the weaving is done at home and where the traveling dress goods merchant rarely goes. Mass production and commerce tend to make people standardize their clothing but individual villages which do their own weaving tend to adopt a village style based, to a considerable extent, upon what they regard as the best and most artistic weaving in their villages. The more successful weavers tend to specialize and trade their garments for food and so forth with other members of the same village. Out of this comes a village style, which, whole closely approximating the general clothing of the imaginary ethnic group, is differentiated in design and minor

[29] Zimmerman, Carle C. and Frampton, M. E., *Family and Society*, New York, 1935, pp. 8, 53-54, 63-64, 87, 89, 90, 117, 211-212, 220, 233-234, 246-247, 259-260, 268-269, 365, 540-547.

details. Thus, there is the commonly repeated statement in the interior of Asia that "you can identify a villager by his dress."

These small regional and village differences are eclipsed by a number of larger regional differences although they are much less clearly marked. Thus, there is the *kimono* of the Japanese, the stovepipe trousers of the mass of the Chinese, the *panung* of the Siamese, the *prasin* of the Lao, the *sarong* of the Malay (these last two are closely related), the loin cloth of the Hindu Tamil, and so on around the world until we reach the modern European and American pants and skirt. While these regional differences are not so clearly marked, nevertheless they show the influence of geography in institutionalizing and preserving the type of clothes worn by the people of any particular area. They also show how clothing plays an important rôle in what Giddings called the "consciousness of kind." The early missionaries recognized this when they insisted that the Oriental convert to Christianity put on western clothing.

Fixation of Group Patterns. The general outlines of this influence have been suggested in the previous discussion. An individual who belongs to one of these groups receives an extension of his personality by the wearing of a particular attire. A Mohammedan with his brimless hat has the right to feel that he is nearer heaven because he is suitably dressed for such a place. He gets a sense of collective strength because he is one of many holding the same beliefs, all of whom are trying with varied seriousness to approach the ideal form of behavior. The soldier who is dressed in his uniform knows that he is a member of a group with special purposes and living under a peculiar code known as military practice and military law. Armies pay particular attention to uniforms for that reason. Women are supposed to act according to the peculiar customs of the female sex. The same is true in regard to man, or to an older group versus a younger one. An individual receives an inward stimulus to follow out group practices because he has companionship even if it is only in misery. Mass suffering has at least psychological compensations over individual misery.

In addition to this, one must recognize that an individual wearing a uniform is judged only according to his accepted code. We cannot discuss here the dynamics of social control or the importance of the outward recognition of a caste upon the inner cohesion. Nevertheless, it is extremely significant. A drunken priest causes much more comment than a drunken layman, or a cowardly act on the part of a soldier brings more general recriminations than a similar act by a non-military individual. This is recognized in many law codes by the greatly increased penalties inflicted upon the institutionalized groups for the same crimes which are punished less severely if perpetrated by non-members. The importance of a uniform in the solidarity of a social group has been discussed in most of the sociological writings concerning magic and ceremonials. We can only point out further that the black shirt and the Fascist movement went hand in hand as did the brown shirt and Hitlerism, the home-made loin cloth and Ghandism, and the other institutionalized types of dress associated with similar movements.

Now that we have given a description of institutional clothing, let us discuss some of the dynamics of its movement and its further influences upon the personality of an individual or society. In the first place, institutionalized clothing is obvious and readily apparent. Consequently, it is worn in public for the purpose of distinction and, in that respect, it differentiates itself from service clothing. Consequently, it is more rigid in its social influences upon personality than is the service clothing. As we shall point out later, it is probably more significant than even fashionable clothing. In the second place, institutionalized clothing not only tends to build up the *esprit de corps* but also tends to preserve certain standardized beliefs and ideals in a society. Consequently, it changes more slowly than fashionable clothing and tends to have much more similarity among individuals of the same institution and the same region than does service clothing. The institutionalized groups in any society are more conservative and change more slowly than the non-institutionalized groups. In a similar way, societies with more of the institutionalized dress have a much lower rate of social dynamics than others with a non-institutionalized dress, and the increased popularity of institutionalized clothing in society may be an indication that this society is searching for some general authoritative beliefs to replace former ones now weakened or lost. Their religion, magic, nationalism, and other naive beliefs, which may have been abrogated considerably by the dynamics and confusion arising naturally out of a conspicuous level of living, filled a need. Under such conditions, there is a vacuum, as Mühlmann has pointed out for recent Germany.[30] The institutionalized clothing movement may be an index that a society is searching to find other "Rocks of Ages" for itself since the former structure upon which a contemporary culture was built may have been weakened. Consequently, if we take as an index these movements of institutionalized clothing, whether they be red shirts, black shirts, brown shirts, or white robes, they may point to profound changes which are being brought about in the present standard of living.

Fashionable Clothing

In the general discussion of clothing as a factor in the standard of living, the problem of fashion has played an important rôle. For our purposes fashionable clothing may be thought of as mobile outer wear which is visible to the observer and an outstanding factor of which is the rapid mobility of style, shape, and materials with the passing of time. This is not an absolute and clear-cut definition for such is impossible but it will serve our purpose. The wearer attempts to show his social distinction by varying his dress in accordance with the trend of small changes instituted by the clothing manufacturers and dealers but, of course, in accordance with what catches the attention of the masses of the people.

> . . . It is by no means an uncommon occurrence, in an inclement climate, for people to go ill-clad in order to appear well-dressed.[31]

> . . . as others dress to live, he lives to dress.[32]

The individual who wishes to participate in social life (to be a member of a group) keeps as close to the newest fashion as his economic resources will permit. The major aim of the masses is to follow as closely as possible the trend of fashion, whereas the aim of the few

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[30] Mühlmann, W. E., "Die Hitler-Bewegung," *Sociologus,* Vol. 9, June, 1933.

[31] See Veblen, Thorstein, *The Theory of the Leisure Class,* New York, 1899, Ch. 7, p. 168.

[32] Carlyle, *Sartor Resartus,* London, 1929, p. 204.

who seek to be leaders in style is to be the first to find a new type of garment which will be accepted by the public. Since there are limited possibilities to the alteration in style of garment within the same general institutional pattern, the fashions soon exhaust themselves and work by rhythms or cycles although for the most part by no clear-cut and predictable uniformities.

In a study of changes of fashion as exemplified in evening dresses, A. L. Kroeber has demonstrated the cyclical nature of certain stylistic features. He finds, for example, "reasonable evidence of an underlying pulsation in the width of civilized women's skirts, which is symmetrical and extends in its up and down beat over a full century," and also cycles for other traits such as skirt length and width of shoulder exposure.[33] He recognizes, however, that fashion in clothing is but one variable in a multitude that make up culture. Hence, prediction without taking into account the other variables is unsafe. Nystrom, discussing the "Nature of the Fashion Cycle" in his *Economics of Fashion,* conceives of a fashion as any widely prevalent style and regards the fashion cycle as "merely the rise, culmination and decline in popular acceptance of a style." He continues that "all fashions are apparently alike in that their rise, spread, culmination and decline seem to follow rather orderly lines."[34] The cycles of different styles or traits have different periods. The size and rate of fashion movements are influenced by certain factors. Nystrom divides these factors into those which promote a rapid change of fashion, and those which oppose such rapid change. The factors which he summarizes as promoting fashion changes are (1) a wide, diffusion of wealth with increasing earnings and increasing prosperity, (2) increasing leisure, (3) widespread education, (4) the democratic ideal of equality, (5) the prevalence of a philosophy of youth, progress, and the desirability of change, (6) mechanical inventions furthering cheap communication and transportation, (7) effective and cheap reproduction of style goods, and (8) commercial promotion through advertising and selling. The forces which, on the other hand,

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[33] "On the Principle of Order in Civilization as Exemplified by Changes of Fashion," *American Anthropologist* 21 (1919) :235-263.
[34] Nystrom, P. H., *Economics of Fashion,* p. 18.

retard rapid changes in fashion are (1) custom and tradition, (2) ideas of art, hygiene, or utility, (3) religion, (4) sumptuary laws, and (5) any philosophy emphasizing conservatism, custom and reverence for age. Nystrom further classifies the factors influencing the character and direction of fashion movements into three groups: (a) dominating events, (b) dominating ideals, and (c) dominating groups. He states that fashion cycles are largely uncontrollable and unpredictable, even by businesses whose fortunes depend on them.

Fashions are also influenced by the general conditions of a people's economic status and mores. It is not necessary for us to discuss many of the details of fashion because the sociologically significant aspects of clothing may be brought out without them.

Mobility in the cut and style of garments is found at all times. Periods of fashion are periods in which this mobility increases. Western society is in one of those periods at the present time partly because of its relatively high economic standing compared with the past and with eastern countries, and partly because of the anonymity of urbanized society and the decline of many beliefs which formerly defined in detail a more fully institutionalized garb. Thus, at the present time, about the only absolute clothing requirements of the urban masses in western society may be listed under coverings for the soles of the feet, for the sacropubic region and for the nipples of the breasts, particularly in the case of women. Within these remaining "institutional" mores the dress of the mass of western urban people is made to vary according to the dictates of a partly logical and a partly illogical fashion. The period since the French Revolution in 1789 has been for the western world what Nystrom calls an "era of fashion."

The chief sociological characteristics of a society closely following fashion in clothing may be listed as follows:

(1) Urbanization with rapid social mobility, facile communication, and standardization.

(2) The development of a clothing makers' occupation or caste in which clothes come to the individual more through the medium of exchange rather than through direct self-efforts.

(3) A cosmopolitanism which restricts the rigidity of nearly

all mores and holds the number of mores upon which there is general agreement to a limited number.

(4) A standard of living which emphasizes material display about the person of the individual and leads to a confusion and a weakening of the voluminous specific rules about the systems of living.

(5) An anonymity of the individual among the masses which is associated with cosmopolitanism, a stress upon increased division of labor, and the development of non-home and non-family industries.

These five conditions make fashion in clothing possible. Once they exist in a society, the emphasis of institutional clothing declines to a few details, a few occupations, and a small number of ceremonies such as weddings, funerals, etc. Even these come under the sway of the devastating influence of fashion. The individual finds it necessary to adapt his clothing behavior more and more in order to secure the inner psychological drives which come from group membership and recognition.[35]

Particular periods, during which the mental state of the individual is depressed, require an unusual expenditure of money and energy; the individual seeks to be well-dressed and in keeping with the style because of the psychological values. Many persons who cannot afford these unusual expenditures feel under-dressed and out of step. They cannot attain *Katharsis,* to use Aristotle's term, by clothing behavior. To remedy this situation the quality of the goods used for clothing is cut down and more emphasis is placed upon style than upon the longevity of the article. At that, most garments are discarded before they have yielded their full wear.

The rapidity of alteration of style and shape of the garments influences all the other phases of the standard of living. Many individuals attempt to adapt their food processes to the prevailing styles of clothing. These may be illustrated by the fads in dieting and by the limitation of food expenditures in order to have more money available for clothing. Since clothing is tied up with sexual stimulation and

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[35] Mandeville, Bernhard de, *The Fable of the Bees,* London, 1732, Ed. 6, pp. 130-131.

mating, the rapidity of alteration increases this stimulation and calls forth either a greater amount of inhibition and substitute forms of sexual satisfaction, or a greater amount of actual physical sexual satisfaction in one way or another.

Thus, it may be seen that this increased mobility in the cut and style of clothing known as *fashion* leads to a considerable amount of disorganization in a society. The leaders in the matter of dress are constantly on the *qui vive* in a non-creative interest.[36] The followers are kept on the alert in order not to be disfranchised. They spend more to maintain their formal social position, relative to the total amount of their energy, than is done in the less dynamic societies. Food habits tend to be adapted more to clothing styles rather than to the physiological appetites of the body. The general volume of physical stimulation from goods other than food is increased. A dictatorship of things arises and this leads to an under-emphasis of traditional beliefs. This is a part of the general weakening of the rigidity of the system of living and in time this self-impelling movement toward formalized adaptation weakens the social structure by understimulating faiths and beliefs seemingly necessary for the orderly course of human society. The growth of fashion dominance in clothing has been increasing in Europe, as Rohrbach has shown, since the middle of the fourteenth century. It is part of the growth of communication and international similarities.[37] It has resulted in the late nineteenth and early twentieth century in the spread of the fashion culture from urban districts to rural districts, from western to eastern societies and from western Europe to eastern Europe. More and more persons joined in the great fashion movement. The constant increase in the number of unsatisfied persons probably has been a factor in a number of substitute movements, many of which have appeared in the uprising current since the last world war. All of these movements are associated with changes in the character of clothing behavior.

In Europe the standardized dress is coming more to the forefront.

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[36] *Ibid.*, p. 133.

[37] See the conclusions to Rohrbach, Carl and Kretschmer, Albert, *Die Trachten des Völker vom Beginn der Geschichte bis zum* 19. *Jahrhundert*, Leipzig, 1882. Also Carlyle, *Sartor Resartus*, London, 1929, Ch. VII, Book I.

In Asia there are a number of mixed movements not so clearly defined on account of the confusion of forces influencing the people. In some of the more westernized Asiatic countries, such as Japan with its industrialization and India under British influence, there is a trend towards standardized native dress. In Siam, since the beginning of the nationalist movement a confusion of issues has brought on a trend toward European and fashionable clothing among the leaders at the same time when other movements seem to be in the opposite direction. Clothing is not responsible for all these changes but is merely a part of the general pattern which is visible to us.

Conclusions

Clothing thus plays a varied rôle in personality and in the standard of living. This rôle depends upon the type of clothing and the type of society.[38] Familistic, mechanistic, status, *Gemeinschaft* and "cumulative" societies and groups emphasize institutional clothing. Individualistic, organic (Durkheim's use of the term), contractual, *Gesellschaft,* and "interest" societies and groups emphasize fashionable clothing. In the mechanistic societies or groups the clothing denotes membership and rank. Here the social metabolism is slow so that the cut and materials of the garments change slowly. Interest is more in the insignia of the group than in the appearance of the individual. In the contractual societies or groups clothing denotes membership, and desire and ability to display. Social metabolism is rapid. The individual is emphasized in contrast to the group. After membership (satisfaction of basic mores) social position by display of a changing fashion dominates.

In contractual societies, such as ours, once the demands of membership are met, clothing tends to be dominated by fashion, little attention being paid to group or class differentiations. Those who have money dress according to the fashion if they care to. Clothing permits the members of society to emphasize individualism because class and

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[38] In spite of the fact that Carlyle is not really writing about "clothing," and is not always really serious, yet his study of "The World in Clothes" (Chap. V, Book I, *Sartor Resartus*) applies here.

group differentials are minimized. Instead of being marked off by the institutional clothing of a rank or group, the individual is just a member of society known only by individual characteristics. Anonymity and individualism go hand in hand. Being dressed reasonably close to the fashion, the individual secures anonymity; and living in a state of anonymity, the individual escapes any particular rules of class or caste, and lives his own life in as far as possible.

In a sense fashionable clothing reduces the influence of clothing on personality because the more generalized groups which wear fashionable clothing have fewer specific and mandatory rules and limits on conduct. In another sense, fashionable clothing increases the influence upon personality in that it reduces the stereotypes of personality to the smallest number and permits the widest idiosyncracies of personality. Fashionable clothing, as opposed to institutional clothing, molds the personality into individual freedom.

The influences then of fashionable clothing upon personality are as follows:

(1) Individual freedom and modes of conduct are emphasized over rules, regulations, and class or caste rules of conduct.

(2) Social change is facilitated by freeing the individual from transeunt institutionalization other than that of membership in the general society.

(3) Nervous sensitivity is increased through the more rapid change in stimuli which can come upon the individual. There are fewer mandatory rules of conduct.

(4) The basic social structure becomes weaker because the effect of change in one field eventually spreads to others and *vice versa.*

(5) Individuals forge ahead or fall behind more in the increased social mobility.

(6) The primary devastating influence of clothing lack is, as in institutional societies, the loss of membership.

(7) The secondary devastating influence of clothing lack, if it may be called such, is of the same nature as the relative lack of economic means of any other type in a mobile society where economic means are the method of social privilege. That is, under-

clothing, once membership is affected, is the same as having poorer houses or fewer dollars in one's pocket.

These few generalizations perhaps help us a little in understanding why many movements to reform our present society are connected with uniforms. Those who seek to recreate a basic social structure wish uniforms to denote social class and position. Those who wish to change the society toward an amorphous horde wish to do away with what institutional clothing is now left to us.

CHAPTER XI

The Laws of Clothing Expense

Definitions of clothing expenditure.—Size of family and clothing expenditures.—Hypotheses of clothing expenditures.—Facts of clothing expenditures in 19th century Europe.—Clothing expenditures of Chinese families.—Clothing expenditures of German families in 20th century.—Clothing expenditures of American families.—Interpretation of these expenditures.—Lack of universal principles governing clothing expenditures.—Influences of other values on clothing expenditures.—Influences of economic conditions on clothing expenditures.—Clothing as absolute necessity.—Checks on clothing expenditures.—Clothing as katharsis.—Similarities of behavior in clothing and food expenditures.—Individualism and fashionable clothing.—Social stability and institutional clothing.

Now that we have seen the influence of clothing on personality, let us turn to a discussion of clothing expenditure. Here we consider clothing as one of a number of values in living. The concept "clothing expenditure" is limited to the generally accepted definitions, recognizing the fact that the ideas of investigators vary. One budget investigation, for instance, may include raincoats, boots, and umbrellas under the list of clothing, whereas others may exclude these and add bed clothing, laundry, and cleansing bills. Furthermore, many simple peoples have little more than the clothing which they wear during the daytime. The problem is very complicated but this only emphasizes the insignificance of many statements that a certain amount or proportion of available income should be spent for clothing. A working definition for clothing in budget investigations is that it is apparel used on the body surface during the waking hours. From this category we exclude jewelry, cosmetics, and all tonsorial or other ornamentation of the body itself.

In addition to many other variables, the size of the family unit is extremely important in the consideration of clothing expenditures and of economic measures of the clothing standard of living. Since most articles of clothing are for personal use, increases in the size of the family bring about greater demands for clothing. This situation is partly offset, however, by the fact that in many families clothing is handed down from the parents and older children to the younger.

Hypotheses of Clothing Expenditure

In spite of these confusing problems, a number of investigators of the family budget have set forth certain principles which they believe to be of significance in describing the general behavior of clothing expenditures in relation to income. Engel held that clothing was a necessity like food and decreased in proportions used as income increased. One of the next hypotheses was the spurious interpretation of Engel's law by Carroll D. Wright who maintained that under conditions of increasing income the proportion used for clothing by the average wage-earner's family remains approximately the same. This theory described the standard of living among the workers as one which devotes a constant proportion of income to clothing. This was challenged somewhat by the view, founded on the ideas of Gregory King by Corrado Gini and G. del Vecchio, that clothing is related to income and expenditure in such a manner that the percentage of income used for clothing decreases in rate as the logarithm of the total income increases. These two later writers believed that clothing, although more variable in nature than some other types of expenditures, closely approximated parts of the Weber-Fechner law of relations between stimulation and sensation. Other writers of note, such as R. C. Chapin, F. H. Streightoff, and W. F. Ogburn, held that clothing percentages tended to increase with income. Although Ogburn did not attempt to expand this law directly into one of universal application, nevertheless he implied this when he contrasted his axiom with C. D. Wright's theory. Ogburn found that the percentages of clothing expenditure rose as the income increased and that the proportions used by women rose more rapidly than those by men. Finally, Halbwach's differentiated the laborers, the "white-collar" workers, and the officials according to the proportions used for clothing even when incomes were about the same.

On the basis of such descriptive "laws," particularly Ogburn's work, many specialists in family budget studies have set forth ideals for expenditure which provide for an increasing proportion for clothing with increasing incomes. A somewhat opposite theory was used by the National Bureau of Economic Research in its 1922 estimates of expenses of wealthy families when it allocated 14% of a $5000 income for clothing as contrasted with about 6% for a $50,000 income. This does not entirely conflict with Ogburn's theory but is rather an addition to it. It allows for a decreasing rate of increasing expenditures for clothing under conditions of high income.

Do such theories conform to reality? Are they justified in the light of previous analyses of the nature of clothing behavior? How much predictive value do they have?

The Facts of Clothing Expenditures

Let us take the Le Play studies as portraying typical conditions in Europe during the nineteenth century. These studies were so organized that they express the total expenditure of economic "power" for the different items which form the complete economic living. The doctrine of "opportunity cost," based on the assumption that such goods could have been sold if not used or would have had to be purchased if not made at home, was used in the evaluation of all labor put into the making of clothes. These studies were arranged into twelve economic groups from the lowest with incomes less than 500 francs a year up to the highest with 10,000 francs and over per year. According to the proportional distribution of the income, the lowest group used approximately 14% for clothing and the highest about 6%. The percentage expenditures for clothing increased slowly with income at first up to the 2000-3000 franc group at which point approximately a fifth of all income was so used. From then on the rate decreased.

If we consider the actual expenditures per adult equivalent, we find that the lowest income group used about 18 francs. The amounts increased very rapidly, however, to the 4000-4500 franc group where a maximum of 162 francs per adult equivalent per year was reached.

After this the actual amounts per adult decreased until the highest income group (with 10,000 francs and over per year) spent only 86 francs for clothing per adult per year or approximately 13% of all income. This relation between clothing expenditures and income forms a total picture different from that postulated in the theories of Wright, del Vecchio, or Ogburn.

Tao has summarized the clothing expenditures of Chinese families and his results probably are characteristic of Oriental urban conditions. Tao presented complete expenditures for 69 of the 82 existing studies made in China since 1917. His results indicate that there is a great deal of variety in the expenditure for clothing. Of the 69 groups studied (nearly all for Peiping and Shanghai), 13 used less than 5% of their income for clothing, 37 between 5% and 10%, 13 between 10% and 15%, 3 between 15% and 20%, and 3 between 20% and 30%. Tao indicates that the chief difference among the clothing of the various groups was to be found more in the quality of the material than in the types of garments. The modal Chinese working family used about 7½% of its income for clothing. This shows that, contrary to many theories which maintain that income determines the expenditure for clothing, each situation determines its own types of behavior, and the general social system adjusts itself so that the particular group secures the standard of clothing necessary within the given social context.[1]

[1] "Taking into consideration the inquiries in Peiping and Shanghai, for which details on clothing are available, it is found that among the families of the former the average amount spent for clothing in a year was fourteen dollars, that is 6.8 per cent. of the total average expenses per family. The sum is truly insignificant, as it is only about three gold dollars or fourteen shillings at the present rate of exchange. That clothing forms only an inconsequential part of the living of working families may be further shown by the inventory of articles made for the 48 working families in Peiping."

"Thus, the average amount of $23.72 represents the value of all in the wardrobe of a family of 4.6 members. That such a scanty wardrobe should be sufficient fully demonstrates not so much negligence of clothing among such families as their straitened circumstances. It is evident that clothing economy among Chinese working families must have its limits; however, low may be their clothing expenditure, the members can not possibly go about unclad or so ill-clad as to be unbecoming to their station in life. The low expenditure does not mean that clothing is dispensed with; it shows rather that it is poor in quality and small in quantity, and that it is either refitted or bought very cheaply at second hand."

On the whole, there were about one hundred families in each study although the range was from one to five hundred. Most of the groups had average incomes between $200 and $400. From a careful study of Tao's material, it may be seen that, even with this small range in income, there is a great range of percentages used for different types of expenditures. Out of this arises the general conclusion that *income alone was not the important factor in determining the proportions used for clothing expenses.* This may be illustrated further by the following table which arranges the studies according to the average incomes from less than $150 to more than $501. For each income group of studies a classification of the various average percentages used for clothing is given. Thus, in the five studies of groups averaging less than $150 income, 1 spent less than 5% for clothing, 3 between 5% and 10%, and 1 more than 15%.

A careful study of this table shows that there is no consistent relation between income and the percentages used for clothing. Nearly all groups of income were represented by studies with average percentages spent for clothing in each of the four classes. In other words, there seems to be no absolute and general relation between the size of the family income and the proportion of it used for clothing. We present these data in some detail in order to emphasize this general conclusion which appears throughout this whole chapter. Income influences clothing expense. So do many other circumstances. The many combinations of all these circumstances make it impossible for us to say that

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"Turning to the Shanghai workers under investigation, one finds a decided improvement upon that of the Peiping workers. Their average expense for clothing amounted to $36.70 per family in the year, which is more than two and a half times that of the Peiping workers. The position of the Shanghai workers in respect to clothing may be supposed as the best in China since the inhabitants of that great metropolis are reputed to have a love for dress."

"Among the village families clothing constitutes 7.3 per cent of the total family expenditure. But it is remarkable that in spite of climatic conditions it is found that it is lower in north China, than in east central China, the percentage for the two regions being 6.4 and 8.6 respectively. This does not mean that northern Chinese require less clothing, as the contrary would be true, but shows that they are economically inferior."

From Tao, L. K., *The Standard of Living Among Chinese Workers,* China Institute of Pacific Relations, Shanghai, 1931, pp. 22-23.

CHINESE STUDIES ARRANGED INTO INCOME GROUPS SHOWING VARIATIONS IN AVERAGE PERCENTAGES USED FOR CLOTHING WITHIN THE SAME INCOME LEVELS[3]

Average Income Range of Studies $	Number of Percentage Groups for Clothing Expense				Total Number of Studies Summarized
	0—4.9	5.0—9.9	10.0—14.9	15.0+	
Less than 150	1	3	....	1	5
151—200	2	5	....	1	8
201—250	2	4	1	1	8
251—300	3	8	3	....	14
301—350	....	4	3	1	8
351—400	1	7	2	1	11
401—500	2	4	3	....	9
501 and over	2	1	1	2	6
Total Studies	13	36	13	7	69

there are general laws of clothing expenditure applicable to all societies and to all income groups.[2]

Now if we turn to one of the most elaborate studies made recently in western society, that by the German government in 1927-28,[4] a different picture of the relation between income and clothing expenditure is found. In this study, laundry, shoes, and cleansing were included as part of the clothing expenditure. The laborers were divided into six income groups ranging from less than 2500 marks per family per year to the highest with more than 4300 marks. These laborers in-

[2] These materials were added to meet the following contention of a manuscript reader:

> "The author presents data taken from Tao showing that 69 groups of Chinese families spent varying proportions of their income for clothing. Tao doubtless presented the incomes of these 69 groups of Chinese families as well, but the author does not do so. And yet he states that the data (without income shown!) proves that the *proportion of family income spent for clothing has no relation to the size of the family income.* Tao's data may have shown this. *Tao's data as presented by the author does not show anything of the kind.*"

I think the manuscript reader did not differentiate between the two following statements: "There are no relations between income and clothing expenditures," and "There are no absolute and general relations between income and clothing expenditures." I hold the first statement to be largely wrong, and the second to be largely true.

[3] Tao, *op. cit.*, pp. 35-37.

[4] German Imperial Bureau of Statistics, "Die Lebenshaltung von 2000 Arbeiter-, Angestellten- und Beamtenhaushaltungen," *Einzelschriften zur Statistik des Deutschen Reichs,* Nr. 22, Berlin, 1932, 2 vols.

creased the percentage allocated to clothing per family from 10.4% for the lowest income group to 14.6% for the highest. The expenditure per adult increased gradually from approximately 97 marks for the lowest group to 172 marks per adult for the next to the highest group, and from there it increased markedly to 228 marks per adult for the very highest group. The expenditure per adult for clothing, when reduced to percentages, averaged about 13% in every income group. The white-collar class (*Angestellten*) was divided into groups from less than 3000 marks income to 6100 marks and more. The clothing expenditures for this clerical group increased slowly from 11% in the lowest income group to 13% in the highest. On the other hand, when these expenditures were reduced to those per adult equivalent, percentages tended to decrease with increasing income. The lowest income group spent 14½% for clothing per adult and this decreased gradually to 12% for the highest income group. The lowest income group of the clerical class used 121 marks per adult equivalent for clothing as contrasted with 343 marks for the highest.

The other group included in this German study was that of the official (*Beamten*) class. This was divided into categories from less than 3000 marks income per family to more than 10,000 marks. The percentage expenditures for clothing, based upon family income, varied cyclically beginning with 11.8% for the lowest income group and reaching 15.8% for the group with incomes between 4300 and 5100 marks and returning to 11.9% for the highest group, which had average incomes of approximately 12,000 marks. When reduced to adult equivalents, average expenditures for the lowest groups were 178 marks per adult rising gradually to 451 marks per adult for the highest group. On the other hand, percentage expenditures per adult decreased from 19.4% for the lowest income group to 11.8% for the highest.

The complete German study, when all classes were combined, showed a very complicated picture which was different from that found for the Le Play families. The expenditures per family for the lowest group was 10.4% which rose gradually to 15% or 16% and then returned among the highest groups to 11.9%. The expenditures per adult equivalent rose from 97 marks per year for the poorest to 451 marks for the wealthiest groups.

INCOME AND A COMPARISON BETWEEN INCOME CLASS AND PROPORTIONAL AND ACTUAL EXPENSE FOR CLOTHING AND LAUNDRY PER FAMILY BY OCCUPATIONAL GROUPS IN GERMANY 1927–28*

Income Class in Marks	Proportional Expenses for Clothing per Family			Actual Expense in Marks for Clothing per Adult Equivalent		
	Laborers	Clerks	Officials	Laborers	Clerks	Officials
Less than 2500	10.4	....	....	237	....	....
2500—3000...	11.6	....	....	320	....	....
All under 3000	11.4	11.0	11.8	299	294	326
3000—3600...	12.7	12.5	13.4	417	412	444
3600—4300...	13.4	12.0	15.3	523	477	601
4300 & more..	14.6	12.9	13.8	752	742	895
4300—5100...	....	12.9	15.8	....	603	741
5100—6100...	....	12.8	14.1	....	711	789
6100 & more..	....	13.1	13.0	....	1014	1042
6100—7300...	....	....	13.8	....	....	908
7300—10,000 .	....	....	12.7	....	....	1066
10,000 & more	....	....	11.9	....	....	1427
Average..	12.7	12.6	13.9	423	595	745

* German Imperial Study, *op. cit.*, vol. I, p. 52.

If we turn now to American families, an entirely different variety of relations between incomes and clothing percentages is found. For purposes of analysis these American studies were divided into groups of farm families and urban wage earners. The relations between income and percentages spent for clothing were approximately of the same general type for all three of these groups. The following table depicts the situation for the whole 309 groups studied. The modal percentage for the lowest income groups was about 18.5%. An increase of income from less than \$500 to between \$850 and \$1050 was associated with a decrease in the percentage used for clothing until about 12% was reached. After this, slight increases in the percentage used for clothing were found which applied particularly to most of the groups between \$1000 and \$2000. For these families approximately 14% or 15% of all income was used for clothing. Once the \$2000 mark was passed there was a rapid decrease in proportions used for clothing to about 10% for the group with incomes of more than \$3000. The total relation between income and expenditure for the American families could be described by an "S" curve slanting backward to the left at the bottom of the table where the high income groups and the low percentage expenditures are found.

PERCENTAGES SPENT FOR CLOTHING BY 309 GROUPS OF AMERICAN WAGE EARNERS, FARMERS, PROFESSIONAL AND BUSINESS FAMILIES ARRANGED BY INCOME GROUPS*

1870–1930

Income Groups	Up to 7.49	7.50 to 9.49	9.50 to 11.49	11.50 to 13.49	13.50 to 15.49	15.50 to 17.49	17.50 to 19.49	19.50 to 21.49	21.50 to 24.49	24.50 and more	Total Groups
Less than 449	.....	2	.....	2	1	2	3	1	2	5	18
450—649	.....	2	7	2	10	7	5	3	6	3	45
650—849	2	2	8	6	8	5	7	1	.....	1	40
850—1049	1	2	3	8	6	2	3	2	.....	5	82
1050—1249	.....	1	1	10	11	3	1	1	.....	.....	28
1250—1449	.....	.....	5	4	15	9	2	1	.....	.....	36
1450—1649	.....	.....	2	5	13	13	3	.....	.....	.....	36
1650—1849	.....	.....	.....	4	6	2	1	1	2	.....	16
1850—3000	.....	2	8	7	10	1	3	3	2	3	39
3000 and over	1	7	2	2	2	2	.....	1	1	1	19
Total Percentages	4	18	36	50	82	46	28	14	13	18	309

* The modal points are connected by the "S" curve.

The question arises as to what interpretation is to be made of these relations. In general American families of the last half century have tended to spend more for clothing with increasing income, but this rate has not increased as fast as income except in the middle-class group. This middle-class group forms the urban public (they either live in town or are farm families in close and frequent contact with the city) which hides its inward life by a mask of fashionable clothing. Once a certain level is passed, percentages for clothing decrease with increasing incomes, partly because of the larger incomes and partly because personal attire has passed into a stage of decreasing returns. This may not be a complete explanation but it suffices to show that for the American families, similar to those in Europe and Asia, none of the constant laws of clothing expenditure yet stated have other than temporary and local validity.

Another conclusion was evident from a separate comparison of the farmers (rural) with the wage earners (urban). Among these the movement toward increased clothing percentages began much lower in the economic scale for the urban families than for the rural (around $800 as compared to $200). Increased clothing expenditures was also much more pronounced for the urban than for the rural families, emphasizing the differences in family solidarity, secondary social contact, and conspicuousness of life between the two groups.

The chief characteristic of the urban upper classes was the rapidity with which percentages decreased, once the increasing point was passed, indicating the decline in the relative importance of clothing expenditures among their varied interests in life. Many other details could be given for individual studies but these are sufficient to prove the major contention. *No absolute "laws" or relations between income and expenditures for clothing seem to exist.* Consequently all contentions which have been made previously concerning this subject must assume at once the rôle of specific descriptions and not that of universal or important generalizations. The same applies to the contentions by Halbwachs concerning the clothing expenses for different groups, such as laborers, clerks, and officials.

Halbwachs contended, in a comparison of laborers, clerks, and officials, all in the same income group, that the clerks spent more per adult for clothing than the laborers, and the officials spent more than either the clerks or the laborers. His data were from the German study of 1927-28 which showed that all laboring families with less than 1000 marks per adult per year used 13.4% for clothing as contrasted with 14,5% for the clerks, and 19.4% for the officials. On the other hand, the groups with 1000 to 1200 marks, 1200 to 1500 marks, and 1500 and more marks per adult showed the same or a smaller proportion of expenditures by the clerks as contrasted with the laborers, and only a slightly greater expenditure by the officials when compared with the other two groups.

If we turn to the United States and make the same kind of comparison, using the 1919 studies by the Bureau of Labor Statistics and the Federal Reserve Bank, we find that the official families and clerical employees in America (Federal Reserve employees) sometimes spent more for clothing than industrial laborers and farmers in the same income groups and sometimes spent less. In other words, even the standards of social classes concerning clothing behavior are not constant factors. An explanation of the variety of motives and responses in clothing expenditures enables us to understand this.

Why There Are No Universal Principles Governing Clothing Expenditures

Other percentages and actual expenditures for clothing could be cited *ad infinitum* which would only prove the general invalidity of these "universal laws" of clothing expenditure. Let us omit them for the sake of brevity and turn at once to a theoretical consideration of the whole problem.

If one studies charts of the total distribution of economic behavior among the different consumer's items, it may be seen at once that clothing is but one human value and consequently behaves not only according to its own stimuli but also according to pressures of income and the other values and needs. The preceding chapter showed that there are several types of clothing, each of which emphasizes different relations between man, his social system, and his varying ideals of life. Service or working clothes certainly have no inward drive or stimulating ability which would make expenditures for them increase as fast or faster than income. Fashionable clothing, other circumstances permitting, might possess such inward drives, but this is by no means certain. Sometimes changes from one economic class to a higher one result in lesser emphasis on fashionable clothing and more attention to service or institutional attire. With some classes and under some conditions, changes in incomes increase the clothing expenditures but this is by no means universal. Many social climbers rise from the period of emphasis on service clothing to that of institutional clothing, such as from the peasant lad or laborer to the clergy or the army. These types of change may or may not result in rapidly expanding clothing expenditures. Some periods of expressiveness in clothing may be those of institutional emphasis on clothing or periods of relative *dishabillement*. Fashion changes, such as from silk stockings to bare legs, make tremendous differences in the total amount of a nation's clothing bill in a year. In addition, changes from home-made to standardized attire made in factories have a great influence on the cost of many items. An increase in income may lead to warmer houses in which less emphasis is placed on the expense of heavy clothing.

Finally, one has to consider changes in the total economic situation, especially from periods of prosperity to depression and *vice versa*. These general changes in the consumers' attitude toward expenditures often increase or slow down the rapidity with which fashion changes are accepted, so that a clothing bill may show marked deviation from year to year. Nearly all of these are unpredictable on the basis of single or universal laws of clothing expenditure. Also nearly all of them influence any such "laws."

With these criticisms in mind, the question arises as to whether there are any statements concerning clothing expenditure which may have more generalized validity and yet are worthy of consideration. The following may be suggested.

As far as clothing serves the needs of the individual and the social order, such as for protection, modesty, ornament, or as an expression of social position or stratification, it is an absolute need of man, and under all social systems some provision is made for its satisfaction.[5] Human beings require others to wear some kind of clothing, even to the extent of providing them and seeing they are worn. There are hundreds of these requirements, but all social systems have some types. To that extent, clothing is an absolute value and, like food behavior, never completely disappears from human life except under the most abnormal and temporary circumstances. This above statement may be made with considerable certainty of its general and universal application.

Secondly, since clothing is but one of a number of values of life, its complete expansion over the whole surface of consumption is checked by the natural humanness of man. As many increments of the same

[5] "Commit no running about uncovered; so that harm may not come upon thy bipeds and quadrupeds, and ruin upon thy children." See *Pahlavi Texts*, Sacred Books of the East, Oxford, 1885, p. 11.

type of goods are applied to the sensory system of man, additional units seem to decline in utility. Chiefly, by his other absolute and relative needs and wishes, however, man's clothing desires are checked. The more clothing a man has, the less power does the desire for clothing have to overwhelm the other desires. Consequently, although there may be periods of growth in consumers' values in which clothing gains at the expense of the rest, this trend has its limits and eventually the curve changes so that other values surpass the clothing expenditure. No series of clothing expenditure is in existence which shows that clothing gains continuously in relative strength among consumers' values. There is always a turning point, varying with the time and situation, in which men increase the attention to other phases of life and give relatively less attention to attire.

Other than these most general statements, clothing, in respect to the total attention it receives from the consumers, seems to possess few if any general or universal trends of behavior. Clothing is but a part of the general relation between a man and the goods which compose his material civilization.[6] It is separated from food, drink, stimulants, paints, cosmetics, tattooing, jewelry, and body modifications (including tonsorial appendages and finger nails). It is also separated from bed clothing, furniture and house furnishings, and residence. Within this general area of life, clothing plays a variable part, some of which is always considered absolutely essential and the rest of which varies in great detail. Between these boundaries no specific statements of general and universal application may be made.

Certain further clothing influences on personality deserve discussion, especially the idea promoted by the "standard budgets" that a proportional expenditure for clothing is necessary for the complete social expression of the individual. "Adequate clothing" is given as many definitions as there are authors of "adequate budgets." Such theories apply primarily to the realm of fashionable clothing. The question arises as to whether the recipients of public charity (de-

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[6] See *Satapatha Brâhmana*, Sacred Books of the East, Oxford, 1900, Vol. 44, p. 353. ". . . the garment—is man's outward appearance, whence people (on seeing) any well-clad man, ask, 'Who can this be?' for he is perfect in his outward appearance: with outward appearance [it] thus endows him."

pendents, and institutionally housed defectives and criminals) should be clothed in the fashion, in uniforms, or only for protection and modesty. The general trend of belief in a world which can afford to squander the money of taxpayers on charitable gifts in a careless fashion is to dress the dependents according to some of the dictates of fashion. Ordinarily the dependent and even the incarcerated criminal nowadays are dressed so that they would not be conspicuously noticeable on the streets. The question arises as to whether these types of attire have made conspicuous differences in the personalities of these people.

Clear-cut evidence on one side or the other is not easily found. In the studies of modern prison treatment, we have found such a high degree of recidivism that it is rather difficult to believe that any other form of treatment (institutionalized clothing and the like) could have made the situation much worse.[7] There are possibly some good influences in the line of semi-fashionable clothing for the poverty-stricken but this is up to the social worker to prove. Our first attitude should be one of extreme skepticism.

The second belief, backing the clothing expenditure allocated in the "ideal" budgets, is the personality influence of *katharsis*. It is said that a change of clothing rejuvenates man, similar to the constant changes in his personal situation which are worked out in all social systems. The Sundays, the festivals, the holidays, and the rhythms of life are adapted to rejuvenate the personality by a constant change of tempo, emphasis, and direction. But in this general social movement, clothing plays only a part and this may be exaggerated. In general, over-emphasis of one form of *katharsis* is at the expense of or on account of the lack of other forms. Declines in the kathartic effect secured from clothing are accompanied by an increase in the same effects secured from other forms of behavior such as a change to a more-rounded occupation or an increase in festivals, physical recreation, or drinking and the like.

Clothing is but a part of the general configuration of a social system and its importance, once the elementary demands are satisfied, is often

[7] See here Glueck, S. S. and E. T., *500 Criminal Careers*, New York, 1930.

over-estimated. The fashion of our time, with our increased anonymity, has led to this. Decreases in anonymity will lead to a decrease in the emphasis upon the wasteful and non-essential phases of clothing. Nevertheless, men will always try to be well-dressed according to the situation and the dictates of the time. To the sociologist, the relative attention paid to institutional clothing is very suggestive as to the real "trend" of the times.

Finally, we find in clothing behavior some of the same general characteristics of desire that were found in food. As a value, clothing has a minimum expression, which if not satisfied creates a social vacuum capable of stirring up the emotions and threatening the social system. However, the general ideas popularly held concerning clothing are much more artificial than this because the necessary level of attention to attire is covered by a thick layer of other forms of social expression. Changes in these other forms of social expression clearly indicate that a constant increase in stimulation (the possibility of more clothing expense) does not result in the same type of response. The functions for which clothing is used change under the increased stimulation.

Clothing does not always become more ornate, more expressive of social position, or more protective with increase in expenditure for it. Rather it tends to lose its primary social functions and becomes an individualistic expression, much of which weakens rather than strengthens the social order.

As a matter of fact the whole field of clothing behavior is so marked with unpredictable changes that any simple theory of its rôle in the standard of living or of its behavior under a change of circumstances is likely to be wrong. There are indications that clothing reflects the condition of society in a general way. Ages of individualism may be periods of fashion. On the other hand, great increases in this individualism may create conditions causing a redevelopment of the popularity of institutional clothing. If this is true, the sociologist should study with care the institutionalized clothing movements in present western society. Such barometers as these, not generally recognized by students of the standard of living, may tell us more about our near future than a hundred curves of mathematical extrapolation.

'As Montesquieu wrote a *Spirit of Laws,*' observes our Professor, 'so could I write a *Spirit of Clothes;* thus, with an *Esprit des Lois,* properly an *Esprit de Coutumes,* we should have an *Esprit de Costumes.* For neither in tailoring nor in legislating does man proceed by mere Accident, but the hand is ever guided on by mysterious operations of the mind.' [8]

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[8] Carlyle, T., *Sartor Resartus,* London, 1929, p. 25.

CHAPTER XII

Sundries and Advancement

Nature of sundries and advancement expenditures.—Relations of family structure to advancement expense.—Supposed early lack of interest in advancement expense.—18th century recognition of advancement expense.—Engel's emphasis on advancement expense.—Theories of continuous progress in advancement expense are not valid.—Marshall's views.—Classification of advancement expense.—Advantages and disadvantages of this classification.—Expenditures for elastic items with increasing income.—Elastic expense as non-advancement items.—Elastic expense and morality.—Advancement expense and individualism.—Advancement expense as index of standard of living.—Linear material progress as human goal.—Assumption of correlation of social complexity and happiness.—Criticisms of this assumption.—Fundamental fallacy of these contentions.—Proportions of income used for advancement under different conditions.—Decrease of advancement expense with increasing income.—Le Play families.—Chinese families of 20th century.—Liverpool dock laborers.—American urban wage-earners.—American farmers and rural population.—Competition of advancement expenditures and savings.—Rural-urban differences in advancement expenditures.—Two major types of advancement expenditures.—Spurious nature of advancement category in budgetary studies.—Assumptions basic to adequate discussion of advancement category.—Stability and maintenance of civilization.—Preventing or minimizing changes in level of sensation.—Conflict of advancement expenditures and social preservation.—Limits of linear theories of expenditures.

Economic desire expresses itself through many channels, some of which, such as the rhythmic and omnipresent types found in food, clothing, and household expenditures, have already been discussed. In this chapter attention is turned to the other and less pervasive expenditures in present consumption called sundries and advancement. These items include, among others, expenditures for education, religion, charity, health, births, deaths, recreation, amusements, music, flowers, cosmetics, jewelry, tobacco, and drugs (including alcohol). Taxation is not considered an individual expenditure because this matter is controlled by the government. The satisfaction of economic desires through governmental expenditures is a problem which cannot be discussed adequately in a work such as this.

When we observe this long list of expenditures, it is obvious that we face many complicated problems, no one of which can be fully treated here. A study of expenditures for health and death alone involves excursions into the realms of medicine, and religion and magic, both of which problems are as intricate as human life itself. However, from one point of view, a few characteristics of all of these expenditures may be considered. They form only a minor part of the budgets of even fairly wealthy people, they are lumped together and called advancement by many students of standards and levels of living, and, finally, they have a common characteristic in that they are non-rhythmic, and highly variable. As Pliny observed in Rome:

> To man alone, of all animated beings, has it been given, to grieve, to him alone to be guilty of luxury and excess; and that in modes innumerable and in every part of his body.[1]

Our discussion will outline some of the most general characteristics of this group of expenditures considered as a whole with particular reference to the evaluative meaning given to it in budget investigations. It should be noted at once that this group also includes expenditures of widely differing social meaning, such as for funeral wreaths, school pencils, lipsticks, whiskey, and engagement rings. However, they are all alike in that they serve to embellish life.

The consideration of the family is a prelude to a discussion of these items because the emphasis upon advancement expenditures has alternated with family life and children in playing the major rôle in a system of living. It has been noted repeatedly that increases in the size of the family reduce the proportion of income used for advancement. From this has arisen the idea that an increase in the size of family tends to lower the standard of living, and an income allowing high proportionate advancement expenditures tends to raise it.

[1] Pliny, *Natural History,* Book VII, Ch. 1, London, 1855, pp. 119-120.

This is particularly true when we recall that the chief hypotheses about expeditures in this field [2] are all built about the general idea that advancement expenditures are or are not for the well-being of the family.

Progress in Theories about Advancement

It is sometimes supposed that up to the time of Ernst Engel, discussions about "improving" the standard of living, as far as expenditures were concerned, could be typified by Sir William Petty's classification of the population of Ireland according to the numbers of "smoaks" (hearths), or by Richard Dunning's work, *Bread for the Poor* (1698). These writers held rigidly to the economic assumption that the amount of money or spendable resources (real income) was the important consideration in living since consumption was self-regulating. It is generally claimed that since the Middle Ages there has been a rise in real income in many western countries and, as a result, investigators of standards of living may now begin to talk about the advancement expenditures.[3] Earlier discussions of luxury, such as the four-volume study by H. Baudrillart, published about 1880,[4] dealt chiefly with institutional and public expenditures including those by the court groups. Many imply that the chief reason for this failure to emphasize the so-called advancement group of expenditures during the earlier periods was that the masses of the people were more self-sufficing than at present. Cash expenditures were used chiefly for necessary items of

[2] Those by Gregory King, Corrado Gini, G. del Vecchio, E. Engel, the American Engel school, Carle C. Zimmerman, and M. Halbwachs.

[3] The traditional idea on this subject is embodied in Chart 1, page 5, Vol. II, *The Evolving House* by A. F. Bemis, The Technology Press, Cambridge, Massachusetts, 1934. Here it is claimed on the basis of a conjectural chart that changes in the percentage distribution of social effort since the primeval period has been as follows: food has decreased from 90 to 25 percent; housing has increased from 4 to about 22 percent; clothing, from 2 to 9 percent; tools and transportation from 4 to 16 percent; and advancement expenses (services, education, savings, and incidentals) from 0 to 28 percent. Advancement expenditures amounted to very little until approximately the beginnings of the higher agricultural stages. The rate of increase in proportions used for advancement has been about the same in the higher agricultural, the industrial, and the advanced agricultural stages. In this chapter, we are denying many of the major ideas suggested by this hypothetical chart.

[4] Baudrillart, H., *Histoire de luxe privé et public depuis l'antiquité jusqu'à nos jours,* 4 vols., Paris, 1878 on.

food, clothing, and housing. Since these groups are thought of, whether rightly or not, as being expansions of primary necessities and not advancements, it was held that a progressive trend in thought followed the increase in real income. The eighteenth century writers, who were most often quoted, criticized the poor for purchasing tea, tobacco, or gin instead of meat, bread, and potatoes. Relatively few, if any, mentioned sundries and elastic expenditures.[5]

Thus, in the early eighteenth century, Arthur Young held that "as much superfluous money is expended on tea and sugar as would maintain four millions more of subjects in bread. . . . How can the poor be so poor? The answer is ready in a moment, and I fear too universally applied: these earnings can afford neither drinking tea at home, nor tippling ale abroad." Young estimated that the average Britisher ought to eat two and a quarter pounds of bread, besides cheese, daily. Since this appeared to be more than the average person ate, he concluded that expenditures for sugar, tea, ale, other alcoholic drinks, and "luxuries" among the masses were taken out of the amounts needed for necessities. Earlier, Sir William Temple was bothered because the London laborer was beginning to live a life of indolence, ease, and voluptuousness. He objected to the fact that they worked only a few days a week and swilled beer the rest. According to Dr. Gilboy, one of the chief luxuries (or advancement items) of the laborer during the eighteenth and first part of the nineteenth century was the increasing use of cotton clothing, which became so cheap that the masses could emulate the fashions of the upper classes. Daniel Defoe was horrified by the servant who threw away his bonnet and bought a good English Castor hat. This bonnet was the only head covering the servant had had until he came to London.

It is generally believed that the emphasis or interest in advancement expenditures resulted from the work of Engel. Investigators of the standard of living first began to emphasize a progressive belief in the value of "free income" for advancement purposes because of the im-

[5] See Gilboy, E. W., *Wages and Standards of Living of English Labor, 1700-1790,* unpublished Ph.D. thesis, Radcliffe College, Cambridge, 1928; and her *Wages in Eighteenth Century England,* Harvard Economic Studies, Vol. XLV, Cambridge, 1934, Ch. IX.

petus given to the conception by Engel. In his 1895 study, he claimed that the proportion of the expenditures used for physical maintenance (*e.g.* necessities—food, clothing and washing, rent and furnishings, heat and light, and health) as opposed to "all others" (education, religion, savings, recreation, personal and sundry items) was the paramount measure of standards of living. This has been held as the first major statement that the measure of the well-being of a population was not to be found in the *type of physical upkeep* but rather in the amounts and proportions of the expenditures for other than physical maintenance.[6]

This theory of progress, which emphasizes expenditures other than for physical upkeep as a measure of living, is far from the truth. Some writers even in the earliest modern periods were considering both phases of the standard of living. Thus, David Hume held that:

> Human happiness, according to the most receiv'd notions, seems to consist in three ingredients, action, pleasure, and indolence; and tho' these ingredients ought to be mixt in different proportions, according to the particular dispositions of the person, yet no one ingredient can be entirely wanting, without destroying, in some measure, the relish of the whole composition.[7]

He goes further to claim that ages of refinement and luxury are both the happiest and most virtuous, and, although when luxury was carried too far it ceased to be beneficial, it was not necessarily the most pernicious quality "to political society." He believed that the advancement in the refined arts led to the development of cities, knowledge, wit, breeding, taste in conversation, in living, in clothes, and in furniture. Clubs and societies were everywhere formed outside the home where "both sexes meet in an easy and sociable manner, and men's tempers, as well as behaviour, refine a-pace." [8] The vanishing of vicious luxury from the State by "incurring sloth and indifference to others," would only diminish industry and add nothing to human charity or generosity. However, he was unwilling to hold vice in itself as advantageous.

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[6] Engel, E., *Die Lebenskosten,* 1895.
[7] Hume, David, *Political Discourses*, Edinburgh, 1752, p. 25.
[8] *Ibid.*, p. 27.

Much earlier and more emphatic pronouncements on the same subject were made by Bernard de Mandeville in his *Fable of the Bees.*[9] This "search into the nature of Society" was a reaction against writers who "are always teaching men what they should be, and hardly ever bother their heads by telling them what they really are." The main idea of the Fable, according to him, was to show the impossibility of enjoying the comforts of life "met with in an industrious, wealthy and powerful Nation, and at the same time be bless'd with all the Virtue and Innocence that can be wish'd for in a Golden Age." [10] He indicated that, according to strict terminology, everything which "is not immediately necessary to make a man subsist as he is a living creature" should be called luxury. Since even the lower savages had already passed beyond this stage, there was no logical reason to refrain from calling everything in the world a luxury. He agreed, however, that this definition was too strict.

In his further argument, Mandeville maintains that demand for luxuries turned the wheels of trade. Hence, luxury, though it may be over-emphasized, is economically necessary. The charges of social demoralization attributed to luxury were due to "Mal-Administration" and "bad Politicks."

Luxury is always present and always necessary to a complex society. Nearly all of the concepts of "modern theory" of consumption are present in his work in one form or another.

Thus, the theory of progress in the emphasis of the value of advancement expenditures within the modern period is not valid. Luxury or advancement expenditures are mentioned and emphasized by writers during practically all modern periods. The very period (seventeenth and eighteenth centuries) in which Calvinism, Pietism, and Methodism were furnishing the ascetic basis for the development of capitalism, according to Weber's *Protestant Ethic,*[11] the above quoted writers and others were praising the value of luxury as a social benefit and maintaining that frugality and saving could be over-emphasized because

[9] The first title was *The Grumbling Hive, or Knaves Turn'd Honest.*
[10] *Fable of the Bees,* London, 1724, 3rd ed., Vol. I, preface.
[11] Weber, Max, *The Protestant Ethic,* tr. by Talcott Parsons, New York, 1930.

luxury furnished work for the laborers and stimulated the economic system. On the other hand, in the nineteenth and twentieth centuries when this emphasis upon "free income" as a measure of the well-being of the people was supposed to have been strongest, Alfred Marshall held the contrary viewpoint.[12]

From this brief introduction it may be seen that the problem of advancement or sundry expenditures is exceedingly complex. It can be understood only after a most rigid theoretical and factual analysis.

What is Advancement?

The use of the above term may be misinterpreted. It is based on an assumption of progress which is purely an evaluative concept. That those who live one way are physically, psychologically or morally superior to others is difficult to prove except in extreme cases. Changes from starvation budgets to those which permit the individual to live result, of course, in improved physical conditions. However, most of the applications of these progressive or regressive theories are based upon studies of people who have many of the comforts and conveniences of life. This is shown in the careful summaries of European conditions for feudal and non-feudal families by the Le Play school, or the studies covering seven centuries by G. d'Avenel and J. E. T. Rogers. Among the types of families to which these theories are applied, the increase in advancement expenditures is always associated with some gain and loss in physical as well as in psychological and moral conditions. Advancement and progress, technically speaking, are merely evaluative terms applied to beliefs about particular segments of the social process.[13]

The term advancement, consequently, is used in this discussion without any connotation of improvement or progress. It is used because it is the customary term applied to certain ways and means of

[12] Marshall, A., *Principles of Economics*, London, 1916, 7th ed., p. 720. H. S. Maine held that "The strong disinclination of most men to regard morality as advancing seems to be especially powerful when the virtues on which Contract depends are in question, . . . (*Ancient Law*, London, 1920, p. 321).

[13] See Sorokin, P. A., "Principle of Limits," *Publication of the American Sociological Society*, Vol. XXVI, 1932; and "Survey of Cyclical Conceptions," *Social Forces*, Vol. VI, September, 1927; see also Bury, J. B., *The Idea of Progress*, New York, 1932, p. 4.

spending income or resources. Our purpose is to analyze its meaning and to point out clearly that it has its limitations as a method of measuring a total standard of living. When we introduce evaluative conceptions we will use the term "improvement." As we approach the concept "advancement expenditures" from the historical and analytical point of view, it appears to have had many different implications.

The first and most general implication of the term is that of expenditure for other than the necessities of life, following the use of the term by the German historical economist, Wilhelm Roscher, and also by Ernst Engel. This use of the term implies stable expenditures for physiological needs and very elastic ones for all other purposes. Engel even held that the different elasticities of these two types of expenditures were closely related to the laws of Malthus.[14] In other words, under conditions of increasing income, expenditures for physical upkeep increased arithmetically and for advancement geometrically. Thus, this fundamental law of the budget and of well-being finally boils down to a distribution of two broad groups of items: those which were supposed to be inelastic (food, shelter, clothing, trade expenses, and health) and those which were supposed to be elastic (education, recreation, travel, amusement, social contacts, and so on).

This classification has its advantages as well as its disadvantages. Its main advantage is that, in a survey of family expenditures, those with the larger incomes apparently spend a higher proportion for the elastic parts of the budget. Among such groups expenditures are more conspicuous and the outward evidences of prosperity are greater. Since they can afford it, large amounts are given for charity, for religious devotion, for public buildings, and for the support of many luxuries such as the arts and sciences and institutions of higher learning. Formally, the people lead a full and conspicuous life so that the secondary characteristics of civilization are highly developed. Since in this type of a society most persons assume that a further development of the same "elastic" expenditures is essential to the well-being of the people, the general classification serves a denotative purpose. But as C. A. Ell-

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[14] Zimmerman, C. C., "Ernst Engel's Law of Expenditures for Food," *The Quarterly Journal of Economics* 47(1):78-101.

wood points out, these are the creations and not the creators of high civilizations.[15] As Le Play has shown, their significance is generally over-rated.[16]

The disadvantages of the classification, however, lie in several of its erroneous implications. The first is the belief that all elastic expenditures, which increase rapidly under conditions of increasing income, are not included in the expenditures for food, shelter, clothing, health, or trade expense groups. As we show in other chapters, even the most basic item, such as food, becomes extremely elastic at times because nutrition no longer is considered the primary purpose of eating. The reason why it appears inelastic, in some cases, is because many things which serve for food purposes or are associated with food are arbitrarily thrown into other categories.

A second erroneous assumption is that all elastic expenditures are moral. Moral in this particular case is used in relation to the common standards of contemporary western society. Studies of the mores, such as that by Sumner, give the impression that anything can be made moral—that is, is deemed right. This assumption, however, is not completely valid since the religious doctrines of various societies have many features which, in principle, are common to them all.[17] Every society has its inhibitions. However, in spite of similarities, individual practices differ with group and with time. The use of this theory of elasticity of expenditure as a measure of the standard of living implies that all these increasing groups and items are moral. This may be denied both in an arbitrary and historical sense. If the masses of the people in any society place too great an emphasis upon expenditures for recreation, drugs, alcohol, personal adornment, and so on, there automatically occurs an increase in immoral behavior and individual disorganization. This has been noted by many great writers, including religious leaders, philosophers, the Roman Stoics, the outstanding classical Epicureans, modern economists and sociologists, and even by

15 Ellwood, C. A., *Sociology and Modern Social Problems*, 1924, p. 77.
16 Le Play, F., *La réforme sociale*, Paris, 1887, 7th ed., Vol. II.
17 See also Durkheim, É., *The Elementary Forms of Religious Life*, London, 1926, pp. 427-431; Zimmerman, C. C. and Frampton, M. E., *Family and Society*, New York, 1935, pp. 45-46.

Hume and Mandeville who were quoted earlier in this chapter. Edouard Ducpétiaux and the members of the first International Statistical Congress realized this very clearly when they classified the elastic expenditures into two groups, one "good" and one "bad." [18]

The assumption behind this advancement theory is that extra-family life is better for the masses than home life. A continuous increase in the so-called advancement group of items inevitably leads to an increase in extra-family life because family expenditures are found principally in the items of food, clothing, and shelter and in the non-material sides of life which involve no money expenditure. As many investigators have shown, the continued emphasis upon extra-family life has often led to a loss of interest in living and tended to bring about race extinction.[19]

The theory also implies that individualism (attachment to temporary interest groups as opposed to the more permanent organic groups) should develop more and more and that this will build up the morale of the people. Personal expenditures which increase with the advancement group are direct expressions of this individualism. A survey of history shows that individualistic groups, as opposed to organic associations, are prevalent in all societies. However, we do know from the studies by Durkheim (*Division of Labor in Society* and *Le Suicide*) and F. Tönnies (*Gemeinschaft und Gesellschaft*) that conspicuous attention to the contractual groups leads to broad structural changes in a society which increase the incidence of nervous and mental diseases, suicides, and many forms of anti-social behavior.[20] To the same degree that the increase of these forms of behavior and these types of social organization is anti-social, the increase of advancement expenditures beyond a certain limit is also anti-social.

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[18] Ducpétiaux, E., *Budgets économiques des classes ouvriers en Belgique*, Brussels, 1855, pp. 6-8.

[19] See Carr-Saunders, A. M., *Eugenics Review* 14(1922-23):346-357; Inge, Dean, "What Nations and Classes Will Prevail," *Eugenics Review* 11(1919-1920):17-18; and Rivers, W. H. R., (ed.), *Essays on the Depopulation of Melanesia*, Cambridge University Press. See also Gini, Corrado, *Le Basi Scientifiche della Politica della Popolazione*, Catania, 1931, Ch. 2.

[20] Sir Frederick Pollock and Sir H. S. Maine both pointed this out earlier than Durkheim and Tönnies. See the first edition of Maine's *Ancient Law*, 1861; and pp. 374-376 of the 1920 edition with introduction and notes by Pollock.

Another weakness in the argument that advancement expenditures may be used to measure and index the improvement of the standard or level of living is the assumption that non-material values and standards are correlated with conspicuous display. The weakness of this argument was shown by Sorokin in his criticism of *Recent Social Trends* by the President's Committee. After discussing the chapter in this work which deals with changes in attitudes according to the tabulation of articles indexed in the *Readers Guide*, Sorokin continues:

> This shows the inadequacy of an egregiously quantitative method in the study of cultural phenomena. It shows also something more important, namely, the unscientific nature of the wrongly applied quantitative method.[21]

Too great emphasis on one side of life only leads to a cultural disharmony of the people. Consequently, to the extent that this assumption of a correlation between the non-material standard of living and conspicuous expenditure is invalid, the claims that these advancement expenditures measure the improvement of the quality of the standard of living must also be invalid.

Another inadequacy in this argument lies in the fallacy that linear progress in a material sense is an inherent single goal of human life. That such is or is not the truth can hardly be backed by statistical proof. We do know that the past history of societies has not been such a continuous movement.[22] In other words, the first major task of life is to live without regard to particular means, methods, or purposes. Consequently, the implications that man should live this particular way is neither historically nor logically founded upon fact.

The final weakness of this idea concerning advancement expenditures is the assumption of a correlation between increasing complexity and increasing happiness of the people. Those who use advancement expenditures as an index of well-being imply that the more complex and prosperous peoples and societies are happier and have a greater fund of psychological well-being than the simpler peoples and societies.

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[21] Sorokin, P. A., "Recent Social Trends: A Criticism," *The Journal of Political Economy* 41(2):201-202, April, 1933.

[22] Summer, W. G., *Folkways*, Boston, 1906, p. 2.

This is contrary to Rousseau's theory that there is greater happiness among primitives and increased unhappiness among complex peoples. It is contrary to the beliefs of the school of "nature worshippers" among the anthropologists who, a few decades ago, found perfect harmony and idealism among the primitive tribes. It is contrary to the school of political scientists, illustrated by Herbert B. Adams, which finds the origin of democracy and perfect happiness in the primitive agricultural village (where the proportion of the budget used for advancement purposes would be little or nothing).[23] Moreover, as Durkheim has indicated, suicide is perhaps the best single index of unhappiness, and the rate of suicide is notoriously higher in more complex societies with high proportions of expenditures for advancement.[24]

To show the weakness of this last assumption, we do not have to prove that either complex or simpler peoples are happier. That spontaneous psychological happiness is greater among the simpler cultures, and physical happiness is greater among the peoples with complex cultures can be supported by some of the investigations concerning the average length of life, the death rate, and many objective proofs of the increase of pleasing stimuli in complex cultures.[25] However, there is a limit to the increase in sensation from pleasurable stimuli as shown by the psychological idea that sensation tends to increase only as the square of the stimuli.

On the other hand, there are numerous typological investigations, such as that by l'Houet in his *Psychologie des Bauertums* (Tübingen, 1920), which show that naive and spontaneous happiness arising out of simplicity and the pure joy of unencumbered living is more prevalent among peasant peoples and in simpler cultures. Objective manifestations of this are to be found in the explanation by Sorokin and Zimmerman of differences in disease and death rates between the city and the country. A population in the city has more objective reasons

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23 Adams, H. B., "The Germanic Origin of New England Towns," *John Hopkins University Studies in Historical and Political Science,* Baltimore, 1882, Vol. 1.

24 See Durkheim, Émile, *On the Division of Labor in Society,* tr. by G. Simpson, New York, 1933, Book II, Ch. I, pp. 233-255.

25 "It (simple or *fellaheen* cultures) has awakened that depth in endurance of suffering which the historical man in the thousand years of his development has never known," says Spengler in *Decline of the West,* Vol. II, p. 345.

for a lower death rate than that in the country. While the city is not necessarily composed of a selected group of people, yet it is made up to a large extent of many country persons who are capable of migrating in search of jobs. Their average income per person is higher than in the country. The people in the city have more health facilities, such as purified water, sanitation, drug and medical service within call, and so on. The only disadvantage they have, compared with the country people, is the factor of population density and the general artificiality of life (which is a part of the advancement expenditure). In spite of all these favorable characteristics, death rates in the complex culture groups (the cities) are generally always as high if not higher (if reduced to a standard population for comparisons) than among the simpler people living in the country. Sorokin and Zimmerman explain this, at least in part, by the influence of psychological conditions upon the physical well-being of the population. Spontaneous happiness is greater in the country than in the complex city. This type of happiness improves physiological well-being more than the increased pleasurable stimuli of the exceedingly complex city.

It is not necessary to prove either one of these contentions. All we seek to show is that both simple and complex peoples are happy at times and unhappy at others. Consequently, the belief that an increase in the complexity of a culture will lead to a continuous increase in the happiness of a people is entirely ill-founded. We should rather point to the principle of limits in the processes and direction of social phenomena. This shows the fundamental error back of this claim.

There is an element of truth in all of these contentions and assumptions. The use of proportions for advancement is a measure of some additions to the standard of living. This group of expenditures occasionally tends, with increased income, to increase more rapidly than the other outlays, particularly if the culture does not alter materially due to a host of new inventions. In this category are many items, such as reading, religion, charity, art, and so on, which are sometimes highly moral. The development of extra-family life tends to have some enervating influences on society. The material standard of living requires a development of personal initiative, once the individual has been well-disciplined within the family circle. Many objective phases of the non-material side of living bring about conspicuous display, such as the welfare foundations in modern American society. In many periods man believes that the goal of life is material improvement. Most religious systems have a side which stresses the value of material sensation as a reward for the faithful followers. One can nearly always complement a Lao-tse by a Confucius, a Zeno by an Epicurus, a medieval Christian by a Mohammedan, and so on. Even if complex peoples are unhappy, they generally believe that their happiness lies in greater social complexity.

The fundamental fallacy of all these contentions is that a partial truth does not make a whole truth. What was valid during the nineteenth century may not be valid under the greatly changed conditions of the twentieth century. When the working man had no shoes, it was probably an excellent idea to increase his material standard of living. But now that he has a pair of shoes, it is not necessarily true that he would be better off with three more pairs or that he should spend twice as much in order to keep up with the fashions compared with some alternative type of behavior. When people are illiterate, the individual probably profits by learning to read and write, but it does not follow that continual increases in the age of minimum compulsory schooling, the length of the school year, or the numbers of high schools and colleges would be increasingly beneficial. Such increases may result eventually in "yellow journalism," and the like. The increases in the mass of cheap literature sold in every street corner in cities like Tokyo, or in the growing numbers of persons (Westerners and Asiatics as well) who feel that they should have easy and well-paid jobs because they are "educated," suggests that modern society may have passed the optimal point in this field. In other words, the chief weakness of the whole idea of judging standards of living by advancement expenditures, in addition to the logical inadequacy of the idea, is due to the fact that the world has changed materially since the modern version of the theory was emphasized. Advancement is, in many cases, no longer improvement.

Advancement is Not Always Improvement

A further analysis of this theory takes us into the realm of actual budget studies which show the proportions used for advancement under different conditions. However, it must be understood that such an investigation is fraught with great difficulties. The most important arises out of the classifications of goods which are used. These so vary from study to study that comparisons of items called advancement are almost impossible. The so-called savings budget is sometimes segregated by itself, sometimes included with sundries and advancement, and sometimes omitted from expenditures altogether or included under undistributed income. For some studies a group of expenditures called advancement (including education, reading, and religious expenses) is separated from various sundry expenses, thus dividing the so-called elastic expenditures into several categories. Hence, any statistical investigation is very complicated.

However, if we focus our attention on the expenditures primarily for present consumption, some approximate analyses may be made. In general, expenditures for food, shelter, clothing, health, taxation, and trade are included in the physical needs. Savings, investments, and payments on homes are called future expenditures. This leaves a third group which includes education, recreation, reading materials, religious obligations, charity, and personal items which we have lumped together, following the traditional classification, and call advancement. On this rough basis and without any attempt to make price levels absolutely comparable, we may survey the expenditure habits of typical sections of the world during the past century or so.

In examining the expenditures of families of the nineteenth century, particularly of those who were relatively undisturbed by the "new forces" beginning to influence the consumer, one finds that there was very little if any emphasis on an advancement budget. The Le Play budgets, the great mass of which referred to the nineteenth century, most adequately depict the scale of living at that time for many centuries. These include budgets of families in Siberia, Russia, western Europe, the Mediterranean area, French Indo-China, and the sea coast of China proper. By classifying them according to the general scheme mentioned above, the following results are obtained:

PERCENTAGES SPENT FOR FUTURE ADVANCEMENT, AND NECESSITIES ACCORDING TO THE LE PLAY STUDIES OF THE NINETEENTH CENTURY

Income Group (French francs)	No. of Families	Future (savings)	Advancement or "Luxuries"	Necessities	Total
Less than 500	5	10.15	11.84	78.03	100.00
500—1000	21	6.48	6.46	87.05	100.00
1000—1500	27	9.78	4.30	85.92	100.00
1500—2000	23	12.39	5.29	82.33	100.00
2000—2500	17	7.99	6.58	85.43	100.00
2500—3000	9	8.95	5.54	85.50	100.00
3000—3500	8	14.28	8.65	77.07	100.00
3500—4000	6	13.46	8.16	78.36	100.00
4000—4500	7	19.85	8.62	71.53	100.00
4500—6000	8	33.46	5.86	60.69	100.00
6000—10,000	8	40.43	7.34	52.25	100.00
10,000 and over	9	53.37	4.06	42.56	100.00
Total	148	29.32	5.91	64.79	100.00

Using the ordinary statistical measures, we find that the percentage spent for advancement tends to decrease as one moves from the group with less than 500 francs per year to that with 10,000 francs and over. The extremely elastic part of the budget was in the group called savings or future expenditures. These increased from approximately 10% of the total income in the lowest class to more than 50% in the highest class. Thus, it would appear that these more well-to-do people attempted to increase their material conditions by spending a little more for physical comforts and conveniences and by putting aside something for a rainy day in order that the necessities of life could be adequately satisfied at all times. Thus, fluctuations in standards of living would not follow fluctuations in income. It may be truly said that for this group of persons (approximately 150 "type" families studied over many years) "advancement" was not held to be "improvement" as many budget theorists believe today.

For a second group, let us turn to the extremely poor families of the twentieth century. We shall first consider the study on standards of living by L. K. Tao [26] which represents a summary of 82 investigations made in China since 1917. Information concerning annual income (which ranged from $25 to $100 in American gold or £5 to £20 in British currency) was available for 74% of these families. Of the 69 inquiries which included full information, the percentage distributions for "miscellaneous purposes" showed 7 using less than 5%, 9 from 5-9.9%, 15 from 10-14.9%, 20 from 15-19.9%, 9 from 20-24.9%, 8 from 25-29.9%, and 1 from 30-34.9%.

In spite of incomes lower than those of any social class investigated in western society since David Davies' study (*The Case of Laborers in Husbandry*, 1795), we find that these families averaged 17.5% for a group of items which in America would be called advancement expenditures. Eighteen of the 69 groups of families spent from one-fifth to one-third of their income for sundry and miscellaneous items. We know from a study of their diet that much of the food was bought at the international market at world prices. Consequently, the price level could not explain all of the difference between what they could afford for advancement and their low incomes. Yet we are surprised to find that in this study the proportion used for miscellaneous expenditures was considered a valid measure of the standard and level of living, and it was argued that the chief proof that the well-being of the Shanghai workers was greater than that of the Peking workers was that only 3.1% of the total cost of living in Peking was used for miscellaneous expenditures as compared to 20.6% in Shanghai. Using this same argument, we can show that the average standard or level of living among the Chinese laborers is as high as that among the American laborers. It is even higher than that of the American farmers, who are capitalists and land owners. Of course, this is entirely absurd and we are forced to the same conclusion for these groups as for the Le Play families, namely, that advancement expenditures represent neither improvement nor a fair measure of the total standard or level of living of the people.

The same conclusion becomes more evident if we turn to the Liver-

[26] See Tao, L. K., "The Standard of Living Among Chinese Workers," *China Institute of Pacific Relations*, Shanghai, 1931.

pool dock laborers, who represent the lowest group of moderns studied in the west as far as incomes and material standards of living are concerned. Forty-one of these families were studied carefully in 1909 by the Liverpool Joint Research Committee. In the very lowest group, with income of less than $2 a week per family, we find as high as 5% used for advancement expenditures. It is inconceivable that this could refer to "advancement," properly so-called. As a matter of fact, the report clearly shows that most of the miscellaneous expenditures of these dock laborers were for alcoholic drink.

Our final summary is based upon American conditions where this advancement philosophy is most popular. The first table summarizes 170 groups of laborers for which complete details of income and expenditure were available so that we may get a fairly clear idea of the classifications used. These 170 studies cover many thousands of families, all of whom are urban wage-earners. No attempt has been made to adjust this table to differences in the price levels.

From this table we see that family incomes are divided into groups ranging from less than $449 to more than $1850. Each of the groups

PERCENTAGES OF INCOME USED FOR ADVANCEMENT BY GROUPS OF AMERICAN URBAN WAGE-EARNERS

(The groups are classified according to average income levels)

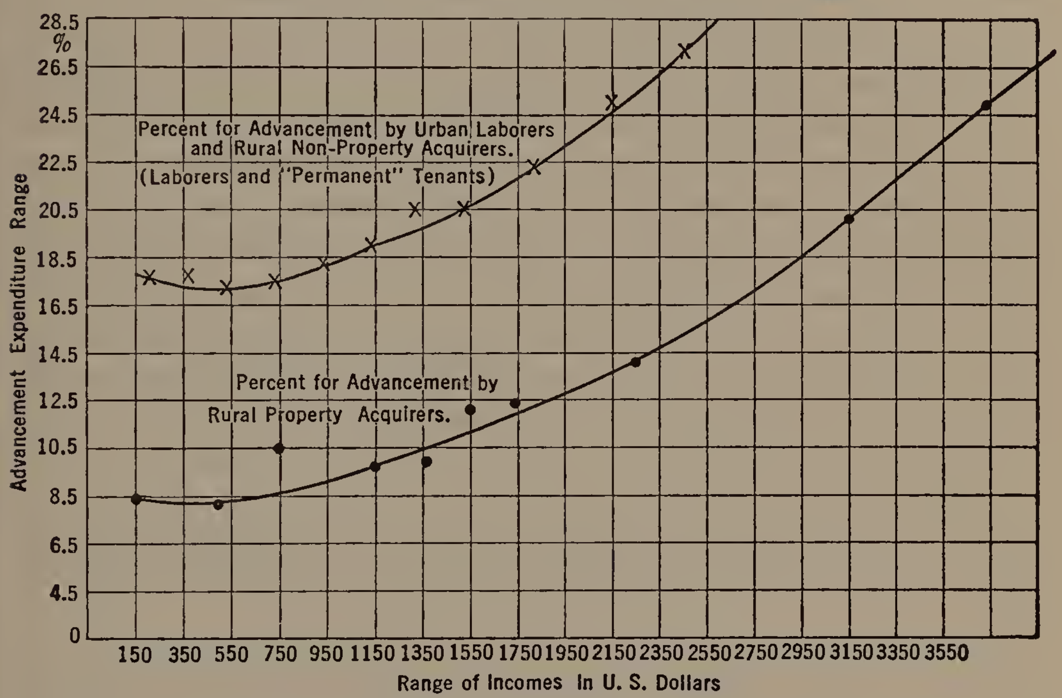
Family Income Range $	Percentages Used for Advancement by the Groups Studied										
	Up to 7.49	7.50 to 9.49	9.50 to 11.49	11.50 to 13.49	13.50 to 15.49	15.50 to 17.49	17.50 to 19.49	19.50 to 21.49	21.50 to 24.49	24.50 and more	Total
Up to 449	.....	.....	.....	1	3	3	5	.....	1	.....	13
450—649	1	4	3	7	6	6	4	2	3	.....	36
650—849	1	3	5	6	4	4	2	3	3	1	32
850—1049	.....	2	.....	2	4	2	3	3	3	.....	19
1050—1249	.....	.....	.....	.....	5	2	3	4	2	1	17
1250—1449	.....	.....	.....	.....	.....	4	5	7	4	2	22
1450—1649	.....	.....	.....	.....	1	1	2	5	4	2	15
1650—1849	.....	.....	.....	.....	.....	.....	3	1	2	.....	6
1850 and more	.....	.....	.....	.....	.....	.....	1	1	1	7	10
Total Group Studied ...	2	9	8	16	23	22	28	26	23	13	170

is classified as a unit according to the average percentage used for advancement. It is apparent from a study of the table, and it was more so before we amalgamated the lowest income class, that the extremely poor families (13 groups with average income of less than $450) spend proportionately more for advancement than some of the more well-to-do groups. As a matter of fact, it is only after we reach those with average incomes of more than $1,000 that we again reach a condition where more is spent for advancement than among the lowest groups. The second aspect of this table is the extreme variety of percentages used by different groups with the same income. It must be pointed out that these are averages of large numbers so that differences in the size of the family are not important. The third characteristic is that they are average percentages spent so that the factor of individual variation must be omitted from consideration. A fourth factor which needs explanation is the differences in the price level. Over the period in which these were taken, the only important change in the price level was the rapid rise during the World War, particularly in 1918. This fluctuation explains some of the irregularities in one of the upper classes but does not explain the fundamental general shape and configuration of this table. It is interesting to note that even the lower groups have representatives in practically every percentage category of advancement expenditures.

In order to probe this problem more thoroughly another table (not reproduced here) was prepared which presents similar data for American rural and farm families. This table provided the final convincing proof that the conventional analysis of advancement expenditures is extremely inadequate. The argument follows.

Two fundamental differences appeared between the two tables. First, for any particular range of income, the typical level of advancement expenditures is much lower in the country propertied class and rural semi-permanent non-propertied than in the cities. We have attempted to picture this on the chart which follows. This chart presents two lines on a scale, one side of which measures the proportion for advancement items and the other side income. The lower curve on the chart is for American farm families (those who have considerable acquired property in *fee simple*). We do not consider in this curve the group of rural families with low incomes (non-propertied) who spent unusual and abnormal percentages for advancement as was shown on the upper right of the table on the farm and rural groups. These 25 studies on the upper right are dealt with later. The upper curve on the chart deals with the average percentage of urban expenditures used for advancement under American conditions of the past

ADVANCEMENT EXPENDITURE FOR AMERICAN BUDGET



50 years. One can see that when the incomes of the rural and the urban families are made somewhat comparable and other conditions are held more or less neutral there is generally a greater tendency for conspicuous expenditure in the cities for each income group.[27]

[27] A manuscript reviewer says: "After presenting this statistical analysis of the expenditure of a group of property-less urban and rural dwellers on one hand and a group of propertied rural dwellers on the other, the author concludes that, 'One can see that when the incomes of the rural and urban families are made somewhat comparable and *other conditions are held more or less neutral* there is generally a greater tendency for conspicuous expenditure in the cities for each income group.' *The author does not specify what 'other conditions' are 'held more or less equal' nor does he explain the method by which this difficult feat was accomplished.* He must substantiate or withdraw that statement."

The second difference between these two tables is to be found among the 25 groups of studies on the upper right of the rural table which appear to vary from the typical rural (propertied) distribution of expenditures. A careful analysis of these groups shows that they are rural families divorced from the capitalist processes in agriculture. In other words, they are primarily croppers and tenants in the Old South where very little emphasis is placed upon the accumulation of lands due to the caste system of social organization which exists in that section of the country. There are also tenant and labor groups of families in other sections of our agriculture where the first impulse of the individual, either due to the times or to his general circumstances, is to spend most of his money for present consumption. In other words, these variant families in the rural districts have a high percentage of expenditures for advancement because they are either physically, socially, or psychologically divorced from the land as a form of capital.[28] They are spending money for immediate consumption which under a different form of social organization would go largely into the expenditures for capital, the improvement of farms and homes, or acquiring titles for land.

I took the landless proletarians out of agriculture and threw them into the city groups. However, the "curves" would have been somewhat similar but not as *meaningful* if I had not done so. Anyway, please let me do something "unmethodological" in order to expound principles which long study convinces me are "typologically" correct.

The same critic suggests further that, "It is indefensibly poor statistics to include city laborers and rural tenants in one curve and rural property owners in the other and then to claim that contrasted relationships of rural to urban families have been established. It rather appears that contrasts of property owners to non-property owners have been established.

I have in one sense done what the reviewer suggests, and I have in another excluded a temporary condition in agriculture in order to purify the curve. A study of the table giving all the "rural" studies shows that it is an inchoate combination of two statistical "universes." Studies show that proletarianization of agriculture only goes so far and then it is met by fictions or legislation, seeking to get lands into their hands again. See Sorokin, P. A., Zimmerman, C. C., and Galpin, C. J., *The Systematic Source Book in Rural Sociology,* Minneapolis, 1930-1932, Vol. I, Ch. VII; and Sorokin, P. A. and Zimmerman, C. C., *Principles of Rural-Urban Sociology,* New York, 1929, Chap. XXII & pp. 86 ff for this process. The Bankhead Farm Tenant Bill is an indication of the reappearance of such a movement for redistribution of lands in American life. The important fact is not city and country but *property ownership* which differs largely between city and country because of differing conditions. In my argument and in the chart, I have specified both city and property-less, and country and property owners.

[28] The validity of this analysis appeared after it was done by the AAA's attempts to make the 3,000,000 propertied and "wealthy" farmers a closed corporation through licenses, quotas and agreements. I am not justifying this AAA movement but pointing out that it followed the same division of rural groups.

We do not mean to disparage these people or this form of social system. Under the stable feudal régime, the country person was involved in a system of obligations and restrictions so that the processes of capital saving were carried on by the upper classes and by the family heads.[29] The same circumstances are found in some types of American agriculture, particularly in the South. Under this system the landlord often advances food and supplies for the new crop year to each of the families on his plantation. If the landlord does not do it, a "time-merchant" makes advances under a "crop-lien" system. The individual ordinarily has a feeling of security. At the end of each crop year many of the members of the lower classes spend their income for current consumption with no attempt to accumulate capital goods or land. In case of a crop failure, the tenant becomes indebted to the landlord or to the merchant but he is "supplied" and continues producing. If these debts become too large, the tenant moves to another area or the landlord pockets his losses in order not to discourage the tenant from working. Under earlier conditions in the South where there was not the "economic freedom" of the last two decades, many landlords followed the practice of withholding a certain amount of money during prosperous years in order to anticipate the bad years. An intimate study of the old plantation system in America, between the Civil War and 1910, shows that the landlord or plantation owner paid his tenants a constant sum each year. The good years compensated for the bad so that the masses of the people had a low but stable level of living and the plantations were economically profitable. However, with the growth of literacy among the common people and the development of "economic freedom," this system has become so changed that the tenants (sometimes) receive large incomes in prosperous years which theoretically should cancel their debts. However, as they never anticipate the bad years, they sometimes have an increased advancement budget and at other times are reduced to extreme poverty. Since

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[29] Property was *family* property inherited *ab intestat*. While freedom of testator was permitted in some countries, it was not used. Custom right superseded in *fact* the statutes. In the same way when the Napoleonic Code tried to make property *individual* and keep it broken through *ab intestat* inheritance, the family custom prevailed in many instances.

the landlord depends upon their labor, he generally furnishes them with minimum material equipment during these lean years. The net result has been that the plantation system has become very nearly bankrupt through these transferals of incomes from the landlord to the tenants or through a redistribution of wealth from one class to another and from the capital to the labor factor in production.[30]

Approximately the same general factors accompanying this high development of conspicuous expenditures have operated among many of the other rural groups. In other words, this emphasis upon the advancement budget is nothing more than a device for enabling people who are divorced from organizations promoting savings and property acquisition to consume their surplus funds. They spend their money when they have it and depend upon private and public charity or upon the forced remission of debts during less prosperous times. These 25 groups in the country districts represent a real movement toward the proletariatization of agriculture by the breaking up of ties between the individual and the family, between the family and the land, and vertically between the lower and the upper economic classes. Such cycles are always going on in agriculture, *i.e.,* Mexico under Diaz and after the Revolution of 1912.[31]

If we analyze the differences between the levels for advancement expenditures of the rural and the urban districts as are shown in the chart, we gain a clearer insight into the nature of this whole problem. The difference between the level of these two curves is due to the fact that though we are comparing approximately the same types of persons, one group has institutional elements which induce or force them to save a part of their incomes and another group (the urban) has not. Home ownership is not as primary a goal in the city as it is in the country. The ownership of the tools and capital equipment of their industries is so divorced from their immediate life that they are not

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30 In later stages of the AAA this later movement of "preferring the tenants" has been emphasized. Thus, the AAA during 1933-1935 was a combination of caste sociology, feudal privilege, and "redistribution" leanings. Many of these aims conflicted.

31 See here Tannenbaum, Frank, *The Mexican Agrarian Revolution,* New York, 1929; and Phipps, Helen, "The Agrarian Phase of the Mexican Revolution 1910-1920," *Political Science Quarterly,* 1924.

induced to save money for the future. If they deposit it in the bank, it can always be withdrawn and spent. The extravagance of the city and its congestion makes home ownership expensive and often hazardous. In addition, individuals cannot see any particular connection between their ordinary life and either ownership of homes or their business or tools. Consequently, their money is spent on items of immediate consumption. That part of advancement expenditures is just a means of getting rid of funds which under another form of social organization would go into the acquisition of capital, land, or homes.

However, this does not explain the rise in the curve of advancement expenditures among the American country people (landed types) or the fact that all groups spend a proportion of their income for this same type of expenditures. On the basis of the above analysis, however, we can see a very clear answer to the question. Advancement expenditures consist fundamentally of two types. The first contributes to the physical welfare of a population and is nothing more than an extension of the necessity budget into a larger realm of expenditures. Man's physical and social well-being depends to a considerable extent upon someone contributing to organizations and institutions which add variety to his life. He tires of the monotony of one type of experience and must have variations of experience in one form or another. It may come from flowers, gardening, a change of occupation, golf, drama, public festivals, drink, or religion. In addition, in the ordinary exigencies of life, there must be some free income moving through the channels of charity from those who have to those who do not, in order to hold the social organization intact. These are legitimate expenditures for the type of items which, under proper emphasis perhaps, may be called real advancement. The second type of advancement expense is an over-emphasis which comes from carrying this principle too far and from a sacrifice of capital accumulations and savings in favor of present expenditure. This is an illegitimate and spurious form of advancement and inevitably leads to social pathology. A certain amount of "social disease" is to be expected. On the other hand, the over-emphasis of this cannot be called either progress or advancement. This is what we mean when we say that advancement is not always improvement.

Improvement of the Present Standards of Living

On the basis of a summary of some of the important budget studies and a brief survey of thought it is held that much of what is termed advancement in the literature concerning the standards of living is of a spurious nature. Individuals become aggregated in large cities where the psychological basis of life divorces them from a consideration of future preferences and induces them to waste much of their income on contemporary objects of only passing value and even of considerable damage to themselves. Luxury and comfort, in the ordinary physical goods of life, has been one of the major aims of peoples since the dawn of history. However, the over-emphasis of these expenditures has always been regarded as of extreme danger to social stability. The individual becomes keyed up to an extremely high stimulation. This stimulation, according to the Weber-Fechner law, increases sensation very slowly. Great decreases are associated with an over-emphasis on abnormal behavior which tends to make the social system highly inefficient in its operation. This is because the decreases in stimulation during depressions and crises, to use the psychologists' terminology, move so rapidly that they pass into the realm of "just-noticeable-differences." The individuals feel the sudden change and are stirred to unusual behavior.

The danger which arises from the use of the last dollar for present consumption lies in the fact that the guarantees which maintain the level of stimulation are made less and less secure. Mr. A. spends all of his wages for articles of merchandise as soon as he is paid. Mr. B. and Mr. C. do the same. Mr. D., a merchant, finds that his business is excellent and over-extends himself by ordering a large stock of goods in advance and by agreeing to make certain payments for a new house or for a new automobile. The real estate owner and the automobile salesman make the same "bullish" plans. The factory where Mr. A. works increases its business and experiences boom conditions. This continues for a number of years until economic prosperity is disturbed, either from internal forces or due to external circumstances. Mr. A., now out of work, cannot pay his bills. He either has no savings or has deposited some money in a bank which in turn has lent it to the business men who are depending upon the receipt of some of Mr. A.'s wages. The whole structure suffers periodic crises as has been evident since the beginning of a developed trading and credit economy. Many individuals have their incomes reduced and their lower expenditures cause a reduction in the incomes of others. Stimulation decreases rapidly. The individuals who are thus harmed do not understand the situation and in their struggle against what they term "injustices" make the situation worse. This is not a causal analysis but a description of what happens periodically in a trading economy. In economies with less division of labor there are no such violent breaks except from crop failures.

It is extremely difficult, if not impossible, to prove that one type of life is any better or any worse than any other. All such proofs involve an agreement upon a standard. To solve this particular problem several assumptions are made. Those who disagree with the assumptions (arbitrary values for some of the unknowns in the equation) may make others and possibly reach different conclusions.

The first assumption is that, within limits, any civilization wishes to maintain itself for as long a period as possible. By this is meant that at any particular time in the history of a society individuals and circumstances adjust themselves to each other so that, excluding times of great physical suffering, the majority of the people feel that "this is the right way to live," or that "we are going in the right direction."

Such an assumption is valid for most periods. Mandeville in 1714 felt that England, "now a great and powerful nation," should try to maintain itself. Others at various periods have felt the same way. Exceptions are, of course, the opponents to contemporary civilizations.[32] However, as Sorokin has shown, these types of thinkers only hold the whip in hand during periods of great relative impoverishment of the people or in times of great social demoralization.

A second variety of the same general assumption modifies the above statement to say that most people feel that any change in the level of

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32 Such as Paul the Apostle, the writer of Revelations in the *New Testament*, St. Augustine, and radical thinkers the world over.

pleasurable material sensation in a society should involve an increase rather than a decrease. Such an assumption includes as its proponents some of both classes of humanity, those who favor the *status quo* and those who believe and hope for (what they think is) material progress in a linear direction. This modification also has its opponents at all times and periods. Nevertheless, in all societies there are classes who yearn for an increase in pleasurable stimuli and a decrease in the opposite types similar to the "Ploughman" discussed by Aelfric in tenth century England.[33] However, we do not accept this assumption for our purposes because of its unjustified implications.

Rather it would seem more fitting to make the assumption that extreme and rapid decreases (and possibly increases) in the level of pleasurable material sensation are extremely disrupting, on the whole, to a social organization and are to be avoided as much as possible. (This is a popular idea now as it was in Rome after Augustus.)

Much of social organization is based upon this very principle. Charity exists for such a purpose. The family as an agency of support and maintenance of the individual has this function in mind. This does not exclude punishment, executions, wars, etc., which are opposite types of behavior. But, like the pain caused by a dentist in extracting teeth or a surgeon in amputating a limb, the theoretical basis of these temporary increases in the volume of non-pleasurable stimuli is to eliminate greater pain at a later period. Rightly or wrongly, those who administer "justice" or carry on wars, think, or act as if they think, that they are promoting the welfare of certain persons.

It is not intended here to claim that the level of pleasurable material sensation remains constant, increases regularly, or is free from too rapid increase or decrease. We are not excluding magical fear, delusions, and chance as a factor in all such phenomena. Even wars might give a form of pleasure. This analysis sets up assumptions or arbitrary values whether they are accepted by others or not. If these are accepted, an answer can be reached. With other assumptions, different answers will present themselves.

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[33] See Seebohm, F., *The English Village Community*, 4th ed., 1896, pp. 165-166 for a translation of this manuscript.

With these two assumptions in mind, maintaining the level of pleasurable material sensation in the consumption of goods and services and preventing or minimizing sudden drastic increases or declines in such sensation, one solution to the problem of advancement expenditures is possible. *Real advancement expenditures are those which keep the material standard of living common to a given group from reaching an untenable position.* In other words, they are devoted to building up the preservative institutions, such as the family and private property, as well as contributing to the physical efficiency of the individuals. Thus, to a certain extent, even conspicuous consumption has an advancement connotation, in so far as it does not over-stimulate the social system.

This definition has only a relative value. Further specification is impossible in the social sciences. Sociology is as much a description of subjective feelings and intentions as it is objective behaviorism. On the contrary, it may be shown that any other solution to this problem is equally or more subjective and likewise involves evaluative premises and concepts.

The ordinary usage of the concept advancement expenditures contains assumptions and implications which a student of human society who accepts the above assumptions will feel are positively dangerous at this particular time. Such beliefs about advancement might not have been considered dangerous 100 years ago, although Frédéric Le Play thought they were and predicted that they would lead to the social demoralization we see about us. The continuous setting forth of excessive ideals of volume consumption especially at the present time, may lead to an over-extension of emphasis on material standards in a civilization which might in the long run endanger our fairly high material standard of living. Ambition in one situation becomes greed in another. In the one case it inspires the individual to work and in another it disrupts the social system.[34]

In other words, an individual might conclude at this time that America should devote a considerable amount of thought to devising methods of preservation as much as of advancement. Possibly the

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[34] See Donham, W. B., *Harvard Business Review,* April, 1933.

civilization has over-extended the material pleasures to the under-estimation of the non-material. Possibly more thought at this time on preservation of what we have may lead to more real advancement.[35]

This conclusion is subjective sociology but is based upon a survey of objective events.[36] If other views on social science could give a different and more valid conclusion, such a conclusion would be accepted gladly.

This leads us to a statement of the relation between the family and the so-called advancement expenditures. As we pointed out in an earlier chapter, the family is a type of organization which attempts to keep the material standard of living at any particular time from reaching an untenable position. If one of its members is without sustenance, the family attempts to provide for him. On the other hand, it operates as a brake to prevent a good deal of the demoralization which arises from conspicuous consumption. The paupers as a class increase rapidly under conditions in which family solidarity is broken down. We do not mean to say that all pauperization is due to a decline in family solidarity but that there is an influence which is generally recognized between weakness of the family and low material conditions. This does not mean that these relations are immediate and automatic. For a time a society or an individual can carry on with a weakened family structure but in the long run the odds are against it. Furthermore, the other type of behavior known as conspicuous consumption and waste is held in check by the family. The sacred theorists recognize this in many cases by their prescriptions concerning the marriages of the upper classes and their antagonism to the widespread limitations in the number of children. Although the southern Buddhists and the Roman Catholic Church prohibit the clergy from marriage, they surround these individuals with many restrictions, including in most cases vows to poverty, so that the individual has fewer opportunities for becoming demoralized. In general, we may conclude that the family

35 This does not mean that I endorse any *specific* idea for security. Within the range of security legislation there is some good and some bad. Possibly a little suffering is more valuable in the long run than attempts to avoid all suffering.

36 A fact is not a fact by calling it one. Those who have different views may reach different conclusions but their facts are not made truth by nomenclature.

and advancement expenditures each limit the other. Extra-family expenditures no longer tend to keep the standard of living in a tenable position when, by their development, the family is prevented from becoming notably effective. On the other hand, over-emphasis of family size, which may lead toward the pauperization of the masses, tends to lower the material standard of living to the point where extra-family expenditures begin to disappear. It is a question of balance and that idea must be kept clearly before us.

We must again conclude that linear theories of expenditures, as often found in discussions of the economics of consumption, have important limits. We can see those limits in effect today among many groups who over-emphasize the idea of advancement expenditures. When the method of living tends to restrict the desire to live, we are probably passing beyond the level of stimulus in which the moral connotation attached to advancement has lost most of its original implication.

CHAPTER XIII

Spending or Saving

Definition of savings.—Hypotheses about family budget savings.—Historical survey of rural saving and spending.—In the Middle Ages the peasant was bound to the soil and the soil to his family stem.—He could neither save nor spend.—The coming of the modern free-property concepts was not an evolutionary stage.—Roman primitive property law was like medieval property law and developed Roman contract law was like the modern.—A study of the liberty of the testator shows this.—The fictions in the Roman Code of Twelve Tables were to free property for trading.—The conditions of rural people have varied since the Middle Ages.—In the United States, since the nineteenth century, they have been increasingly spending for prosperity.—A part of their present problem is due to this spending and the desire to continue at it.—Proofs of the above.—Historical survey of spending and saving by urban groups.—Freedom, capitalism and social unrest emerged simultaneously from the Middle Ages.—The unrest now menaces capitalism through attacks at savings and savings mores.—Very little is known about the real budgets of the wealthy.—At present the wealthy are in a precarious position in all countries.—Budget studies tell us very little about savings because investigators have been interested mostly in the level of consumption.—Few investigators have followed the studies repeatedly in a realistic fashion.—Greatest technical weakness of budget investigations is failure to understand double-entry accounting.—Sample studies of commercial farm families show that investment in land is a primary factor competing with the level of living.—For the urban laborer the primary competition is between necessities and advancement (luxuries).—Farmers have some budgetary principles in common with laborers and some with the urban upper classes.—Spendable incomes of urban lower classes go increasingly for luxuries whereas farmers used the increase for savings before "the new farm economy."—Proofs of this from a large assortment of budget investigations.—Village and town families are midway between agriculture and the city according to budget characteristics.—Their chief need is safety of investment facilities in order to avoid the difficulties of farm depressions.—When lands "freeze" as investments, village families suffer but do not have the opportunities for subsistence as do farmers.—Savings of village and town families also depend upon the social class to which they belong.—The upper classes in the villages have a greater appreciation of the value of savings than do the lower.—Theories of desirable farm standards of living have been inadequate because they have been compared chiefly with the levels of the lower and non-capitalistic classes in towns.—Budgets of families in two mid-western cities are analyzed.—The urban poor have public charity when they are in difficulty.—Up to that time the farmer had had only the bankruptcy law.—There is no surer measure of the attitude of a group than the sacrifices made in their budgets for certain values.—The urban poor have budgets of the pure Engel types but the upper classes try to save.—Improved living for them means private provision for the future.—The savings of the urban poor go chiefly into insurance and savings institutions.—The middle class buy homes in addition.—The upper class do all these and also invest.—Urban groups have divergent investment facilities. Farmers are the chief individual investors in farm mortgages.

The remaining group of expenditures which we plan to discuss may be given the general title of savings. It includes chiefly amounts of money or goods set aside for future consumption either by the individual who saves the wealth or by someone who profits from his activities. This group of expenditures includes bullion deposited in banks or hoarded, the purchases of titles to durable consumers' goods, or premiums on insurance policies. It is very difficult to discuss these activities because of their close relation to the capital accumulation process and because of changes in the value of currencies. As a general rule, most of the studies of standard of living have less to say about this process than about the other expenditures. There are probably a number of reasons for this. The chief one seems to be the attitude that the standard of living is to be measured by the volume and by the type of the individual's direct economic sensation than by his habits of saving which represent forethought and self-discipline.

Nevertheless, Frédéric Le Play concluded from his study that the economic and social coördinates which attempt to guarantee the future level of consumption are as important as those concerning immediate consumption. He also held that the relations between the present and future consumption are often such as to bring about long-time cycles from prosperity to suffering, and *vice versa*. He contended further that the level of future consumption is guided by mores and customs which constitute an important part of the non-material standard of living. B. S. Rowntree and Louis Reybaud held that the urban laborer suffered from under-nourishment when he was young, when his young children were numerous, and when he was old because his income seldom enabled him to save. A. Tschajanow, H. C. Taylor, C. C. Zimmerman, and C. P. Loomis have tried to show that there is a tendency in agriculture to adjust land and capital resources to size of family in order to minimize the under-consumptive influences arising from disproportionate periods of growth in the last cycle of the family. C. C. Zimmerman and J. D. Black held that present-future competition was more important to the budget distribution of the commercialized farmer than the Engelian food-sundry analysis. The studies by Zimmerman showed further that increased urbanization as well as changes in the economic scale among urban people are associated with the increasing divergence of investment facilities. Thus, the urban and upper social classes are thrust further into a social structure characterized by contractual relations which are more easily shattered than are familistic relationships.

However, these hypotheses are so all-inclusive that a full discussion of each would require a volume. In this chapter we will analyze but a few basic considerations, most of which, however, pointedly refer to these hypotheses.

Historical Survey of Saving and Spending by Rural People

The first general problem involves the distribution of saving and spending habits among the broad social classes. First of all, there is the peasant. In the Middle Ages, the peasant was bound to the soil and the soil was to a considerable extent bound to him. He could not ordinarily hypothecate his property. This tended to put him on a rather low level of economic rationalization but at the same time it guaranteed that, if he worked and there was no great crop failure, he had a "living." There was, of course, a good deal of chicanery played upon the peasants by the upper classes, the same as is to be found in any economic system today. Nevertheless, the land owner or the manorial lord always tried to let his peasants keep enough for subsistence every year because they had to have someone to cultivate the soil. Consequently, the condition represented a forced connection between real property and the family, a low level of production, a low level of spending, and a tendency on the part of many of the peasants to waste their personal incomes. If they saved personal property, they might lose it.

Furthermore, there was little that they could do with it because the soil had to be tilled and was there to be tilled every year. These were the typical characteristics of peasant economic organization. Although there are many cases in which the peasant developed an exceedingly comfortable and pleasing economy and accumulated a great deal of wealth,[1] in general, economic rationalization was low.

This outline does not pretend to show the Middle Ages in western society as the first period in an evolutionary economic series. On the contrary, from a study of property law, we can see that the Middle Ages was a period in which trading must have been considerably less than that of the Roman Empire. This is proved by the attention paid to contract in the legal codes of this developed Roman period and by the prevalence of permission to and the practice of making wills. Trading societies tend to emphasize contract law because commerce *is* contract. Furthermore, trading societies tend, on the whole, to emphasize the liberty of the testator in making wills as opposed to the idea of family practices and succession *ab intestat* in non-trading societies. These are merely differences in emphasis because all societies tend to have some trading and some family property. However, it is the trading society which develops great wealth and in which the *problem* of spending or saving comes to the forefront. It is here that the capitalistic process becomes of greater importance in production.

Primitive Roman law emphasized the law of persons as opposed to the law of things, the law of status as opposed to the law of contract, and the law of immobility or inheritance *ab intestat* as opposed to the freedom of making wills. Developed Roman law, through the work of their leading students of jurisprudence, emphasized the law of things, the law of contract, and the liberty of testator. With the decline in the Middle Ages, barbarian law came to the forefront which again particularly emphasized the law of persons, of status, and of immobility in property or inheritance *ab intestat*. The modern period has also reverted toward the law of things, contract, and freedom of testa-

[1] See Rogers, J. E. T., Characterization of the good and bad traits of the medieval peasants in *Six Centuries of Work and Wages*, New York, 1884; d'Avenel, *Paysans et ouvriers*, Paris, 1899; Sée, Henri, *Histoire du régime agraire;* and Boissonnade, *Life and Work in Mediaeval Europe*, New York, 1927.

ment. An exception in the modern period is the series of Napoleonic codes which attempted to establish the continued redistribution of property by legislation for compulsory fragmentation of the estates equally among all the children through defined inheritance, largely *ab intestat.*

The proofs of these statements are numerous and we have no space to go into them in detail here. H. S. Maine, established authority on the problem of status versus contract in law, has the following to say:

> The mature Roman law, and modern jurisprudence following in its wake, look upon co-ownership as an exceptional and momentary condition of the rights of property. This view is clearly indicated in the maxim which obtains universally in Western Europe, *Nemo in communione potest invitus detineri* ("No one can be kept in co-proprietorship against his will").[2]

Koenigswarter, also a famous student of jurisprudence, shows in his study that modern Rome (the period between the time of the Twelve Tables and Justinian) had both the mobile and immobile types of succession (liberty of testator and *ab intestat*) as does our modern period. He also shows that the development of the Roman civilization followed the same principles of legal change in regard to property rights as has our modern one.[3]

Both Maine and Koenigswarter show that the Middle Ages were based upon principles of inheritance which were somewhat foreign to those used in the advanced Roman and in our modern periods. They show that the major part of the medieval ideas concerning the use of *property* were to be found in the barbaric codes of northern and western Europe. These principles of property were primarily that of family right, succession *ab intestat*, immobility of property, and concepts considerably foreign to the nineteenth-century idea of ownership in *fee simple.*

The details of this argument may be in error but in general existing literature points to its major truth.

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[2] Maine, H. S., *Ancient Law,* London, 1920, p. 273.

[3] Koenigswarter, L. J., *Histoire de l'organisation de la famille en France,* Paris 1851, pp. 94 *et passim.*

Following the Middle Ages, the condition of the peasants was so varied in different countries that they cannot be described here. For instance, peasants have almost disappeared in England, they are now being bound to the soil again in Germany (*adscriptus glebae*), they seem to be in slavery or serfdom again in Russia, they are in control of the governments in a number of central European governments, etc. But in America, on the other hand, agriculture has become capitalistic. Fifty per cent of the farmers by 1930 were depending, to a considerable extent, upon selling crops and products for their living. Lands were hypothecated under the mortgage system. A new doctrine entered the psychology of the farm masses about the beginning of the twentieth century. Basically, this was a rural version of the idea that a society could buy prosperity by increasing its rate of spending. Its intellectual origin was found among the agricultural economists and the farm leaders in close contact with urban conditions. This idea was stated by Henry C. Taylor and by a number of others under the seemingly formidable principle "that any social class only gets what it consumes." The argument was that farmers who were saving their money were merely increasing the demand for lands and pushing up its price.[4] Consequently, the farmer should spend more of his funds and refuse to produce unless the price of his products enabled him to have a considerable and increasing money income. The excess population was to migrate to cities. Land values would decrease so that farmers could spend more and still own the same lands. With the increasing efficiency of agriculture a smaller number of farmers could provide sufficient food for the people. The war stimulated the movement still further and by 1930 the mortgage debt on farms in America amounted to about nine billion dollars or approximately $1500 for every family on our 6,288,-648 farms. The real facts were that 2,664,365, or 42.4% of our farms were tilled by tenants, 1,569,178 were owned free, and about 2,000,000 were encumbered by mortgages at an average amount of $3600 per farm or $25 per acre. The farmers had spent and were no

[4] See Taylor, H. C., "The New Farm Economics," *Journal of Farm Economics*, July, 1929. Taylor had previously stated the thought elsewhere.

longer prosperous. Instead of prosperity, there were mortgages, farm relief acts, agricultural uprisings, debt moratoria, increased governmental interference, and general restlessness in the rural districts. Farm mortgage debts doubled between 1910 and 1920 but these were associated with increasing land values. By 1930, farm mortgage debts were 2½ times those of 1910 although land values and group income from agricultural products were lower than in 1910.

Thus, as a consequence of increased spending by farmers and other groups (as well as other factors), we find a situation of reduced saving, increased mortgages, increased taxes, high fixed costs, governmental interference, price fixing, a generally unstable economic situation, political antagonism between the rural classes and the rest of society, and a general rural crisis. Obviously, common sense would say that the economic structure of the rural classes should be simplified until the individual can understand enough of the direct consequences of his actions to rebuild his own individualistic life.

But these ideas, products of long teaching and research work about agriculture and rural life in relation to national life, have been criticized.[5] The problem is how to prove them without digressing too much.

Our first statement is that the philosophy of "spending for prosperity" by H. C. Taylor recognized a growing existing fact and not a theory.

Second, the tax per acre on farm lands in the United States rose rapidly from 1915 (the pre-war low) to 1921 and then continued

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[5] "The author ascribes the growth of farm mortgage debt to increased spending by farmers. Could he not as well ascribe it to increased saving taking the form of investment in land? Furthermore, he asserts the existence of this increased spending without in any way proving its existence. He does point to a philosophy of spending for farmers as advocated by Henry C. Taylor. *But in a wholly unwarranted manner he translates this mere advocacy of a spending in policy into the fact of the existence of such a spending policy.*

And he then ascribes most of the present economic ills to this imagined spending policy when he says 'Thus, as a consequence of increased spending by farmers and other groups (as well as other factors) we find a situation of reduced saving, increased mortgages, increased taxes, high fixed costs, governmental interference, price fixing, a generally unstable economic situation, political antagonism between the rural classes and the rest of society and a general rural crisis.' *This thesis and the conclusions that follow from it must be cut out of the book or thoroughly substantiated.*"

gradually rising until 1930. After this period the depression slowly pushed it down.[6]

Third, this rising tax per acre was part of a general movement of rural spending. The figures show that public expenditures increased enormously during this period.

Fourth, farm incomes did not increase in this same manner. After 1923, farm income stayed more or less constant until the depression.[7]

Fifth, during this period the farm standard of living increased more rapidly than other agricultural factors, except the mortgage indebtedness.

Sixth, the more rapid increase of mortgage indebtedness than the farm standard of living was partly due to the migration to the cities (a part of the method used to increase occupational income) but chiefly to the idea of emphasizing *income* and *spending* and *not land* and *security*.[8]

Seventh, this general period of the early twentieth century was the period in which modern items entered the farmer's standard of living, important among which were telephones, automobiles, radios, central heating, running water, electric lights, good roads, expensive schools, etc. Peterson emphasizes this for the period between 1924 and 1929 by the following comparison:

> The living of the $7 per day Ford employee in Detroit compared briefly with Iowa farmers may throw some light on the relative well-being of the two classes. The Iowa farmer is perhaps

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[6] See the graph and figures on pp. 12-13 in "An Analysis of General Property Tax Trends in South Dakota," by R. B. Westbrook, *South Dakota Bull. 292.* The following studies show the same for other states: Klemmedson, G. S., *Colorado Bull. 376;* Bradley, C. J., Price, H. B., and Allin, B. W., Kentucky Bull. *352;* Thompson, R. L. and Allin, B. W., *Louisiana Bull. No. 231, Part Two;* Merchant, C. H., *Maine Bull. 366;* Call, I. J., *Cornell Bulletin 485;* Yount, H. W., *Massachusetts Bull. No. 235;* Yount, H. W. and Sherburne, R. E., *Massachusetts Bull. No. 256;* Forster, G. W., *North Carolina Bull. No. 267;* Kendrick, M. S., *Cornell Bull. 511;* Aull, G. H., *South Carolina Bull. 285;* and Ballinger, R. A., *Virginia Bull. 282.*

[7] See Peterson, George, "Wealth, Income and Living," *Journal of Farm Economics* 15(3):421-448, July 1933; and "Agriculture's Share in the National Income," U. S. D. A., AAA, G-48, October, 1935, pp. 14, 29 *et passim.*

[8] See Rutledge, R. M., "The Relation of the Flow of Population to the Problem of Rural and Urban Economic Inequality," *Journal of Farm Economics* 12(3):427-439, July 1930.

> much better off than the average farmer, while the Ford factory employees receive wages much above the average.
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> Total value of living for the families of Ford employees was \$1,720; Iowa farmers, \$1,625 at farm values; average size families were 4.5 and 4.8; value of house rent, \$389 and \$267; number of rooms 4.6 and 7.4; value of food, \$556 and \$641; and calories per adult male unit was 3,236 and 3,615. Only 47 per cent of Ford employees had automobiles to 96 per cent of Iowa farmers; telephones, 5 per cent and 94 per cent; washing machines, 49 per cent and 80 per cent; bathrooms, 52 per cent and 19 per cent; inside water closets, 60 per cent and 19 per cent. The Iowa farmers were credited with a one-third larger house at one-third less value; they ate more food, and had more telephones, automobiles, and washing machines. The Ford employees had more bathrooms and inside toilets, but it may surprise many people that only a little over half of these supposedly highly paid wage earners had these city necessities in the city of Detroit. These city people spent an average of \$32 for carfare to work—an expense unknown among farmers. They received, on the average, \$1,695 from the Ford Motor Company as wages, \$17 from boarders, roomers, and other sources, and on the average ran \$8 into debt.[9]

Compare this with the picture of rural and urban standards of living for the same region as given earlier in Theodore Dreiser's *Sister Carrie* and one can easily picture the change.

Finally, the increase is perfectly logical according to the concepts of imitation in an urban civilization.

Thus, incomes were stable or going down, farm population was decreasing, farmers were "claimed" to be losing money, spending for living was increasing, and mortgages were increasing. The old-fashioned farmer who raised his living at home and kept out of debt if possible had begun to disappear. The "new farm economics" was one of governmental interference.[10]

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[9] Peterson, George, "Wealth, Income and Living," *Journal of Farm Economics* 15(3):442-443, July 1933.

[10] See Taylor, H. C., "The New Farm Economics," *Journal of Farm Economics,* July, 1929.

Historical Survey of Spending and Saving by Urban Groups

The next group is the urban proletariat which includes the wage-earning classes in the cities. In the Middle Ages, they were few in number and most of them were either bound to guilds or to feudal lords. In that respect, their general economic conditions were somewhat similar to those of the peasants although, of course, they had a tendency toward greater freedom in spending, less emphasis on saving, and generally more privileges.[11] Since the Middle Ages, the proletariat has increased in number, in real income, in spending habits, and in economic freedom. Conditions have arisen wherein it is more difficult for members of the proletariat to own their tools, their industry, their homes, or even pieces of land for self-sufficient production. They have been greatly subjected to the adverse effects of the business cycle and at the same time have become the objects of a great deal of non-economic remuneration made posssible through the taxing power of the state. Restlessness is inevitably associated with such a situation. It is among these masses that the socialist and revolutionary movements have found the greatest body of sympathizers.[12]

At the present time, their difficulties have led to a combination of factors which seems to be forcing a number of internal changes within each economy. A high proportion of them suffer periodical or general unemployment. Most modern states have greatly increased taxes for unemployment relief and for doles. Practically all modern countries are trying to move them back to self-sufficient agriculture as far as possible.

Savings in the various countries are being reduced in order to furnish support for the masses. Their rate of spending is such that short periods of unemployment make them suffer severely. They are generally in an unenviable position. It seems doubtful if the twentieth century can afford to support as high a proportion of them in their present unsafe, unstable, and highly debilitating position. Most countries

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[11] Le Play's studies describe a number of cases in which factories were worked by serfs under the feudal system.

[12] With leaders from other social classes. See Henri Sée, *Modern Capitalism*, New York, 1928, p. 156.

are searching for some method whereby they can secure greater security for the workman even if he does have a less conspicuous rate of spending.

The capitalistic class has increased in numbers probably more rapidly than the population. D'Avenel could enumerate only a few millionaires for any century of the Middle Ages in France but he found several hundred with incomes of at least two or three hundred thousand francs per year in the France of 1910. Whether or not the rich have increased in proportion, it seems rather evident that their wealth increased more rapidly than the incomes of the masses up to the World War. As d'Avenel shows, in spite of the ideas of political and social equality which dominated eighteenth and nineteenth century France, the rich increased their fortunes from six to ten times whereas the masses increased their income only two or three times. These statements for France seem to be typical of the wealthy in most western countries during that period.

However, since 1910 a good many changes have come about in the condition of the wealthy. In some countries they have been overthrown completely and their ranks have been filled by opportunists who have risen upon the shoulders of the masses. These opportunists have not risen through the ordinary economic channels but by other methods. In other countries the wealthy have been the subject of increasing income and inheritance taxes to pay off some of the expenses incurred by the War and to support the masses of the urban proletariat and the disgruntled farmers in unstable economic positions. In America this movement did not begin to have a debilitating effect upon the capitalistic system until after 1929. In some countries the anti-capitalist movements have been less severe (Italy, France, and probably Great Britain) than in others (countries of eastern Europe). However, in general, the present trend seems to be to take greater and greater proportions of the incomes of the wealthy and to use them for public expenditures. This has caused some checking of the capitalistic process and has tended to reduce the expenditures of the upper classes, particularly for such things as hospitals, libraries, educational institutions, and foundations. In some cases, these movements have been legally enforced and in others have exerted their influence through diffuse public pressure. For instance, one of the wealthiest families of Japan was recently forced by public pressure to create Japan's largest foundation for the ostensible purpose of improving the lot of the unfortunate peasants. Legal and popular movements against the ordinary trend of spending and saving by the upper classes have been widespread in western society in the last twenty years. The general state of the "public mind" and of governmental expenditures seems to indicate that these movements will continue for some time to come and may even grow in scope.

Spending or Saving in Budget Studies

The original intention was to deal with the problem of saving in the same way as the other groups of expenditure items. However, when we came to write about this problem we found that the data were lacking. In order to discuss some major questions of importance in this field, it was decided to turn at once to a few of the more important theoretical ideas. It now seems advisable to present certain data in justification before doing this.

There has probably never been more than 2500 budget investigations published. Of these, probably 500 were never preserved anywhere because of their insufficient scope. In a recent annotated bibliography,[13] 1500 of the remaining 2000 were located for direct observation and analysis, and notes from secondary sources were obtained for most of the others.

The most representative samples of these investigations in American libraries are those for the United States. It was decided to summarize the savings characteristics for 458 of the more important of these which were available. But when it came to an investigation of the savings, the following difficulties were found. First, savings have not generally been recognized as a part of the budget so that many

[13] See Williams, F. M., and Zimmerman, C. C., "Studies of Family Living in the United States and Other Countries," U. S. D. A., *Miscellaneous Publication No. 223*, 1935, for notes on the 1500. Many of the other studies concerning which incomplete information was had were excluded from this publication.

studies give no information. Secondly, many of the studies differ as to what constitutes savings. Finally, the studies are neither representative of all social classes nor of all periods. Particular periods give studies which are representative for certain classes whereas a later period might not do so. Consequently, the difficulties of giving a systematic survey of savings in the family budget by social class and for different periods are practically insurmountable.

Only here and there have a few students,[14] who have dealt with first-hand budget materials in any great degree, also been systematically interested in the savings categories of the budget. These have dealt with different categories of people in different societies and at different times. Le Play used the case method for dealing with European working families during the nineteenth century. Rowntree used statistical methods for extremely poor families in Great Britain and Belgium during the first part of the twentieth century. Tschajanow dealt with Russian peasant budgets for the first part of the twentieth century. Zimmerman's studies dealt with the people in the small towns and rural districts, chiefly in one of the more wealthy rural sections of the United States. One can hardly combine all of this information in a comparable series.

When one approaches an investigation to sum up its characteristics in regard to savings for the future, one has to know the answers to the following questions. Does the study give data on total incomes? Are figures on certain aspects of savings given so that they may be compared with incomes? What figures are available upon the use of forms of insurance and annuities as methods of savings for the future? To how great an extent are investments in homes or farms used as methods of saving? To what extent are other forms of investment used? To what extent are data given on deficits and surpluses of income?

Obviously all of these forms of saving are important, particularly in a society such as ours. Consequently, in an ideal situation in order to reach some tentative inductive conclusions concerning savings as a part of budget behavior, one should have a number of studies which

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[14] Such as Frédéric Le Play, B. S. Rowntree, A. Tschajanow, and C. C. Zimmerman.

answer all of these questions for any particular class during a number of periods. However, these studies are not to be had. The indices of material (prepared by the United States Bureau of Home Economics) found in American studies of family living show only six studies [15] in the United States which answer all of these questions. Of these six, three had one item unreported.

The following table shows the general inadequacy of these studies in a systematic elaboration of savings as a part of budget behavior.

The reasons for these inadequacies are many. One is the departmentalization of sciences which led to the belief that the economist was to study one part of the budget, the home economist another, and the sociologist a third. Another reason is the lack of continued follow-ups in this field of research. A great many persons and agencies make single budget studies and these drop the matter before they have any particular insight into the field. Others who continue tend to adopt a premature standard form and to stultify the method before a complete schedule is reached. The result is that the chief creative work in the field is only done by the few persons who systematically follow up budget studies.

Double-entry accounting is a case in point. A complete record of expenditure must be thought of as the disbursement of income. This means that items must be entered as income according to source and reported as expenditure according to purpose. This is the genius of the Le Play accounting method. If some such method of accounting were accepted and carried out in all of our budget investigations, we would have a clear picture of the balance of spending and saving by American families.

In this development a study of budgets of people with undifferentiated cultures is particularly valuable. Such was the background of

[15] There are really only five studies but in the annotated bibliography Zimmerman's study, number 3 and 4 in this footnote, was described in both the "wage earner studies" and the "studies of other urban groups," so we have found it expedient to consider it as two. This study covered all of the ten main occupational classes in eleven towns of Minnesota. The names of these studies follow: (1) Zimmerman, C. C. and Black, J. D., Minnesota *Bull. 234;* (2) Canon, Helen, Cornell *Bull. 522;* (3 and 4) Zimmerman, C. C., Minnesota *Bull. 253;* (5) Woodhouse, C. G. and Williams, F. M., U. S. D. A., *Technical Bulletin 386;* 1933; and (6) Woodhouse, C. G., *Survey Graphic* 4:146-150, 1928.

AVAILABILITY OF DATA ON SAVINGS EXPENDITURES IN NORTH AMERICAN BUDGET STUDIES

Item	Farm Family Studies	Wage Earner Studies	Studies of Other Urban Groups	Total Budget Studies	Percentages
Total studies analyzed	165	254	39	458	100%
Distribution by Periods					
Prior to 1900	6	108	3	117	25.5%
1900—1920	17	94	12	123	26.8%
1921—1935	142	52	24	218	47.7%
Characteristics of "Savings" Data Given					
Were some figures on savings given?	26	29	15	70	15.3%
Of the above, how many give income figures?	13	23	15	51	11.1%
% which give both income and some savings indications	7.9%	9.6%	38.5%	11.1%	....
How many report on life insurance?	56	43	11	110	24.0%
How many report on payments on principals of mortgages or own home or farm?	5	6	3	14	3.3%
How many report on other investments in their own business?	10	1	1	12	2.6%
How many report on other investments?	16	27	10	53	11.5%
How many report surpluses or deficits or both?	10	82	4	96	21.0%
How many report on all of these items?	2	1	3	6*	1.3%

*Three out of the six have one item missing.

the methodology developed by Le Play and the same accounting methods which sprang up quite independently in Russia by Tschajanow and in America by Zimmerman.

Finally, we must remember that these studies were all developed in a period when the primary interest of the academic public was focused on increasing consumption. The probability of the preservation of this consumption through savings in individual economy was becoming less and less popular. The state or the industry was considered to be more and more responsible for the individual in times of stress.

Sample Studies of Saving and Spending Behavior

A. Farm Families

In spite of the general inadequacy of most budget investigations in regard to an outline of saving and spending habits, systematic sample studies for the United States are to be found for one state (Minnesota) before the depression. All of these included most of the social classes, giving a complete study of investments and savings for each.[16]

These reports concerned many families. In 1925-26, 488 farm families from representative counties were studied. In 1927, 395 village and town families were included from 11 towns with populations ranging from 742 to 7,086. In 1928, 252 city families of all classes were surveyed in Fargo, North Dakota (including Moorhead, Minnesota, across the river), an urban aggregate of 50,000 people, and a smaller city, Mankato, Minnesota, with 15,000 people. Around these two cities 226 farm families, chosen to represent all conditions, were visited for budget information.

From the 1925-26 study two topics of interest to us here follow:

> 1. What is the chief formula which describes the distribution of farm family expenditures?
> 2. How does this formula compare with the Engelian ideas as to the distribution of expenditures by city working people?

An analysis was made of the percentage distribution of net spendable incomes by groups. On the average, 49 per cent went for living, 12 per cent for automobiles and their operation, 14 per cent for interest on loans, 11 per cent for reinvestments in the home farm, and 14 per cent for payments on farms and insurance. Half of the net spendable income went for living and the rest was about equally divided between automobiles, interest, improving the farms, and reduction of mortgages.

An analysis of the percentage changes in distribution of net spendable incomes with increase of cash receipts made it readily apparent that the major competing factors in the farmer's budget were investments

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[16] These studies are: Minnesota Agricultural Experiment Station, *Bulletins 246, 253, and 255.* These studies were preceded by a number of others in the same field so that the methodology was fairly well developed.

(in the home farm, payments on mortgages, etc.) and living. An analysis of the rates of increase of these various expenditures, using the average of all under $1000 as 100 showed that, on the average, net spendable income increased 566, living expense 160, automobile expense 200, interest 642, reinvestments in the business 255, and other investments 778. The living curve was inelastic; that is, it failed to break down materially in the lowest groups and it failed to increase rapidly in the upper groups. In these cases certain social standards were dominant factors in maintaining a certain level or standard of living. On the other hand, interest and investments were elastic. They broke down rapidly in the lower groups and increased rapidly in the upper groups. Competition between these two types of expenditures—investment and living—was found to be the fundamental factor in farm budgets.

COMPARISON OF RATES OF INCREASE OF NET SPENDABLE INCOMES AND VARIOUS SUB-GROUPS OF EXPENDITURES FOR MINNESOTA FARMERS 1925–1926
(Based on all under $1000 as 100)

Cash Receipts Groups	Number of Families	Increase of Net Spendable Incomes	Living Expense	Automobile Expense	Interest Payments	Reinvestments in Business	Other Investments*
$1000 or less......	49	100	100	100	100	100	100
1001—1500......	80	269	118	154	195	105	400
1501—2000......	80	394	132	171	300	189	475
2001—2500......	69	489	157	193	558	193	541
2501—3000......	55	581	169	254	748	265	591
3001—3500......	46	676	194	197	826	274	1306
3501—4000......	28	795	200	211	897	392	1003
4001—4500......	18	950	194	200	1526	369	1409
4501—5000......	16	1112	214	300	1179	391	1038
5001—5500......	13	1246	244	314	1237	600	1459
5501—6000......	8	993	265	329	771	439	1853
6001—6500......	3	1535	203	161	3082	959	2947
6501 or more.....	23	1536	252	307	2126	769	2734
Total and average.	488	566	160	200	642	255	778

* Mostly payments on mortgages and life insurance. A few other items are included.

Later the question was raised as to how these changes in expenditures compared with those of urban families. Are laws of consumption similar for urban and farm families? The comparison was made with only the wage earning and salaried classes in the cities because no data were available for the other classes.

A strict comparison of farm and urban expenditures is impossible. Of all classes of expenditures, only that for clothing may be compared with some exactness. Even that is not possible because of vast differences in environment and in clothing requirements of the two groups. This is an outstanding difference between the living behavior of the two. Urban living is more a matter of cash income and cash expenditure, whereas farm living involves the use of more spare time and the natural resources of farm life. In many farm communities these non-economic phases of living are more important than cash incomes. As shown in the discussion of food expenditures, farmers with higher cash receipts, on the average, produce more of their living on the home farms.[17] Furthermore, the farm business and the farm home are operated as a single unit. Is the digging of a new well, which is used for livestock and for the house, a living or a business expenditure? No one knows. But relative comparisons between rates of increase of spendable income, physiological and non-physiological expenditures, will shed some light on comparative rural and urban methods of utilization of income.

A first glance seems to confirm the applicability of Engel's principles to the farmers in this study. The percentage spent for food declined from 36.7 to 26.8. Advancement increased from 4.7 to 10.0 per cent and higher in some earlier groups. Clothing increased some (with fluctuations), household declined and then increased, and health and personal expenses increased. The validity of the Engel principles appears greater after dividing the entire living expenditures into necessities, or those supplying physiological needs; and luxuries, or those supplying cultural needs. In the following table total cash receipts increase six times, necessities more than twice, and luxuries about five times. However, net spendable incomes increase 14 times. Luxuries

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[17] This refers to Zimmerman, C. C. and Black, J. D., "Factors Affecting Expenditures of Farm Family Incomes in Minnesota," Minnesota Agricultural Experiment Station, *Bulletin 246,* July 1928, p. 25.

increase twice as fast as necessities and neither increases as fast as cash receipts or net spendable income.

At the same time this table suggests a primary difference between the cash expenditures of urban and of rural people. Spendable incomes of urban wage and salary earning families increase faster than expenditures for physiological necessities and slower than those for luxury. For farm families the spendable income increases much faster than either type of expenditure.

DISTRIBUTION OF LIVING EXPENDITURE WITH INCREASE OF CASH RECEIPTS FOR THE 488 MINNESOTA FARM FAMILIES

Cash Receipts Groups	Amount for		Per cent for		Relative Increase		
	Necessities*	Luxuries*	Necessities	Luxuries	Necessities	Luxuries	Net Spendable Income
$1000 or less......	$443	$ 69	86.5	13.5	100	100	100
1001—1500......	518	121	81.0	19.0	116	175	269
1501—2000......	574	142	80.1	19.9	129	205	394
2001—2500......	672	178	79.0	21.0	151	258	489
2501—3000......	691	223	75.6	24.4	155	323	581
3001—3500......	772	279	73.4	26.6	174	404	676
3501—4000......	806	277	74.4	25.6	181	401	795
4001—4500......	871	182	82.7	17.3	197	263	950
4501—5000......	868	291	74.8	25.2	195	421	1112
5001—5500......	1053	266	79.8	20.2	237	385	1246
5501 or more.....	1013	342	74.7	25.3	228	495	1408
Total average...	$678	189	78.0	22.0	153	273	566

*Necessities include food, clothing, fuel, light, repairs to house, service equipment for home, cleansers, and health expenditures. Luxuries include organizations, recreation, musical instruments, telephones, furniture, domestic help, and personal expenditures.

The next comparison is of rates of increase of spendable income and groups of expenditures for farm and urban people. An attempt has been made to summarize some of the most important studies of urban budgets.[18] Some do not give the data in a comparable form,

[18] See Minnesota Agricultural Experiment Station, *Bulletin 246.*

and studies involving only a few cases are so numerous that complete enumeration is impossible and valueless. This study shows that American farmers, as far as this study is representative, have a method of expenditure that is different from that of all other groups. The only groups of farm expenditures having a rate of increase more rapid than that of spendable income, are interest payments and payments for farm land. Payments on the farms increase most rapidly of all. The differences may be summarized by the following statement: In the farm family expenditures, the primary competition is between investment (land) and living. In the urban family expenditures, the primary competition is between physiological and non-physiological expenditures. A first corollary of this principle is that competition between physiological and non-physiological expenditures is a secondary matter in farm budgets.[19] A second corollary is that for these primary types of economic behavior, farmers as a class are distinctly different from the wage and salary earning classes.

The significance of these conclusions is self-evident. With the same incomes and improved living, or with lower incomes and the same plane of living, investment expenditures must bear the burden. As interest is a fixed cost, payments on farms bear most of the burden. This is true so far as improved living is based on greater expenditures for goods consumed. On the other hand, a decline in income with mortgage debts and payments on farms remaining the same, is accompanied by a decline in living. If payments on farms are reduced and interest is unpaid, living may maintain its previous level. This type of competition has been very evident in American agriculture in the last eight years.

B. *Village and Town Families*

The next study dealt with the social classes in small towns. This is one of the first attempts to study the living conditions of village populations. A few minor studies of family budgets of villagers have

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[19] City families of the business group, especially those with higher incomes, might show the same relative types of competition. These families have not been studied in detail.

been made, but this is the most comprehensive among all these studies. It differs from the previous studies in that it attempts to give a composite picture of the living conditions of every social class in the village as reflected in the family budgets.[20] Two important questions are asked:

(1) How do the social classes distribute their incomes between necessities, luxuries, and savings?
(2) What principles of improvement in living conditions came out of the comparison?

The following table summarizes some of the results of the study.

SOME BUDGETARY CHARACTERISTICS OF SOCIAL CLASSES IN MINNESOTA TOWNS, 1927

Social Classes	No. of Families	Income	Percentage Distribution of Expenditures			
			Primarily Neces-sities*	Primarily Luxu-ries†	Automo-biles	Primarily Savings‡
Widows and Spinsters	18	$948	80	7	1	12
Retired farmers	32	1318	68	9	3	20
Common labor	41	900	82	9	3	6
Semi-skilled labor	46	1496	73	9	5	13
Skilled labor	41	1879	69	9	6	16
White-collared	78	2653	61	11	11	17
Lower business	58	1949	63	9	6	22
Lower professional	25	2377	54	15	11	20
Upper business	37	5332	40	10	9	41
Upper professional	19	5698	47	12	12	29
Total and Average	395	2347	59	10	8	23

*Food, clothing, household operation, and health.
†All other contemporary consumption goods.
‡Insurance, payments on homes or farms, reinvestments in business and all "future" expenditures.

[20] In this respect, this study differs from all other budgetary studies (since those of the Le Play school). All others are limited to one or, at the most, only two classes in society. They generally concern the wage, and sometimes the small salaried elements, in society. It is really unfortunate that we get nearly all of our knowledge of the structure and the forces within the family budget primarily from a study of urban wage earners. For reference to other studies which concern villagers, see Zimmerman, C. C. "The Family Budget as a Tool for Sociological Analysis," *American Journal of Sociology*, May, 1928.

For purposes of analysis the expenditures were divided into seven groups. These are called investments for the future, household (rent, light, fuel, operation, and upkeep), food, clothing, health, automobile, and "all other," including personal. These minor groups of expenditures were analyzed in detail.

Household expenditures claimed 24 per cent of all expenditures, food 20, clothing 11, health 4, "other living" 10, automobiles 8, and investment 23. In terms of dollars, this means, per family, $582 for household, $505 for food, $267 for clothing, $90 for health, $253 for "other living," $201 for automobiles, and $575 for investment and savings for the future. The expenditures per adult unit were smaller. From the size of the various groups of expenditures, it may be suggested that the present surroundings of the family (households) and savings for the future were given first place, food a close second, and clothing, "other living," automobile, and health, in the order named. These families do not have a minimum standard of living, as indicated by the minor significance given to food expenditures. The nearer to a minimum, or a subsistence standard, a group approaches, the greater is the significance given to elementary wants such as food and shelter. Consequently, we suggest the following statement, which concerns the majority of these families. The "cost of living" is not the big factor in their lives, but the relative advantage of one type of purchase over another. By this is meant that the majority of these families are seeking to improve themselves or to enjoy life with surplus funds. They are not starving, but attempting to distribute their incomes to the greatest possible comfort advantage. We cannot, then, call this a study of the "cost of living." [21] But from an analysis of the changes in proportional distribution that come with changes in occupational groups and social status, we are able to suggest some of the major types of expenditures that these families think are most helpful in increasing or improving their living conditions.[22] These are, roughly, advancement

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[21] F. Le Play, the father of such studies as these, made this important point many years ago. See E. Engel's tribute to Le Play in "Die Lebenskosten," *Bull. l'Institut Int. de Stat.*, Vol. 9, 1895, p. 26.

[22] This statement is based upon the assumption that people are ready to sacrifice for their real desires. Every dollar spent for one item means less for other items.

and personal expenditures, which include education, recreation, and religion; automobiles, or increased travel; and investment, or greater safety for the future. These are the primary types of expenditures that demand our attention. Changes in other types are generally in relation to these three.

The unskilled laborers spend 9 per cent of their incomes for "other living," or miscellaneous. The retired groups spend as small a percentage or less. Engel believed that the primary competition among the budgets of wage earners' families was between the necessity groups of expenses—food, rent, fuel, light, and health—and this group, which is sometimes called "advancement." The data given here indicate that this type of competition is relatively inadequate for an analysis of these Minnesota town and village budgets. In this study we find that in progressing from the laborers to the upper business and professional classes, the proportions for advancement less than doubles, while those for automobiles increase four times, and for investment, more than six times. The relative competition within the budgets is between the "necessity" expenditures and investments for automobiles and travel. The miscellaneous group furnishes a minor third type of competition with the previous groups of expenditures.

However, the various occupational groups vary in their interpretation as to what is better living. The business groups place a primary emphasis on savings, much of which is reinvested in their businesses. In this respect they are like farmers. The professional groups, especially those with incomes under $3,000 a year, place primary emphasis on the "other" expenditures, rather than on savings and investments.

The analysis led to the belief that the families under consideration place investment first as a factor in improved living. They are all trying to mount to the upper classes. Increased investment expenditures are the primary differences between the budgets of the lower and the upper classes in these villages.

Strictly speaking, not all of this investment group may be called savings for the future. Payments on debts, interest on borrowings, taxes on property other than homes, and losses may be doubtful. These, however, are minor items, constituting 22 per cent of all investments, or $123 out of $575. Balanced against these are the items for alterations, new buildings, and repairs on houses, given in the section dealing with household expenditures, which might be called savings in that they add to the value of the property. They amount to $114. Even admitting that some of this $114 is used to meet depreciation on the houses, it helps to make up for the doubtful items in the investment group as enumerated above. Further, there are new out-buildings, new furniture, and new automobiles, which add to the net property accumulations. On the whole, we feel safe in calling this group investment.

Reinvestments in business are the primary items in this set of tables. They account for 29 per cent of all investment, or $167. The greatest sums were invested in this way by the business and the upper professional classes. In the professional class, it often represented new office equipment or such items as furniture, books, and X-ray machines. Care was taken to separate mere replacements from new investments. The upper class used about two-thirds of all investments for this purpose. Insurance was next highest, amounting to 18 per cent of all investments, an average of $102 per family. The upper groups bought more insurance per family than the lower groups. However, among the business groups it was a smaller relative part of all investments. The greater part of the insurance was "ordinary" life insurance, although some of it was annuities. The business groups substitute investments in their business for insurance. Savings accounts averaged 14 per cent of all investments, or $84 per family. The business groups substitute their business for savings, and the upper professional groups invest in urban property rather than in savings accounts. The upper professional classess were the only ones in these towns purchasing much urban personal property in the form of stocks and bonds. Four per cent of investment was utilized for payments on homes. Most of the upper classes and retired farmers and widows owned homes free of obligation. Retired farmers still used a fourth of all investment for their farms. This represented new improvements, which their children or tenants required, or expenses connected with other lands. The retired farmers still paid 27 per cent of all investments in taxes.

This was due to their land ownership, compared to the fact that many urban investments are returned more free of taxes (paid by the business). Losses were felt most heavily by the widows, largely because their savings were invested in the local banks. Numerous failures, coupled with the double liability of stockholders, made demands upon their incomes.

This section dealing with the distribution of the investment dollar may be summarized by the following conclusion: Studies of household budgets have seldom given the proper attention to savings and investments. Practically all other types of expenditure have more efficient agencies serving these families than investment. The best types of automobiles and other items can be bought within a few miles of all these homes. The selling market has not maintained as efficient agencies for the utilization of investment funds—at least as far as these villages are concerned. No single item, other than household expense, is as large as this. The actual difference is only $3.00. What these families need most is an improvement in the facilities available for the investment of that portion of the income saved for the future. Safe and conservative bonds that may be purchased on the payment plan; good insurance, especially annuities; safe banking facilities—these are primary needs in these small towns. In some respects, an agricultural crisis such as has occurred in the last few years, is harder on village families than on farmers. Many of the villagers are old. Their money is invested in local banks, which reinvest much of it in agricultural lands. A hard time in agriculture eats up savings through bank failures or their inability to pay interest and dividends. They are not in a position to call upon their farms for a living. Many retired farmers who have kept their farms, return to them. But what happens to the retired farmer or widow whose farm has been sold, or to the small business man who sees his business ruined and at the same time loses his savings? The same applies to the professional and the laboring men. A physician often sees his collections drop off, his farms fail to pay for a few years, and his savings disappear in the local bank failure. If he is a stockholder, as many are, the result is worse. The majority of these communities have seen the failure of one or more banks in the last few years. The agricultural towns and villages ought to be a good market for the sale of conservative and relatively safe investments in other fields. In many respects the people of these towns are similar to agriculturists—their investment eggs are still in one basket.

Half of the families had saved less than $5,000 and half had more.[23] All but one of the widows and spinsters had more than $3,000 (including homes) but only a third had more than $10,000. Several had been left more money, but they were not capable of keeping it. Such things as investment trusts and life insurance paid as a yearly income were relatively unknown in many communities. The retired farmers were fairly well off in property but, as indicated before, much of this was farms that had not been sources of any great income during the last few years. However, most of them were still able, and could supplement their income from investments and savings by their labor. More than a third of the common laborers had less than $500, mostly in household furniture. Only four laborers had more than $5,000, nearly all invested in homes. Each other class was better off than the one lower down, although there was much overlapping. The division of their incomes into savings had enabled them to accumulate property for the future. Among the laboring classes savings had come about through small amounts of insurance and the attempts to purchase homes. Among the upper classes, it represents many types of investment.

What differences exist between the distribution of the expenditures of the upper and more successful elements in town and village life, and the lower and less successful elements? First, the upper classes differ from the lower by the extreme emphasis placed upon savings, investments, provisions for the future and for old age. *Their sense of the future is stronger than among the lower and less successful classes.* All this difference is not to be attributed to differences in size of incomes. Many among the lower classes were exercising forethought concerning the future as well as the average of the upper classes. Fur-

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[23] For further data on the wealth of the families, see Minnesota *Bulletin* 253, p. 23.

ther, many of the upper classes were showing considerable improvidence. A second major difference, which is not due entirely to the differences in the size of the incomes, was the improvement of the home and housing conditions. Many of the improved facilities in the homes of the upper classes could have been achieved by the lower classes without any material increase of expenditures. The average size of the lots in the lower classes was as great as in the upper classes. That this incorporation of the elements of the standards of living of one class by another, and of the social positions of one class by others, is no idle dream, is shown by the high mobility of persons and social objects and values from one class to another, at least in contemporary American life. This is not an argument against the theory of innate differences as important factors in the distribution of persons between the various social classes; such climbing from one class to another and the incorporation of the standards of living of other classes, can and does go on, nevertheless.

If we compare farmers with the successful urban classes, in relation to their distribution of spendable incomes, the following conclusions seem apparent. The ideals as to what means successful living among these upper classes in towns are not essentially different from those among farmers. Farm families seek to improve their position in agriculture and their standards of living by increasing their investment expenditures and savings for the future; in this respect, their major ideal as to improved living is not essentially different from that among the upper classes in these towns. This statement needs considerable emphasis, because prevailing popular opinion and statements in many works dealing with this subject led us to believe that the standards of living of farm families are everywhere considerably lower than and different from those of the urban populations. This popular misconception has arisen because observers have been fooled, on the one hand, by the conspicuous display and some of the least important elements in town life; and, on the other, by the fact that the budgetary comparisons have always been between farmers and the lower and less successful elements in town life. Rural and urban comparisons are hard to make because of the different environment in which the two budgets are placed. Nevertheless, this one thing seems certain: The major ideals as to improved living among the upper classes in urban life and the farmers are essentially the same.[24] It may be added, in conclusion, that the less successful classes in urban life can learn much about improved living from the farmers as well as from the upper urban classes.

C. *City Families*

The third study concerns 252 city families who were contrasted with 226 farm families in 1927-28. Since these farm families were similar to those already discussed, we shall turn more attention to the city families.[25]

The chief question is how do city families distribute their incomes between present and future expenditures?

The city families belonged to all occupations and social classes found in these towns. The laboring, or wage-earning, families comprised 40.4 per cent of all; retired farmers and broken families, 15.1 per cent; the rest (44.5 per cent) were receiving mainly salaries, business profits, or unearned incomes. Thus the families were divided into two-fifths that composed the lower class, two-fifths that composed the middle and upper class, and one-fifth miscellaneous. The average income ranged from $1,746 per family for the laborers to $8,117 for the business men. However, these average incomes somewhat hide the real situation. A few well-to-do families in each group made the average high; these families among the upper classes arose alone because of the earnings of the head of the family; among the lower classes, because the family included more wage earners than usual. A family consisting of man, wife, and three or four adult, gainfully-employed children naturally had a high income, although all were wage earners.

When the families were distributed without regard to social status, a range in average income from $743 in the lower group to $12,789 in the upper group, and a range of expenditures from $995 in the low-

[24] This applies to the emphasis upon savings in the budgets of capitalistic farmers and is part of the capitalistic mores. Farmers are both capitalists and laborers and have something in common with all city classes. See Sorokin, P. A. and Zimmerman, C. C., *Principles of Rural Urban Sociology,* New York, 1929, Chs. 19 and 20.

[25] For further information about these families, see Zimmerman, C. C., "Incomes and Expenditures of Minnesota Farm and City Families, 1927-28," Minnesota Agricultural Experiment Station, *Bulletin 255,* June, 1929.

est group to $12,835 in the upper were found. The average income was $3,878, but the greatest proportion of the cases (55.2 per cent) were between $1,000 and $3,000 with a modal point about $2,000. The curve of distribution of the incomes shows some skewness toward the lower income groups that is typical of studies of the distribution of incomes. The families in the lower income groups spent more than average receipts for the year for two reasons—one was the system of accounting all receipts as expenditures, which left deficits in some families because of heavy investments or other expenditures for the year, and the other was a real shortage of income in many families.

PERCENTAGE PER FAMILY DISTRIBUTION OF ALL EXPENDITURES BY INCOME GROUPS
MINNESOTA CITY FAMILIES

Income Groups $	Number of Families	Average per Family Expenditures for						
		Investments	Household Purposes	Food	Clothing	Automobile	Health	Miscellaneous
Less than 1,000 ..	17	3.6	24.0	43.5	12.0	1.8	5.6	9.5
1000—1999......	75	13.5	28.7	28.1	10.7	3.6	6.2	9.2
2000—2999......	64	21.8	24.0	23.3	11.1	6.5	4.5	8.8
3000—3999......	27	27.0	20.7	20.2	10.3	9.2	2.4	10.2
4000—4999......	20	28.0	20.3	15.2	9.5	8.9	4.2	13.9
5000—5999......	15	41.3	16.4	11.2	9.1	11.0	1.9	9.1
6000 or more.....	34	56.7	12.7	7.1	5.6	7.0	1.8	9.2
Total and average	252	38.4	18.4	15.1	8.3	7.1	3.1	9.6

The investments plus the incomes, in the average of the lower group, did not equal expenditures. In a similar way many families in the income group from $1,000 to $1,999 had deficits greater than incomes plus investments. However, distinct advantages were offered the poorer families in towns compared with those on farms. The charity organizations of various sorts helped to make up these deficits. No cases of charity or help, other than within families or occasional gifts of clothing from friends, were found on the farms. Farm families with heavy deficits used savings, mortgaged their property, sold some of their operating capital, or mortgaged future incomes to make up the greater expenditures for the year. Their only recourse to charity was occasional protection by the bankruptcy law—and that was an expensive operation, little used. (The study was made before 1932.)

The following principles underlie the distribution of expenditures among these families. (1) The consumption of all items increases in amount and value. (2) In terms of proportion, food, household, clothing, and health decline. (3) The miscellaneous or "advancement" group remains about constant, although it shows some tendency to increase in proportion in the middle classes. (4) Proportions used for automobiles increase, but those for investment increased most rapidly of all. The first and second "laws of living" agree with Engel's expression of laws of expenditures; but the third and fourth disagree with his laws.

Why do we have these disagreements? The major reasons are as follows. This study indicates a cross-section of the total urban public, or at least of its most representative classes. Conclusions by other students of family expenditures have been based on the lower classes (the laboring classes, almost entirely), although, in some cases, salaried families were included. In other words, previous conclusions concerning improved living have been based primarily upon a study of the budgets of the least competent elements in a given industrial society, and those that were more or less divorced from property rights. A second reason for these differences is the introduction of a new element into the buying markets, namely, the automobile. This new method of communication, by increasing the tempo of life, creates greater desire for travel and rapid mobility and adds to "mobility" expenditures. However, even if automobile expenditures be added to the miscellaneous, or so-called "advancement" expenditures, the fundamental differences between these principles of expenditures and those attributed to Le Play and Engel still exist. These may be summarized by the statement that the competition within the family budget, as indicative of the attitudes of families toward improved living, is primarily between expenditures for the present and the future; or between present consumption for living and investment (future) expenditures. This primary difference appears in this study in Minnesota because the budgets include all classes; because investment expenditures are recorded, whereas many studies do not record them but pay attention primarily to expenditures for present wants; and because many other studies either record investment expenditures only partly or, if recorded in total, do not segregate them for study, but lump together a large number of unlike expenditures into general averages for the purpose of specific conclusions. Such a practice is, of course, a logical error.

Without discussing these theories further at present, it is important to note that many historical data and a careful study of the habits of the consuming public of the present, indicate their general validity. The probability that they represent the basic attitudes of urbanites as to improved living, is very high. The existence of the capitalistic process, known among economists as the "roundabout" method of production, and the general differences in distribution of wealth, give ample evidence of the probability of their general validity.

If descriptive details are put aside and attention is directed primarily to the most general principles of distribution of investment expenditures, the following seem to be suggested: (1) The primary agencies of investment expenditures among the poorer urban classes are insurance and savings. This means that any factors in economic organization that render savings banks and local savings institutions insecure, are a contributing factor to the pauperization of the lower classes. Insurance seldom amounts to more than the burial and other expenses incident to immediate readjustments of family life. (2) The middle classes add another factor, investments in home ownership and improvement. This means that insecurity of local savings institutions endangers home ownership for these classes. (3) The upper classes have the most diverse investment facilities of all, including, in addition to the above three agencies, the business managed by the head of the household and other urban property, both real and personal. (4) City groups as a whole have a much greater diversity of investment facilities than farm groups as a whole. (5) The primary investors in the farm business, other than banks, insurance companies, and special credit agencies created for that purpose, are the farmers themselves (including retired farmers).

CHAPTER XIV

Spending for Prosperity

What is prosperity?—Can it be bought?—Does economic activity continually discipline economic man?—Does the rate of current use consumption adequately regulate the economic system?—Prosperity is a specified level of use of consumer's goods.—Depressions are periods of decreased use of economic energy.—We are by nature savers as well as spenders.—When an individual saves or spends the results to him in his productive lifetime are the first consequences of the act.—Secondary or "nth" consequences are the results of an act to other persons or other times.—The act of saving or spending is primary in a continuous stream of related events.—An individual can comprehend his own acts and its primary consequences more than the acts of others or the secondary consequences.—Modern western culture has continuously discussed the relation between the primary and "nth" consequences of spending or saving acts.—Smith and the "savers."—Rodbertus, Marx, and the "spenders."—Consequences of spending and saving depend upon whether saving is deferred consumption or a different type of consumption.—Hypothetical analysis of spending and saving in a deferred consumption society.—When the spenders take hold the society is lulled into a false sense of security.—In time the aged paupers and the unemployed demand pensions.—"Humanitarianism" becomes popular.—In this type of society, only temporary prosperity can be bought. Then the fiddler must be paid.—Hypothetical analyses of spending or saving in a capitalistic society.—Here saving turns the wheels of industry in addition to its direct consequences.—Thus the average possibilities for consumption are increased.—When spending becomes popular the industrial workers turn from capitalistic to personal services. Fictitious prosperity appears.—In a generation or so average consumption decreases.—But the situation is complicated still further by the "depression" as against the "famine" in non-capitalistic societies.—Many believe that the business cycle can be eliminated by control of spending.—Over-emphasis of this point of view leads to unwise spending, and extreme social antagonism.—Spending has some benefit if prosperity returns and the debt can be repaid.—But it is more difficult to save than to spend.—Judging the act of spending or saving by emphasizing the secondary or "nth" consequences of the act leads to dangerous instability.—The breakdown of the economic system and the social organization becomes imminent.—Spending for prosperity is a false god.

A popular idea at this time is spending for prosperity. This work would not be complete unless it discussed the topic. In spite of criticisms, let us continue.[1] Briefly, the first question is this: What is prosperity and what are the forms of buying it?

ROSPERITY

Two problems are involved. One is the general question as to whether a material standard of living continuously furnishes the stimulus enabling a social system to continue in the same course. Does economic activity continually discipline economic man? A second is whether the rate of current use-consumption adequately regulates the economic system. If a depression is at hand, can we go back or forward to "normal" conditions by increasing the amounts of consumers' goods in current use? Is saving or spending the basis of ultimate prosperity?

For our purposes, prosperity is defined as a specified level or plane of use of consumers' goods. Buying prosperity is the act of increasing the transference of consumers' goods from producer to consumer and of seeing that the consumer transfers the utilities into sensation. The producer now has less and the consumer feels a recurrent appetite for a renewal of the sensation. In prosperous times and in prosperous societies the level or rate of sensation maintains a more even and, supposedly, a higher level of sensation than in others. Producers find "vacuums" in their warehouses or supplies. They spend economic energy in filling this space. Consumers feel a lack in their sensation-life and therefore use economic energy to satisfy these "needs." In prosperous times these depletions and subsequent satisfactions are supposed to succeed each other in place and in time at a constant or evenly increasing rate and on a higher "volume" level than during non-prosperous periods. Like the rhythm of the days or the seasons the consumer alternately derives a sensation from consuming and experiences a recurring "want." Alternating with this rhythm are the changes at

1 "This chapter is a digression into the theory of capital accumulation and business cycle theory from the savings angle, with *obiter dicta* on morals and property thrown in here and there. If this chapter is to be consistent with the rest of the book, this is the kind of material that should be treated, with only a bow to the "nth" consequences of saving and the place of saving in the business cycle."

To which I rejoin after Carlyle: "'Shall your Science,' exclaims he, 'proceed in the small chink-lighted, or even oil-lighted, underground workshop of Logic alone; and man's mind become an Arithmetical Mill, whereof Memory is the Hopper, and mere Tables of Sines and Tangents, Codification, and Treatises of what you call Political Economy, are the Meal?'" (*Sartor Resartus*, London, 1929, p. 50.)

the producers' warehouses—first depleted and then replenished. The energy which the producer furnishes becomes sensation for the consumer and *vice versa.*

Depressions are periods of decreased use of economic energy. Labor power loses its value so that it cannot fill the consumers' needs. Hence, it is argued that if we give value to labor by an artificial stimulus, the cycle of need and satisfaction will begin again in an increasing "spiral" development. Two assumptions are implicit in this argument: one that the loss of labor value causes the absence of prosperity, and the other that the rate of need-satisfaction repetition is self-generating at an ever faster pace.

Is there no limit to the material standard of living? Can we maintain this process continuously by the use of more and more energy for consumption goods? Many consider this the fundamental problem of the present American standard of living. In discussing it, many other problems are involved, such as saving, spending, the capital fund, safety, conspicuous consumption, governmental interference in economic life, etc. As far as possible let us consider the details of economic life involved.

Spending or Saving

The complicated industrial and economic system owes its existence in part to the savings of individuals. Its continuance may depend also on a proper balance between such savings and the amount spent for current consumption. Each generation which experiences the discomfort and misery of the fluctuating status of economic life realizes more or less vaguely that the relations between the spending and saving activities need more consideration. This problem merits the best thought that can be given it. Here we consider the theories that prevail and describe the relation of spending and saving to the standard of living.

First of all, spending or saving are paramount problems of the individual. We are by nature *spenders.* The point at which we stop spending for necessities and spend for other reasons is reached long before the average income is consumed. Such a statement, of course, needs qualification. At any rate, the point to be made with regard to expenditures is that there is a range of choice with respect to the direction taken by spending. Individual spending then becomes, in the mass, a directing force in economic life. The importance of this matter has too frequently been overlooked with the result that economists have often failed to grasp the full significance of individual choice in the matter of spending.

We may also say that we are, by nature, *savers*. Saving is not the antithesis of spending but is, from the individual point of view, simply *deferred spending*. The uncertainty of the flow of income and the irregularity of types of consumption combine to make the habit of saving necessary. While all people do not appreciate the necessity of such a habit it is evident that the masses attempt to give a regularity to consumption by more or less serious attempts to save.

The actual process of spending or saving during the productive lifetime of an individual hence may be called the first consequence of his economic behavior. In that sense the behavior has its immediate ramifications in the life of the individual irrespective of the lack or use of his savings. When the individual begins to spend his savings for the unproductive or deficit periods of his life, the secondary consequences of his behavior are involved. In this case, the results still influence the individual directly but at a much later period than the behavior (saving) itself. When the individual puts his money in an institution where it is lent out and becomes a general part of the flow of capital goods in a society, we recognize another series of consequences of the behavior since in this instance the acts are viewed entirely in relation to other persons who have no immediate knowledge of the act of the individual who saved. Associated with these series of approximations (or consequences) are numerous other consequences in the totality of functional relations which constitute the skein of social phenomena. These may be called two series of "nth" approximations to the behavior of the individual who saves or spends. One series is involved in the fact of individual saving or spending and the other in the economic and other results arising from the act of investing savings. In our later discussion, we must differentiate the behavior of spending or saving into its first, second, or any part of one variety of the "nth" results of the behavior.

Thus, the act of saving or spending has several aspects. These must be considered in relation to the values and attitudes of the individual as a directing factor in a great deal of spending and saving. The individual can understand his own acts more clearly than those of others. Furthermore, he probably appreciates the primary consequences of any act more fully than he does its secondary and "nth" implications. Finally, spending and saving are not only individual acts but are carried on by institutions, such as the family, the community, the corporation, and the government. In these cases, entirely different principles may be involved than those in which the saving or the spending is carried on by the individual.

To illustrate, it may be said that the comprehension by an individual of the consequences of an act of spending or saving by a collective organization may be less than that of his own act of spending or saving. Furthermore, the further is this collective institution from the individual, the less may be the comprehension which the individual has of the direct consequences, not to mention the indirect consequences, of any particular act. While we recognize that collective institutions exist largely as a part of the personality of each individual, yet their very collective nature may involve principles different from individual behavior since the collective institution involves many individuals not all of whom are similar. To the extent that any social institution is extra-individual, it also may involve varying principles in its behavior regarding spending or saving. Thus, we must finally conclude that saving and spending represent a complex series of acts, some individual and some collective, some of direct significance and some of indirect, and not all of which are under the control of or can be understood by any particular individual.

It is evident that not all of these acts and their consequences can be fully analyzed here. We can only discuss a few which are basic to some elementary principles concerning contemporary American standards of living.

The "Nth" Consequences of Spending or Saving

Since the development of the modern period of western culture, there has been a continuous discussion of the rôle of spending versus saving in the total standard of living. We have already shown that in 1714 Mandeville held that any society which would be great depended partly upon spending incomes for higher levels of living instead of saving. Spending made work, according to him, whereas those who lived on "acorns" and hoarded their money created unemployment.

The French physiocratic school as well as the political arithmeticians had some members who endorsed the idea of *spending for prosperity* but nevertheless the majority of them finally reached the position of Turgot who held that saving by individuals was the essential basis of national wealth. On the other hand, Montesquieu and Hume maintained both points of view but Voltaire generally insisted that the rich should spend their money in order that the poor should have work. Finally, the bulwark of the savings theory was set forth by Adam Smith in his *Wealth of Nations*. He held that the general stock of wealth of any country is the same as that of its members added together. This is divided into goods for immediate consumption, capital goods and circulating wealth or money which enabled the functioning of the system.[2] Labor was divided into productive or unproductive categories depending upon whether it added to the value of the stock of goods upon which the labor was bestowed. However, both productive and unproductive laborers as well as idle persons are "all equally maintained by the annual produce of the land and labor of the country."[3] The productive laborers are put to work and aided by capital goods. Consequently, savings lead to industry since "Capitals are increased by parsimony, and diminished by prodigality and misconduct."[4] Finally, he adds:

> By what a frugal man annually saves, he not only affords maintenance to an additional number of productive hands, for

[2] Smith, Adam, *Wealth of Nations,* New York, 1901, Vol. I, Book II, Ch. I.
[3] *Ibid.,* Vol. II, Ch. 3, p. 9.
[4] *Ibid.,* Vol. II, Ch. 3, p. 17.

> that or the ensuing year, but, like the founder of a public workhouse, he establishes, as it were, a perpetual fund for the maintenance of an equal number in all times to come.[5]

This idea has found both criticism and support since the time of Smith. In general, the school of economists of the conservative type have maintained Smith's view.[6] The opposite viewpoint was suggested by Lord Lauderdale, Thomas Malthus, and George Chalmers in England, and by the socialistic school on the continent from J. C. L. S. de Sismondi through the Marxian group.

> But the most vigorous attempt to prove that crises are a chronic disease of capitalism is that made by Rodbertus, Marx, and their followers. The gist of the socialist contention is usually that the laborer receives as wages much less than the real value of his product. Hence, the demand for consumers' goods, which must depend largely upon the great mass of wage-earners, fails to keep pace with the increase of the output. Meanwhile, the capitalist-employers are investing their current savings in new productive enterprises, which presently begin to add their quotas to the market supply. This process runs cumulatively until the time comes when the patent impossibility of selling goods at a profit brings on a crisis.[7]

Since that time a large number of very prominent economists have held to the idea that over-saving in one way or another is responsible for the business crises to which industrial society is subject. The idea of "spending for prosperity" during depressions has become very popular, particularly in recent years in the United States of America.[8] In desperation at the confusion of thought on the subject, we seek to appraise the various theories of saving or spending as they relate to the

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[5] *Ibid.*, Vol. I, Ch. 3, p. 18.

[6] For instance, J. B. Say, James Mill, David Ricardo, J. R. McCulloch, W. N. Senior, John Stuart Mill, the outstanding French and German economists, the Austrian school, Alfred Marshall, and many of the leading economists of today.

[7] Mitchell, W. C., *Business Cycles*, Univ. of Calif. Press, 1913, Ed. 1, p. 5.

[8] Leading recent economists who have thought upon this subject include J. A. Hobson, N. Johannsen, R. E. May, Mentor Bouniatian, Thorstein Veblen, William T. Foster, Waddill Catchings, R. G. Hawtrey, and J. M. Keynes. Originally the intention was to summarize and criticize the ideas of each. Later this was considered inadvisable, however, on account of the fact that it led too far aside.

standard of living. The argument has extended over at least four hundred years and has resulted in no unanimity of opinion on either side. Equally well-intended public men are still heatedly maintaining that "spending leads to prosperity" or that saving does likewise.

Individual Consequences of Saving or Spending

The argument ramifies into all of the problems of economics. An analysis of it involves a careful definition of what is meant by spending and saving and a much clearer knowledge of the forces within the economic system than is possessed at this time. It should be pointed out that saving is of two major types, that which leads to deferred consumption alone and that which, while it is intended to promote deferred consumption by the individual, results also in a *different type* of consumption at the present. These may be illustrated by the process of storing bullion, on the one hand, and by the deposit of savings as credits in a lending institution, on the other. These different types of acts result in varied influences upon the economic equilibrium in a society.[9]

Let us imagine that individuals in any given period follow the practice of saving either bullion or economic goods in order to consume these at later periods when they are no longer capable of producing. This is a common practice among most of the Asiatic peoples and among them constitutes the chief use of jewelry. Furthermore, many communities which suffer from famines use some of their unemployed lands and time during good years to accumulate supplies of grain which they do not consume immediately but which are reserved as food for bad years. Thus, the Japanese peasant ordinarily lives on rice but many have learned through years of famine to stock a supply of maize in granaries. He cannot market this maize nor does he ordinarily care to consume it except in cases of emergency.

We may acknowledge that at the beginning of such a process the masses are not permitted to consume the fruits of certain productive labor. A, B, and C are peasants or workers who are storing bullion or

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[9] See Lescure, Jean, *L'épargne en France*, Paris, 1914, p. 5 *et passim.*

grain derived from their excess production of the current year. D, E, and F are peasants or workers who, for varying reasons (age, infirmity, illness and the like) are incapable of producing the consumption-goods needed for that year. However, they have saved a supply from previous years and they consume it. Thus, A, B, and C save while D, E, and F consume an equal amount. Under these conditions, the particular society consumes the equivalent of its year's production of goods because the savings of the young are balanced by the excess consumption of the old or otherwise unemployed.

In a situation, such as this, let us imagine that a new doctrine opposing saving is widely accepted in the society. The propagators of this new doctrine maintain that the best way to prosperity is to spend or consume all the goods available at the present time. Consequently, now A, B, and C abandon the old practice of saving some of their wealth and consume it all each year. This extra consumption gives the society a surface appearance of prosperity because many individuals have more to consume than before and the non-productive groups still live on their savings. Employment takes an unusual upward surge because some of the former savings of A, B, and C now will probably be spent for personal services. Times are "unusually good" and the society is lulled into a false sense of security.

A generation passes. A, B, and C are now old and have no savings. D, E, and F are dead and are replaced by G, H, and I who are young productive workers. When they take the year's production and consider how to consume it, they are faced with a different problem from that which previously met A, B, and C. A, B, and C are now penniless and old. They demand an old age pension from G, H, and I so that when this is paid, G ,H, and I have left for their own disposal only as much as did D, E, and F in their productive years. There is a difference, however, in that D, E, and F saved some of their funds whereas G, H, and I cannot save anything unless they reduce their consumption below the level of that prevailing in the period when D, E, and F were young. This lower rate of consumption may create considerable unemployment in the society and lead to increased antagonism between those who have and those who have not. In this particular case, the able unemployed are supported in their political actions by the aged paupers, A, B, and C. Under such hypothetical conditions as this, the society would tend to have extreme fluctuations in its material level of consumption and would, in addition, find these extreme fluctuations associated with waves of political instability.

Now let us imagine that G, H, and I followed in the footsteps of A, B, and C and instead of trying to save anything consumed their entire production after paying old age pensions to A, B, and C. In this particular case, the consumption in the generation of G, H, and I would be reduced on an average from that during the working time of A, B, and C by the difference of the amount of the old age pensions which G, H, and I had to pay to A, B, and C. Furthermore, a new characteristic would enter the society which we shall call "humanitarianism." The idea back of this theoretical movement is that the able-bodied workers are fully responsible for the condition of those without bread. One such theory is that "no one must suffer." Since the poverty of A, B, and C is believed to arise from "social causation" the people are supposed to operate on the theory that "society owes everyone a living." In this particular society, men would not be judged by the immediate consequences of their acts but by their secondary implications. That is, A, B, and C would not be criticized for refusing to save but rather they would be praised for having "bought prosperity" and G, H, and I would not be criticized for any failure to produce but rather because they might tend to be slightly reluctant in their "social duties," or in giving old age pensions and in spreading work to reduce unemployment. Thus, the society would tend to develop a form of social responsibility which might lead to carelessness on the part of some workers and to a hindering of individualistic forms of behavior supposedly connected with self-survival on the part of others.

This simplified illustration enables us to perceive clearly some of the consequences of the policies of "buying prosperity" in a society in which saving takes primarily the rôle of deferred consumption. Those who violate the fundamental types of actions leading to their later preservation from want become paupers and must live at the expense of others. Temporary prosperity can be bought, but, in the long run, the fiddler must be paid. Hence, we see that if we judge their actions from different points of view, a different answer is given to the question. If we take the immediate consequence of the behavior cycle (the influence of the behavior upon the individual during his productive lifetime), we can see that if he does not save, he must later suffer or depend upon charity. If we take a further consequence of the original behavior (that to other individuals in the present generation), we can see that the individual who does save apparently helps to "buy a general prosperity" on a temporary basis. If we take the further consequences of the original act (the influences of saving or not saving upon the next generation), we can see that failure to save tends to reduce consumption in the next generation. Consequently, on two counts out of three, our answer is that in a society where saving represents only deferred consumption, prosperity cannot be purchased by unwise immediate spending.

Saving or Spending in a Capitalistic Society

However, we must recognize that most saving in commercialized societies not only represents deferred consumption but also contributes to a change in type of consumption. A, B, and C who save some of their money put it in the bank where it is borrowed by D, E, and F who wish to add to the capital with which they work. This capital enables them to produce more efficiently and at the same time puts men to work producing the capital goods. For instance, the railroad, which is owned by D, E, and F, wishes heavier steel rails in order to haul larger loads on each trip. The funds are borrowed from the bank and represent the savings of A, B, and C. The saving of the money by A, B, and C does not represent any social deferrring of consumption but rather a deviation in the consumption process from that type of final (or consumers') obsolescence to producers' or capitalistic obsolescence which is called in economic circles "the roundabout" or capital building process. In a situation such as this the increased use of capital goods enables D, E, and F to pay back the loans of A, B, and C, to pay interest on the loans, and to increase the income of the railroad. When A, B, and C are old, they withdraw the money from the bank and live on it. According to this first consequence, the direct action of A, B, and C in saving some of their money kept them from spending it in a conspicuous manner (a form of prosperity) and enabled them to maintain themselves when they were old without recourse to charity (another type of prosperity). Thus, the study of the first consequence of saving in a capitalistic economy simply means that one form of prosperity is substituted for another. G, H, and I, who are sons of A, B, and C, live in a world in which the average individual associates himself in his productivity with a higher ratio of capital goods to human labor so that up to a certain point the general level of productivity is higher. Thus, due to the savings of A, B, and C, the average possibilities for consumption of economic goods by their sons is increased. This is a phenomenon which has led d'Avenel to say that economic progress is to be measured by the proportion of the social income which is to be imputed to capital as against that proportion which is imputed to labor. He found that by 1910 in France 40 per cent of the average income of the individual was due to capital and 60 per cent to labor.[10] This he contrasted with conditions in France during the seven centuries preceding the twentieth and concluded that the level of pleasure (*le nivellement des jouissances*) had risen during this period. Thus, he concluded that "from the economic point of view, the effective benefactors of mankind are not the humanitarians but the capitalists who make this roundabout process work."[11]

Now let us presuppose that A, B, and C did not save any of their income but rather spent it all for immediate consumption. In this type of situation D, E, and F could not borrow the funds to replace the railroad equipment. Consequently, the individuals who would have worked in the steel mills are out of a job. However, A, B, and C are free spenders and wish some personal services. Consequently, the steel workers become respectively the servants of A, B, and C so that the total volume of employment is the same as if A, B, and C had saved.

10 Comparatively, in the United States in 1925, 56% of income was attributed to labor and 44% to capital. See M. A. Copeland's data as reported in Hazel Kyrk's *Economic Problems of the Family*, New York, 1933, p. 111.

11 These ideas of d'Avenel will be found developed in his two works: *Les riches depuis sept cents ans*, Paris, 1909; and *Le nivellement des jouissances*, Paris, 1913. The direct quotation is freely translated from page 319 of the latter work.

In addition, A, B, and C are living on a high scale and there is apparent prosperity in the society. However, when A, B, and C become old and unproductive, they must depend upon some form of old age insurance which will reduce the average level of consumption in the society. Their children will again begin this round of life starting possibly on a lower general level of capitalistic development than did their fathers. Consequently, we can see here that the first consequence of the behavior of A, B, and C in their attempts to purchase prosperity is only a temporary situation of conspicuous expenditure which finally develops into two situations of reduced expenditure (in the latter years of A, B, and C and in the formative years of their children). Consequently, we must again conclude that the safest guide for the consideration of the problem of saving or spending for prosperity is to be found in a careful study of the consequences of the individual act upon the individual himself during his lifetime.

However, in a strongly capitalistic society, the situation becomes extremely complicated to the extent that the business cycle or rapid fluctuations from prosperity to suffering become an outstanding characteristic of the society. In this case, some of the "nth" consequences of saving or spending need further consideration. These are the theories that depressions are due to over- or to under-production, particularly popular in "business cycle" theories.

All of these saving-spending theories indicate a belief that something is basically wrong with a particular economy which moves cyclically rather than evenly. They imply a belief that one of the objectives of thinking about this economic system is to eliminate the business cycle. Such, for instance, is shown by the advocacy of higher wages, of a more even distribution of wealth, rapid governmental spending during depressions, public control of the rediscount rate by central banks or even the widely publicized "rubber" dollar. This latter idea is advocated chiefly by the mathematical economists who hold that depressions are really due to shortages in the quantity of funds, credit, or money. To solve the fluctuations, they generally advocate changes in the value of the unit of currency so that upward swings of the business cycle will be cut off at the top and downward swings at the bottom.

Their system of solving the business cycle is that of treating some of the social factors involved rather than the individual factors. They deal with vague "nth" consequences of the particular individual acts of production and consumption rather than to the primary consequences of the acts of each individual.

While they imply that these cyclical movements are more or less natural phenomena[12] they hold that a society can be developed which will eliminate the business cycle. To that extent it is a "new era" type of idea because our only experiences with pecuniary civilizations in the history of the world have been those associated with business cycle fluctuations. Agricultural societies have their fluctuations but these are based chiefly upon crop failure or excesses in production. In the good years there tends to be a waste of food and in bad times a relative shortage or starvation depending upon the seriousness of the crop failure.

Thus, the saving-spending business-cycle theorists tried to solve the problems which arise when A, B, and C either save some or spend all of their income during the time of its production by treating some of the social (extra individual) consequences of these acts. They do this because they believe that the savings of A, B, and C have tended to yield either over-production or under-consumption. They believe that the savings of A, B, and C have either (a) been held as savings and not gone into investments (Keynes, Johannsen), or (b) that savings have gone more into producing goods than into wages (Hobson, May Bouniatian, Veblen, Foster and Catchings), or (c) that saving results in depressions because of the influence it has on the credits and reserves of banks (Hawtrey, partly Keynes, and numerous others). Thus, few of them take a clear-cut position, such as that by Adam Smith, which attempts to settle the problem by pronouncements based upon an analysis of individual behavior and its first-hand consequences.

In such a social system as this extreme antagonisms arise among the social classes. A lack of individual responsibility develops. Men seem no longer willing to assume that they themselves or their neighbors

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12 See here the analysis by W. C. Mitchell with particular reference to the equilibrium theories in Chap. 2 of *Business Cycles,* 2nd ed., New York, 1927.

should have *either the rewards or suffer the consequences of their economic acts.* If A, B, and C save and a depression comes along, movements arise in the social order to castigate these three foolish gentlemen because they are "capitalists who are exploiting the masses." Taxes upon them are increased and they are blamed because they did not spend their money in higher wages in order to have "a more even distribution of wealth" or "greater mass purchasing power." If A, B, and C do not save and reach old age or other unemployment without an accumulation of surplus to carry them through the period, they are either considered "unfortunate products of a diseased social system" or as "spendthrifts who must be taken care of." Under either set of circumstances, A, B, and C find their rôle in the economic system is influenced increasingly by non-economic motives. Particularly during this time are the savings or spendings of institutions called into question. The corporations are attacked by the masses. Mass movements arise to increase governmental expenditures for the unemployed. Families are called upon to take care of their less fortunate members. The profit motive in industry is attacked and public measures are taken to reduce opportunities for profit. All of these anti-economic movements gain headway, depending upon the severity of the particular depression, upon the strength of the inward disciplining of the people, and upon the complexity of their social organization. The commercialized farmers who are in a less all-embracing trading economy find that they can turn toward more sufficing agriculture and ordinarily do so providing they are not abetted in their grumblings and uneasiness by a large class of unemployed workers. However, when grumbling farmers are joined by these aroused members of the militant city groups the government begins to modify itself rapidly. At first the public expenditures are increased, leading eventually to a large public debt and to high taxes. If after this movement the depression has changed to a boom of prosperity, the government may seek to reduce its debt. However, governments find it more difficult to save money than to spend. There is no militant organization back of government economy such as the one promoting extravagance.

Thus, a society which judges its acts of saving and spending on the basis of the "nth" consequences of any particular act of spending or saving becomes more and more complex until its very ramifications lead to a dangerous instability. Each act breeds another and the chain of circumstances cannot be broken. The individual is lost in a system which he cannot understand. While the course of history in any particular society is not pre-ordained, it is evident that the standard of living in such groups becomes diverted from the original production-consumption ratio in the two following ways. Individuals become so enmeshed in social obligation and privileges that many can produce and consume without giving their share for the upkeep of the social organization. Others whose production is more evident are taxed unduly and hampered in their economic objectives. The distribution of consumers' goods takes on a non-economic character because of the very complexity of society. Consequently, the standard of living differs considerably from the original production-consumption ratio to be found in simpler forms of economic and social organization.

In addition, life becomes so interrelated that many begin to suffer for the acts of others so that a breakdown in the system of distribution of wealth becomes imminent. The goods are still there but the titles to productive enterprises pass from hand to hand without meeting the usual economic resistance. This means a considerable variation of the ordinary principles which regulate and tend to increase the production of wealth in a community. A given society may repudiate its public debt. The country is just as rich afterward providing the public bonds are held by the taxpayers. However, under the new conditions, the rights are taken from those who are supposed to have produced the income and are given to those who did not produce it. This general breakdown in the system of distribution of wealth has its immediate consequences in increased suffering and may tend toward greater ones, such as those associated with the internal dissolution of the social organization.

We are finally led to the conclusion that prosperity cannot be secured by unwise expenditures. The rhythms of prosperity and suffering seem to go on from causes more deeply ingrained in the social system than surface factors connected with the rate of spending or saving. Spending and saving, as Jean Lescure pointed out, are primarily "results" of the business cycle or of changes in the psychology of the individual. A solution to the problem of fluctuations in the level of purchasing power afforded by a particular pecuniary system would seem to involve a careful study of an individual's actions and their influence upon him. Perhaps the business cycle cannot be eliminated. Perhaps the consequences may be alleviated by a form of social organization in which the individual has greater chances to move from trading to barter or from commercial production to self-sufficient existence and *vice versa* during the periods of depressions and booms. This combination of agriculture and industry and of families so organized that they provided for such types of adjustments formed the basis of much of the doctrine of Frédéric Le Play. One hundred years of study in a world which has not followed his advice would seem to convince us that the only workable solution seems to lie in the careful study of the problems and mechanisms of individual safety.

Thus, spending for prosperity has not resulted in keeping the course of modern civilization in one particular direction. We have spent, but we are not prosperous. What has taken place may probably be described as an internal change in the entire capitalistic culture in the course of its development. However, we cannot be certain that, with increased stimulation, spending and saving will change their meaning in relation to the conditions of the society. We still see cause to consider the guarantees of the level of consumption in the future as important as the spending for prosperity now. Some spending seems socially necessary in depressions. But "spending for prosperity" is an invalid conclusion. We can only be sure of the "spending" and not of the "prosperity."

CHAPTER XV

Early Studies[1]

Ancient sources for budgetary studies.—Increase of records from 12th century.—Rogers' and Eden's estimation of 13th century budgets.—Data concerning consumption in feudal period.—Young's studies.—D'Avenel's study, 1200-1914.—16th century documents.—17th century investigations by contemporaries.—Petty.—Dunning.—Defoe.—Massie.—Young.—King.—Similarities of 17th century and modern budgets.—Davies' study of 18th century budgets.—Fluctuations of economic conditions.—Lavoisier's study.—Lagrange.—Other studies.—Founders of modern studies.—Ducpétiaux.—Le Play.—Engel.—Summary of *Die Lebenskosten.*—Comparison of Ducpétiaux, Le Play and Engel.—These three established the methodological assumptions, the technique, and the hypotheses for the guidance of research programs in family budget analyses.—Modern budget research rests on these foundations.

There are various types of studies of family living which give expenditures for consumption. One type consists of an analysis of old household accounts or records. An historical research of this nature often furnishes a picture for periods in which other data are negligible or entirely lacking. A second type is a budget constructed from scattered information about prices, wages, profits, taxes, and consumption. In this kind of study information gathered here and there for a particular period is fused into an hypothetical budget for a typical representative of a given social class of the time.

As far as can be ascertained, there are no studies of family living other than the above types for periods prior to the seventeenth century in Europe. What we know of the earlier periods comes almost entirely from tedious sifting of the scattered ashes of the past. Consequently, knowledge about particular times and particular classes is based upon the available information and not upon the data which are needed or

[1] Professor E. F. Gay of Harvard University read the manuscript of this chapter and gave invaluable help, particularly in many of the critical notes concerning earlier studies.

desired. Periods and classes often become important to a greater extent on account of the records they have left than from the standpoint of the actual needs of the historians.

For the classic periods of western society even studies such as these are lacking. Although the Romans kept household account books, none of these records (*codex accepti et expensi*) are available to us.[2] Consequently, as far as is ascertainable, our knowledge of the ancient world is limited to a few observations by contemporaries, to reconstructions made from a study of pictures and sculpture, to archæological discoveries, and to vestiges of sumptuary legislation. From these inadequate sources and scattered bits of evidence, several descriptions have been made which presumably depict the life of the times.[3] About the early Middle Ages, even less is known. Much opinion concerning the period is deduced by comparing the twelfth century, for which more records are available, with classic times.

Individual Budgets from the Earliest Middle Ages to the Middle of the Eighteenth Century

Beginning with the twelfth century in western Europe, records become more and more plentiful, and from this time on the analyses become more numerous. Rogers and d'Avenel must have gone through literally thousands of documents before presenting their detailed conclusions. A most adequate illustration of the estimated budgets is that by Rogers for the typical small landowner of England who was "so numerous in the thirteenth century." In Rogers' own words, it is summarized as follows:

> The distribution of his income would be as follows: Taking the average price of wheat, and assuming that four quarters a year were sufficient for the support of the farmer and his family, the first and heaviest charge on his resources will be £1 3s.6d. for bread. I have taken the price of the best wheat which comes to

[2] See Beigel, R., *Rechnungswesen und Buchführung der Römer.* Karlsruhe, 1904.

[3] For the studies upon which this chapter is based, see my analysis in U. S. D. A., *Misc. Pub. 223,* 1935. The several hundreds of references have been eliminated from this chapter.

> market, and has been screened from the lighter produce. Let us suppose that he uses the inferior produce for home consumption, and, with a very liberal margin, the difference between the price of the best and of inferior corn, fully 25 per cent, will be amply sufficient to reimburse the miller for his labour and his toll. Two quarters of second quality malt may be allowed for the home manufacture of beer. This allowance, nearly a bushel of malt every three weeks among the members of a small family, though liberal, is not excessive, for it gives about four gallons of tolerably sound ale weekly to the whole number. The cost of malt will be 7s.7d. Now if we allow 800 lbs. of meat at the rate of ¼d. per lb., its ordinary price in the thirteenth century, as we may find from the weight and prices of oxen and sheep, a further sum will be expended on beef, mutton, and bacon of 16s.8d. This puts the cost of maintenance on a somewhat liberal scale of £2 7s.9d. a year. The residue of his charges would be for clothing. But much of this was homespun russet cloth, and hempen or linen shirting; a pair of rude boots, worth about 2s., and of leather gaskins, which do not cost more than 1s.6d., being all that was necessary for him to purchase, though substitutes of home manufacture would doubtlessly be found even for these. But if we take the whole of his purchases together, they will not amount to more than 12s.3d., the sum needed to raise his expenditure to £3. He might, therefore, be supplied abundantly from the produce of his farm, debiting himself with the cost of his own produce, and laying aside 20s. a year, with which hereafter, as opportunity might arise, he might increase his holding, portion his daughters, provide for his widowed mother, or put forward his son in the Church, or any similarly advantageous calling.[4]

According to Sir F. M. Eden, who also had access to a number of the early papers in Great Britain, there is to be found a "valuation of the movable property in the borough of Colchester County made in the year 1296 preparatory to levying a subsidy of a seventh, for carrying on the war against France . . . " which enabled him to compute "what portion of domestic ease and comfort was enjoyed by petty tradesmen and artificers at that period." He not only describes the items con-

[4] Rogers, J. E. T., *Six Centuries of Work and Wages*, New York, 1884, pp. 176-177.

sumed but gives a general picture of the housing and furniture. He finally concludes that " in 1400, the great mass of the people were, in comparison with their fathers at the conquest, rich, thriving, and independent. . . . "

However, he goes further and summarizes living conditions of the time but his conclusions, like those by Rogers and d'Avenel, cannot be accepted on the basis of evidence available at this time. Living conditions before the seventeenth century are still largely a matter of conjecture.

A Swedish study published in 1895, dealing with the variation in the standards of life of English wage earners from the earliest Middle Ages till 1890, is based upon Rogers' work.

Many data concerning individual consumption in the feudal period, including expense accounts and household rolls kept by the Countess of Leicester in 1265 and the Duke of Norfolk in the years 1462-1471 were summarized by Edward Young in 1875. For this relatively late period, we also have "a roll of the household expenses of Richard de Swinfield, Bishop of Hereford, during part of the years 1280-1290" but this does not give us a complete picture. In 1292 and 1293 the Duke of Brabant, a powerful German Baron who was the son-in-law of Edward I of England, spent seven months in England. A Flemish attendant kept a record of expenses which shows considerable lavishness. Some of the account books of the Ambassador to Avignon from Hamburg are available for the period 1338-1355. For the years 1437 and 1438, we have the expenses of Conrad of Weinsberg for the two years when he was High Chamberlain of the Holy Roman Empire. This includes his personal as well as his official expenditures. Fortunately, it is given in all of the current coinages, such as Imperial, Italian and French. If it serves no other purpose, it at least shows the relative values of different moneys for the time. In 1495 we find a partial account of the household expenses of the Comte de Langueville drawn up by fifty of his followers.

Edward Young presented some details on costs of living in the United Kingdom from the age of Henry VIII through the Industrial Revolution for which period a number of workmen's budgets are given for various districts. In addition, we have the complete or partial records of Anton Tucher, a rich merchant of Dresden, for the years 1507-1517; the detailed expenses of the personal and household expenses for Princess Elizabeth when she was in Hatfield, October 1, 1551, to September 30, 1552; the accounts of a prioress of the Convent of Sanct Clarn for 1574; the records of the Geizkofler family of Augsburg for 1576-1607; the expenses of the judges of Assize riding the Western and Oxford circuits during the Elizabethan period in England from 1596-1601; the accounts of Sir John Foulis of Ravelston (Scotland), 1671-1707; the account book of Sarah Fell of Swarthmoor Hall near Furness, England, 1673-1678; the account book of a master baker of Nuremburg, 1695; and the books of Johann Maximilian zum Jungen (1642-1648), of Johann Balthasar Kaib (1686-1695), and Nikolaus von Uffenbach (1734-1736), all three of the medieval city of Frankfurt a. M.

D'Avenel's data are chiefly prices and wages but he does construct hypothetical budgets from time to time based chiefly on a predetermined distribution of expenditure rather than upon an assumed physical need of the people. A study of the "level of pleasure" covers France by periods from 1200 to 1914. His conclusions are acceptable only to the extent that one agrees with his presuppositions and with the representativeness of his evidence. The work has one critical note of importance concerning the cost of living of the household of Charles d'Aubigné for 1679 which is often quoted as typical of the expenses of maintaining a French noble family in the seventeenth century. Madame de Maintenon, mistress of Louis XV and sister of d'Aubigné, estimated that d'Aubigné's household cost £600 (according to the computation in Mulhall's *Dictionary of Statistics,* or £1100 if allowance be made for the higher proportion of silver in the French franc at that time, or 41,400 francs according to d'Avenel's computation in 1913. D'Avenel shows from other records that d'Aubigné had an income of 122,000 francs of 1913 value. However, this does not mean that he necessarily spent more than 41,000 for his household.

Sir Matthew Hale figured that a family of six required £26 per annum to purchase food, clothing, and house rent in England about

1680. There is a record of some items of expenditure from the accounts of the guardian of two German shoemaker journeymen from 1692 to 1697. Richard Dunning gave estimates concerning "the Common Outgoing of a Day-Labourer in Husbandry" about 1695. Dr. Gilboy compiled a number of hitherto unpublished budgets of farmers for the eighteenth century. There is also an account of the profits arising from the farm at Holkham, in the hands of the Right Hon. The Lord Lovell, and disbursements for managing the same from Michaelmas, 1731, to March 26, 1737. The needs of a laboring man, his wife, and four children were summarized by Jacob Vanderlint for 1730 in an attempt to prove that a reduction in wages was necessary to promote trade in England at that time. The costs of existence at a "middling station" are given in an anonymous pamphlet entitled "An Apology for the Business of Pawn-Broking," London, 1744. Approximately £400 a year was necessary to rear four children and leave each with an estate of £500 a year. The documents were supplied Jacob Vanderlint by the pawn-broker himself. All these documents were discovered and edited in the nineteenth and twentieth centuries. There are a number of others for various European countries but these are a fair sample.

Studies of the Seventeenth and Eighteenth Centuries

Beginning in the seventeenth century, an era which in many ways initiated our modern period, another type of study comes to the forefront. This is the investigation made by contemporaries in which the observer attempts by intimate knowledge to estimate the expenditures of families and classes. Some of these are merely systematic observations and others involve indirect contact between the observer and the family reported through a third person. The studies were promulgated by a group of writers in England and on the continent known as political arithmeticians and physiocrats. Their most common aim is evidenced by one of the introductory statements made by Charles d'Avenant. "By Political Arithmetick, we mean the Art of Reasoning, by Figures, Upon Things Relating to Government." [5] These men

[5] D'Avenant, Charles, *Discourses on the Publick Revenues and on the Trade of England,* London, 1698, p. 2.

were nearly all governmental employees or, following the pattern laid down by Plato, Aristotle, and Machiavelli, were attempting to promote themselves in the favor of some ruler. Some of them, such as Bernard de Mandeville and most of the physiocrats, presented no budgetary data but provided conclusions and theories concerning the standard of living later recognized as of considerable importance. For instance, the *Fable of the Bees,* although it was originally published in 1715, is as clear a statement of both *laissez-faire* doctrines and the idea of "spending for prosperity" as can be found even today.

Among those who presented actual data on family living, the names of Sir William Petty, Gregory King, Richard Dunning, Daniel Defoe, Joseph Massie, Arthur Young, David Davies, and Sir F. M. Eden are outstanding.[6] There are others but these are the more important.

In an effort to ascertain Ireland's capacity for trade, Sir William Petty, one of the first members of the Royal Society, estimated the total population, the nature and the value of their consumption, and the amount that the country could produce. His *Political Survey of Ireland* reaches its conclusion by the same method as that followed by King and Dunning. He decided that Ireland by nature was suitable for trade, but very much unprepared for it. Food, clothing, and shelter were all reduced to a statistical basis and compared with the French and English distribution of these commodities. Thus, Petty's Irish survey, based on a collection of social data, entitles him together with Dunning and King, to be considered an early pioneer in modern comparative statistics. Petty was greatly concerned with determining a unit of value constituting the sustenance necessary for a day. This result was reached statistically and indicates his belief that this was the lowest working limit to the food element in the standard of living. On this basis, he pictures the mass of the people as being on a subsistence level.

In Richard Dunning's *Bread for the Poor* (1698), the condition of an English laborer is analyzed. This day laborer in husbandry is found to be incapable of supporting himself, his wife, and three children

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[6] The movement developed later in France culminating in the studies by A. Lavoisier in 1791 and by J. L. Lagrange in 1796. These are discussed in the next section.

without the additional earning power of his wife. Dunning estimated their expenditures at 2s.5d. per week and their combined income at but 1d. more per week. This surplus was apparently small allowance for emergencies. Dunning considered this the minimum standard of living. His analysis urges that the laborers' conditions be bettered if possible.

Daniel Defoe's well-known ability to give the appearance of reality through imaginative use of specific detail naturally breeds in the reader of Defoe's political pamphlets suspicion concerning his statistics. Yet Defoe must be numbered among the political arithmeticians in avowed method, if not authenticity. *Giving Alms to Charity* (1704) uses the statistical method, pointing out that wages are raised or lowered as labor is scarce or plentiful, and citing the differences between northern and southern parts of England. It is especially claimed from his figures that even in Yorkshire, where labor is cheapest, the people earn more and live on a higher level than those in Germany, Italy, or France. In the *Great Law of Subordination Considered* (1724), Defoe concludes that, as a result of his research, servants are no longer content to be in subordinate positions but must dress as their masters and mistresses and have the same amusements and vice. Defoe lays this condition to greater pay and more idleness among the workers who forsake the plow for the woolen industry. A few years later Defoe used a similar method in *The Complete English Tradesman* (1726) to point out that even with frugality and prudence a man cannot support a family incurring ordinary expenses as he could a few years before, first, because of the weight of taxes on practically all the necessaries except bread and meat, and second, because of a pride which prompts people to extravagance. Defoe's final use of the statistical method is found in *A Plan of the English Commerce* (1730). Here he shows how trade is responsible for a higher standard of living or increased consumption because it encourages manufacture and inventions, employs people, and provides wages. By these wages, the people are fed, clothed, and kept together; they multiply, thus increasing the wealth and strength of the nation and the consumption of provisions. This in turn reacts on agriculture. Defoe believed that English laborers work harder and live better than those of any other country. The Englishman, he concludes, is living on a higher standard than his equal in other lands and this is good, but the results of the sudden influx of material prosperity is to be checked by curtailment of ostentation and extravagance.

Joseph Massie thought the only reliable method of computing the individual tax rate (direct and indirect) was to consider the manner of living. Therefore, in his *Calculations of Taxes for Family of Rank* (1756), he divided the population into thirty groups based on "rank, degree, or class," and estimated yearly expenditures for eleven different groups of items. Each group was taxed at the same rate, either directly or indirectly. Massie is mentioned at this point because he used a statistical method in determining the varying standards of living existing in England in 1756. Because of this method, he is linked with the political arithmeticians. In his *Considerations Relating to the Poor* (London, 1758), he gives details for the expenditure of £30 by the typical laboring family for the same period.

Arthur Young in *The Farmers Letters to the People of England* (1767), included discussions of population, agricultural, and commercial problems. Although dealing mainly with various theoretical and practical aspects of agriculture, such items as the prices of necessities and the constitution of cheap diet are also considered. He not only analyzed the existing agricultural standard of living by a statistical method, but also computed a minimum standard. This method of attacking the problem was used further in his *Political Arithmetic* (1774) and in the numerous surveys of English counties which he made while secretary of the Board of Agriculture. He constructed an adult-equivalent scale closely similar to the ones used by modern budget investigators. In spite of his poor statistical technique, his data are extremely valuable.[7]

However, it was Gregory King who described most systematically the early profile of the economic standard of living in western countries. "... Gregory King has rarely, even in modern times, been surpassed in the special and very exceptional power of understanding what is meant by statistical figures." He made a comparative analysis of Eng-

[7] See Rogers, J. E. T., *Six Centuries of Work and Wages*, New York, 1884, p. 481; also *A Six Months Tour Through the North of England*, 4 vols., London, 1770; and *General View of the Agriculture of Sussex*, London, 1793.

land, France, and Holland for the years 1688 and 1695. He estimated that in 1688 England, France, and Holland had a total income of £145,250,000 of which £7,300,000 was saved and £137,950,000 was spent. Diet or food accounted for £68,700,000, apparel £31,900,000 and incidental charges including taxes £37,350,000. This gave a yearly income per head of £6 15s.9d. of which 15s.10d. were used for taxes, 8s.1d. were saved, and £5 11s.9d. were consumed. The highest incomes were found in Holland and the lowest in France. However, the taxes in Holland were much higher, amounting to £2 3s.2d. per head, as contrasted with 15s. for France and 7s.3d. for England. The annual expenditure for living per head was highest in England, being £7, 4s., as contrasted to £5 9d. for France, and £5 for Holland. Savings per head amounted to 18s.4d. for Holland as contrasted with less than 7s. per head for the other countries. In 1695 conditions had changed a little but the countries kept practically the same relative positions. During these years the incomes in England and France had decreased whereas those in Holland had risen slightly, and the peoples of France and England were temporarily consuming more (in values) than was being produced. In England, King divided the population into 511,000 families "increasing the wealth of the kingdom" and 849,000 "decreasing it." The difference was that those families increasing the income had an average income of £12 18s. as against £12 expenditure for consumption and 18s. saved, whereas the 50,000 families of common seamen, 364,000 of laborers and servants, 400,000 of cottagers and paupers, and 35,000 of common soldiers had an average income of £3 5s. per head per year as against expenditures of £3 9s. This left a yearly deficit of 4s. per head which was compensated by charitable gifts from the employers, the upper class families, and the Church. He did not imply that all the laboring families produced less than they consumed, but rather that these classes represented most of the recipients of public charity. He estimated that 440,000 families received public or private charity in one form or another during the year. The families increasing the wealth of the kingdom included the nobility, the gentlemen, the civil servants, the merchants, the professional classes, the landowners, the shopkeepers, the artisans, and the military and naval officers.

The average income per head per year for these groups ranged from £9 for the 8,000 families of clergymen to £70 per head for the 160 families of temporal lords. The average Englishman at that time spent £3 16s.5d. per year for his food and diet, the most important item of which from the expenditure standpoint was alcoholic drink which cost £1 5s.9d. per head per year. Cereals cost 15s.8d., meat 12s., dairy products 8s.5d., fish and poultry 6s.2d., vegetables 4s.4d., and condiments 4s. The expense for diet was less in France and Holland than in England by an average of £1 per head per year, one of the important differences being in the amount spent for alcoholic drink.

ARLY STUDIES

~~Thus~~, The picture of the economic standard of living in western countries at the end of the seventeenth century looks strangely familiar to us at the present time in spite of the fact that this period was supposed to be one of great misery. The English and French spent 49 per cent of their total income for food (including drinks) as contrasted to 36 per cent by the Dutch (where the income was highest). On the other hand, apparel cost the Britisher 24 per cent of his income as contrasted with 22 per cent for the Frenchman and 17 per cent for a Hollander. The Englishman and the Frenchman saved about 4 per cent of their incomes and the Hollander 11 per cent. Public revenue and taxes accounted for 5 per cent of the income in Great Britain, 12 per cent of the income in France, and 27 per cent in Holland.

The general content of consumption seems to have been rather varied as far as diet is concerned, ranging from bread, biscuits, pastry and pudding through lamb, pigs, pork, venison, kid, bacon, and conies to pickles, confectionaries, jellies and sweetmeats. Similar studies by Mandeville in 1715 and Joseph Massie in 1756 corroborate the conception that there was a considerable variation in the items "in the consumer's basket." Whereas the common people did not ordinarily consume foreign wines, arrack, rum, brandy, coffee, tea, chocolate or foreign manufactured silks, linen and cotton in large quantities, nevertheless they had their locally made malts, hops, beer, cider, gin, and woolen clothing. STOP

At the end of the eighteenth century, another outstanding writer was David Davies, who furnished us with 137 budgets from the various sections of England, Wales, and Scotland. These budgets were of agricultural laborers and were either collected by Davies or by fellow-pastors who mailed them to him at his request. Many of the families studied by Davies were very poor. The reason for this is to be found in the high prices which prevailed in England at that time and which he (Davies) was attempting to study. In his own work, for instance, he cites data from Bishop Fleetwood's *Chronicon,* Dr. Burns' *History of the Poor Laws,* and Dr. Price's work on *Reversionary Payments* to indicate that a quarter of wheat, which required the wages of only 20 to 22 days of ordinary day labor in the middle of the fourteenth and fifteenth centuries, required the wages of 26 days in the early part of the sixteenth century, 37 days in the middle of the seventeenth century, and 41 days in the latter part of the eighteenth century.

A similar explanation of conditions in the time of David Davies is to be found in a careful study by Rogers. He writes as follows:

> I have shown that from the earliest recorded annals, through nearly three centuries, the condition of the English labourer was that of plenty and hope, that from perfectly intelligible causes it sunk within a century to so low a level as to make the workmen practically helpless and that the lowest point was reached just about the outbreak of the great war between King and Parliament. From this time it gradually improved, till in the first half of the eighteenth century, though still far below the level of the fifteenth, it achieved comparative plenty. Then it began to sink again, and the workmen experienced the direst misery during the great continental war.[8]

Davies considered the laborer in husbandry the most valuable "of all the denominations of people in the state." They "provide the staff of life for the whole nation" and their wives "rear those hearty broods of children" which "fill up the voids which death is continually making in camps and cities." Davies intended "to make their case known, and to claim for them the just recompense for their labor." He divides the studies into weekly and annual items and then estimates the cost of living for a week. Against these he places the earnings and by subtraction he finds deficiencies. In nearly every case, the man needed

[8] Rogers, J. E. T., *Six Centuries of Work and Wages,* New York, 1884, p. 522.

more money for a comfortable living than his actual wages. Davies does not say how the people existed but implies that this was done by reducing the level of living and by public support.

His first explanation of the situation is luxurious living. He points out that butchers' meat is being consumed in greater quantities than before. "In great families the luxury of the table wastes vast quantities of flesh-meat in soups and in sauces . . . and many ranks of people whose ordinary diet was in the last century prepared almost entirely from milk, roots and vegetables, now require every day a considerable portion of the flesh of animals." Furthermore, horses are being produced in the kingdom and they eat the food which "would otherwise be employed in producing food for man."

Agriculture has lost its productive capacity because gentlemen farmers prefer grass farms, and "many thousand acres of good land, arable and pasture," are being converted into roads, canals, parks and pleasure-grounds. Wheat is being distilled into alcohol instead of being eaten. The people prefer wheat bread to other grains. The fluctuations of the business cycle reduce the purchasing power of the growing number of laborers in urban manufactures so that agriculture suffers. The rich have deserted the countryside, leaving the poor without "crumbs from the tables of the wealthy." Taxes and luxury expenditures have both increased for a number of years making conditions very difficult for the poor. These conditions, concludes Davies, compel one to agree with Dr. Price that, although the nominal price of day labor was then only four to five times higher than in 1514, "the price of corn is *seven* times, and of flesh-meat and raiment about *fifteen* times higher."

Two years later Sir F. M. Eden published his three-volume work on *The State of the Poor: or a History of the Labouring People in England* (London, 1797). His results are based upon his experiences in an extensive travel throughout England between 1792 and 1796. During this period, he collected budgets from 53 families, 13 of which covered a two-year period. He believed that "it is hardly possible to form any accurate judgment of the condition of the laboring classes in any district of the kingdom without first knowing what a laboring man can earn, and how much of the necessaries of life he can purchase by his earnings." He found some districts, such as Cumberland, where the people were so careful of their expenditures that even on small incomes they could afford "many savoury dishes," which the laborer of the south can scarcely ever afford. By "using clogs instead of shoes, a northern family saves, at least, a guinea a year." He attempts to summarize the conditions of the laboring classes of England since the advent of William the Conqueror.

In this historical analysis, he reaches many of the same conclusions as Rogers did almost a hundred years later, for example, that the economic conditions of the people have fluctuated from period to period. After the beginning of the fifteenth century, there was a decline from the accession of Henry V, in 1413, to the death of Richard III. "However, about the middle of Henry VI's reign, the country seems to have been tolerably thriving. . . . " Fluctuations such as these continued throughout the entire period. However, he differs from Rogers' and others' analyses by attributing the difficulty in many cases to changes in the standard of living of the people rather than to political and other circumstances.

> There seems to be just reason to conclude, that the miseries of the labouring Poor arise, less from the scantiness of their income . . . than from their own improvidence and thriftiness. . . . In many parts of the kingdom, where the aims of labour are moderate, the condition of labour is more comfortable, than in other districts, where wages are exorbitant.[9]

He illustrates this principle by comparing southern England with northern England and Scotland and Wales. In southern England wages were higher but in the other places the families seemed to be more prosperous because they were more frugal.

In his text he introduced a table drawn up by the British magistrates in 1795 for the relief of the poor. This gives the cost of maintaining various units ranging from a single person to a family with seven children according to variations in the price of the gallon loaf. For instance, when the gallon loaf was selling for 1s., a family with seven

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[9] Eden, F. M., *The State of the Poor,* Vol. I, London, 1797, p. 495.

children should have 15s. weekly as contrasted with 3s. for a single man. When the loaf rose to 2s., a family with seven children should have 25s. weekly as contrasted with 5s. for a single man. In his diet section typical weekly menus are given for the poor in various workhouses of the county. His statistics are not tabulated but are in such shape that they can be so arranged. They were tabulated by Engel to prove his "law" and by Zimmerman to show that Engel's law did not apply to the lowest income groups.

This summarizes briefly some of the more important statistical studies made during the seventeenth and eighteenth centuries. In most cases these were made by contemporaries and, although they are exceedingly scattered, they give some knowledge of western Europe during the period.

From the Political Arithmeticians to Ducpétiaux, Le Play, and Engel

For the period intervening between the political arithmeticians and the modern schools, important studies of the family budget are not particularly numerous. Theoretical economics was flourishing during this period, particularly in the work of the classical school but concrete studies seemed to languish. Particular attention should be called to the study by Lavoisier for 1789 which estimated the total consumption of various items in the kingdom of France and particularly of food consumption in Paris. In this city, wheat formed more than half of the total expenses of the population and two-thirds of those of the very poor families. The daily per capita consumption of meat was about 6 ounces in the large cities, 4 ounces in the smaller ones, and 1½ in the country. Lagrange followed this by an essay first published in 1796 which attempted to complete the unfinished work by Lavoisier. He reached the conclusion, by reducing all vegètable foods into terms of bread and animal foods into terms of meat based upon their comparative weights and prices, that there was only half enough animal food in the diet of the average Frenchman if the ration of the soldier were taken as a standard. This was followed in 1817 by a study of Paris made by Benoiston-de-Chateauneuf in which he attempted to compare conditions following the Napoleonic wars with those for 1789 as reported by Lavoisier and Lagrange. He found that the quantity of bread consumed proved to be larger and that of meat smaller in 1817 than in 1789. The increased consumption of bread was 2½ times greater in quantity than the decrease in meat. The studies by Lavoisier, Lagrange and de-Chateauneuf are supplemented by a comprehensive study for 1790 by Léon Biollay. This work gives the cost of provisions and of merchandise for France in 1790 as well as the salaries of all classes of the people. The study applies to France generally but furnishes supplementary information which can be used to complete the analysis of the period. These documents concerning the general conditions in France at the period of the Revolution are also supplemented by the budget of a weaver living in Abbeville in 1764. This document, which was not published until 1870, gives the income and expenditure of a family with two children of eight and ten years of age. The expenses for food, rent, heat, and light are given in detail and those for clothing may be found by subtracting the expenditures from the income.

In 1810, J. H. von Thünen published the household accounts of an estate including, besides some personal expenditures, a distinction between the conditions of living at the master's and at the servants' table. Two years earlier an anonymous German study on conditions in the building trades summarized material which is helpful in a general analysis. Two twentieth century German studies also give data for this part of the nineteenth century, the most outstanding of which is the account books of three German pastors: one from 1814-1817, a second from 1846-1848, and a third from 1870-1879. These three studies show the changes in the standard of living during the nineteenth century.

With these works should be considered the accounts of Duncan Dewar for 1819-1827 while he was a student at St. Andrews, John Wade's study of the influence of the industrial revolution upon the laboring class which, published in 1833, gives expenditures for families of working men in the late eighteenth and early nineteenth centuries, and Eliza Warren's autobiographical account of her household for the middle of the nineteenth century.

The Le Play studies began in 1830 but did not yield publications of importance until after 1850. In 1834 Alban de Villeneuve-Bargement who was attached to the Christian Socialist movement gave the estimated expense accounts for a French family in a large city and one in the country as a footnote to his three-volume study on the causes of pauperism in France and Europe. If his data are reliable, the consumption of bread had declined again probably due to an increased amount of meat which the population could afford. Finally, first hand studies in France for this transitional period were completed by Villermé in 1840 and Blanqui in 1849, each of whom presents an average budget somewhat comparable in composition to the earlier ones just discussed. Also in 1848, the Prussian Imperial Agricultural Economic Institute made an analysis of 185 estimated budgets for the provincial districts of that section of Germany. They mailed a questionnaire to agricultural organizations and unions all over Prussia, attempting to answer among others the following questions:

> (1) What should be the income of the rural labouring families, consisting of an average of five persons (namely husband and wife and from two to three children who have not yet attained the age of 14, or one older person, the father or mother of the husband or wife) so that they are able to maintain the usual or customary living standards of the people of that class in that vicinity; the standard consisting of food, clothing, rent, heat and light, feed for animals, upkeep of laboring tools and household goods, salt, taxes to the state, church and school?
>
> (2) Is the laborer, with reference to existing local conditions, able to maintain a lasting standard, and able to satisfy his desires by means of his (monetary and natural) income?

The results of this investigation were compiled by A. von Lengerke and also by the Prussian Statistical Bureau. Reducing the answers to the first question to the average value in marks, the following conclusions were reached:

> In the year 1848, 315.30 marks were expended annually for upkeep of a family as described above. Thereof 8.22 marks were expended for salt and spices; 18.45 marks for feed for animals;

9.57 marks for the upkeep of the laborers tools. The first two items must be classified as food, for the animals are kept only for purposes of supplying milk and meats. The item for laborers tools affect consumption only indirectly, not directly, and therefore must be segregated. Only 305.73 marks remain for consumption expenditures and this sum is divided as follows: 187.26 marks or 61.17 per cent for food; 54.18 marks or 17.70 per cent for clothing; 25.92 marks or 8.47 per cent for rent; 26.73 marks or 8.57 per cent for heat and light; and 12.20 marks or 4.00 per cent for taxes to state, church, and school.

These studies are supplemented by a few others. Particular attention should be called to the British investigations of the village and the town laborers for 1760-1832 by the Hammonds, to Anna Neumann's study of wages and prices in Prussia for the period between 1780 and 1850, to Paul Kollman's study of a budget of an official's family in Germany during 1850, and to Henry Sée's analysis of agrarian conditions in France during this period.

The Founders of the Modern Period

The works of Edouard Ducpétiaux, Le Play, and Engel which appeared after 1850 form a trilogy which may be considered the foundation of the modern school of family living investigations. Each investigator contributed to a given field and each stimulated a group of followers who carried on his work.

Edouard Ducpétiaux (1804-1868) was the first to publish his studies. His major contributions to studies of the type analyzed here were in the fields of gathering information and in the technique of classifying expenditures. He did not estimate expenditures but proceeded in 1853, under the guidance of Quetelet and the International Statistical Congress, to secure information about 153 Belgian families divided into three social classes. The first 48 were those who were "in need"; their average income amounting to 595 francs a year. The second comprised 51 families with an average yearly income of 797 francs, an amount which "just sufficed to cover the expenditures." The third class (who saved during the year) included 54 families with an average income of 1198 francs. Ducpétiaux attempted to study only those families with both parents living and with three or four children under the ages of seventeen. His chief contribution, however, was in his practical use of Quetelet's suggested classification of expenditures which is given in Chapter II. His chief followers included Ernst Engel and numerous writers associated with the International Statistical Society.

Frédéric Le Play (1806-1882) was a student in the *École des mines* at the *École polytechnique* in Paris in 1829 when he was sent to northern Germany on a field trip. At this time he became interested in studying social conditions through the family budget. In 1830, he witnessed the bloodshed in the streets of Paris caused by the Revolution of July. The suffering entailed among the French people by these uprisings fixed his mind on the problem of continuing his investigations over a period of years. Between 1830 and 1848 he followed the profession of a mining engineer and devoted his summer months to family budget investigations in practically all of the countries of Europe. The Revolution of 1848 led him to devote all of his time to studies of family budgets and to publish his results. In 1855, the first edition of *Les ouvriers européens* appeared. This was a large volume containing only those statistical results of his family investigations which he considered worthy of publication. At the same time, he founded the *Société d'Économie Sociale* which commenced the publication of a number of case studies known as *Les ouvriers des deux mondes,* volumes of which are still appearing periodically today. In 1864 some theoretical conclusions based on his work were published in three volumes entitled *La reforme sociale en France.* In 1879 he revised his *Les ouvriers européens* adding many more monographs and the theoretical implications which had been omitted from the 1855 edition.

It seems apparent now that he studied the fundamental change from the feudal to factory systems. In out-of-the-way districts of the interior, he found the social structure of the Middle Ages with its solidarity, its self-sufficiency, and its permanent and mutually binding obligations between the social classes. In the mass of the communities he found the domestic factory system developing the ideas of free labor and money economy, but yet not entirely divorced from the traditions and mutual class relationships of the feudal system. In the more industrialized communities, he found traces of the free, individualistic, and mobile factory system with its more rapid pace, its division of labor, and its antagonism between the social classes.

He observed a trend from vertical solidarity (mutual responsibility between the patron and worker) toward the breaking-up of this occupational alignment. This was followed by attempts on the part of the worker to replace these forms of responsibility with associations on a lateral scale (labor unions and workers' mutual aid societies) and with other vertical social bonds enforced by class bargaining or by the intervention of the community or the government between the employer and employee. The individualized laborer first looked about for protection and sought it in lateral organization. When this lateral organization alone could not accomplish the task, he turned to bargaining with the employer, to the state, or to the community. These organizations needed a source for the funds which they contributed to the standard of living of the worker so they were forced again to turn, either by law or by the seeking of voluntary gifts, to the employer class.

The author interpreted this process to mean that social stability was a fundamental requisite of civilized society. Since this stability was already achieved in the feudal system and the people had reached a condition of happiness under those arrangements, his first reaction was that no leader should undertake the responsibility for breaking-up the old order if his viewpoint was that of improving the whole standard of living of the people.

His next conclusion was that this was part of a self-generating series of cycles in the whole economic history of man. On the basis of this idea, he concluded logically that a real contribution to the life of the people could be made by slowing down or retarding this social movement so that the times of prosperity would last longer and the times of suffering would be shorter and less drastic. For France, which, in the opinion of Le Play, had already moved past the period of prosperity, he was attempting to bring back prosperity by a rapid change toward stable conditions. For the other countries of Europe which had not yet gone as far as France, he thought measures should be taken to preserve or slow down the social movement at its present stage.

Le Play also claimed that there was a definite type of family associated with each important stage of the whole cycle—*i.e.*, patriarchal, stem, and individualist families. He believed this so strongly that he seemed to find differences in families associated with differences in social conditions which are not readily apparent to other observers. A careful study of his cases indicates differences in prosperity and suffering for the same type of families and different types of families for groups on similar levels of prosperity or suffering. It seems that Le Play confused relative degrees of strength and weakness within the same general type of family with variations in types of families. Furthermore, he seemed to fail to appreciate that any social system has many compensating factors so that if one element were weak the others would tend to compensate for it.

A fourth idea which is implied in the Le Play studies concerns the length of any cycle in the standard of living. Le Play thought he could see where the free contract system was leading but he probably did not understand the social headway which has pushed it past any limits which he imagined. Thus, when the mores of any particular social system are destroyed, individuals continue to forge ahead on a new system until strong forces induce a change. Possibly Le Play did not understand fully the impetuousness and blindness of the social system. The chief contributions of Le Play were not only in the field of methods but also of analysis and implications of the social as well as the economic phases of the standard of living.

Christian Lorenz Ernst Engel (1821-1896) was also a mining engineer who visited most of the districts of Europe. As a student under Le Play in Paris and also under the influence of Quetelet, he was interested in the application of statistics to the social sciences. While director of the Saxon Statistical Bureau from 1850 to 1858, he analyzed the distribution of income among the various expenditures in the published budgetary studies by Ducpétiaux and Le Play and formulated his law or theory of the relationship between income and proportionate expenditures for food and the necessities of life. His most famous study, *Die Lebenskosten,* may be summarized briefly as follows.

One of the fundamental problems of man is his economic welfare. In order to study this problem one must have an hypothesis and a method. As an hypothesis he assumed "that the degree of well-being of man is manifested as a ratio in which the parts of his expenditure which is necessary for physical sustenance is in proportion to that part of his expenditure for the satisfaction of the remaining essential desires."

In order to compare families of different sizes, he took the average consumption of an infant as unity and added a tenth for each year of growth until twenty years for females and twenty-five years for males. This unit of consumption may be called a *quet* in honor of the famous statistician Quetelet. The increases in the unit with size of family may be compared with a curve of growth. It is not exactly identical with tables of physical growth but this is done purposely because the unit is used not only to measure food expenditures but those for other things as well. For his analysis, the classification of expenditures given in Chapter II was adopted.

Using this hypothesis, the *quet* unit and the classification of expenditures, Engel turned to an analysis of existing budget materials. The first section consisted of a brief description of the studies made before 1890 with which Engel was acquainted. The second part is a re-analysis of the 1853 study by Ducpétiaux in which the budgets are given in statistical tables according to the *quet*. These 1853 data are compared with studies made in Belgium in 1886 and in 1891 and with the American studies by C. D. Wright. In this analysis is introduced a comparison of the city and the country, as well as of consumption among the various social classes in a suburb of Brussels, according to the occupation of the head of the household. Data concerning the protein, fat, and carbohydrate composition of typical diets are analyzed.

The conclusion is reached that, up to a certain degree, costs of living are influenced by the kind of occupation. Rural-urban residence was also found to be a factor in the distribution of expenditures. He concludes that increased income is associated with a more rapid increase in the consumption of animal as against vegetable foods. The expenditure for clothing increases as one proceeds to the higher social classes but this increase is most obvious for children's clothing and is least so for the mothers' clothing. The influence of wealth is most obvious in expenditure for physical upkeep. The real purchasing power of the Belgian worker increased between 1853 and 1891 in spite of a similar increase in the prices of the commodities consumed. Free income and saving power, however, grew very little "since the increased income of all the social classes was largely, almost exclusively, used for the purpose of bettering the physical living conditions and now [1891] much more than previously more alcoholic beverages are consumed in the home and at the restaurants and the saloons."

This led to the theory that "increased incomes of those who have suffered material suppression and dissatisfaction are usually followed not by approved and reasonable actions but by an extreme and unbalanced reaction in the direction of lack of control." Engel was convinced of the truth of this theory and also of another that, where conditions are gradually bettered, the laborers learn to improve their living conditions without the intrusion of dissipation and extravagance. He agreed with Joseph Lang who announced in 1811 that the highest well-being was found in countries where economic conditions were improving slowly and where the inhabitants were rationally satisfying their desires for the necessities of life. The study convinced him of "the operation of a natural law which influences human beings in the choice of food materials. The struggle to consume better kinds of nourishment or the striving to increase the proportion of animal food consumed is greater than the striving to increase total amounts of consumption. The chief desire is not to fill the stomach but to supply the blood, meat and bone with the necessary and proper amounts and kinds of foods."

His final conclusions were that the laborer's greatest well-being is promoted under the conditions in which not more than 80 per cent of his income is needed for the material satisfactions of life and 20 per cent or more for cultural items. The degree to which man approaches this idea is the measure of the well-being of the state.

Thus, Ducpétiaux, Le Play and Engel with somewhat different points of view each made a unique contribution to the methods and conclusions derived from a study of expenditures for family living. Each made studies in the same general environment, each used his own methods, and reached conclusions somewhat different from the others. Ducpétiaux and Engel were more closely agreed than either with Le Play. They all believed that the material welfare of society could be promoted by studying family living. However, Ducpétiaux emphasized poor relief, Engel emphasized legal measures brought about through the solidarity of the laboring classes, whereas Le Play emphasized the preservation of lines of attachment between the worker and employer. Engel and Ducpétiaux emphasized the material conditions of life whereas Le Play held that the social organization was primary in that it guaranteed the material conditions. However, the three of them laid the background for the modern studies of family living.

The elements in this background were numerous. They include methodological assumptions, traditional forms of technique, and hypotheses for the guidance of research. The chief methodological assumption is that many of the important problems of life can be understood through a study of the family budget. Le Play expressed it most aptly by his statement that "all of the acts which constitute the existence of a working family sooner or later tend to influence its income and its expenses." [10] The chief forms of technique are double-entry accounting (Le Play), units for statistical reduction such as the *quet* or adult unit (Engel), and statistical economic family (Engel and Ducpétiaux). Finally, the basic hypotheses for guiding research are to be found in the classification of desires or expenditures (Ducpétiaux and Engel), the philosophy of progressive development toward free income (Engel), and the rhythmical idea of fluctuations between prosperity and suffering (Le Play).

The failure of many modern investigators to take cognizance of all of these ideas does not destroy their basic value as established procedures.

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[10] Zimmerman, C. C. and Frampton, M. E., *Family and Society,* New York, 1935, p. 473.

CHAPTER XVI

Modern Studies[1]

Characteristics of modern studies.—Profuseness.—Emphasis on international comparisons.—Emphasis upon three types of statistical analysis.—Supply, demand and price curves.—Search for units of comparison.—Application of correlation methods to family expenditures.—Chief weaknesses of modern studies.—Methods of obviating these difficulties.—Studies in Great Britain.—Diets and living conditions.—Expenditures by groups.—Industrial studies.—Living conditions of agricultural laborers.—Chief studies for other than lower classes.—Trade Union studies.—Studies in France.—Le Play-Durkheim approach.—List of Le Play and other studies.—Summary of Halbwachs' monographs.—Studies in Germany.—Creative period.—Adult period.—Development of technique and method.—Official investigations.—Industrial investigations.—International comparisons.—Rural-urban comparisons.—Investigations of food conditions.—Postwar period.—Influence of World War.—Studies in Italy.—Le Play studies of agricultural families.—Peasant conditions.—Urban workers.—Influence of war on living conditions.—Theoretical measures of consumption.—State policy under Fascism.—Studies in other European countries.—Austria-Hungary.—Belgium.—Czechoslovakia.—Denmark.—Esthonia.—Finland.—Norway.—Sweden. — Netherlands—Poland.—Switzerland.—Other countries in Europe.—Studies in Japan.—Studies in India.—Standardized statistical type.—Village type.—Political arithmetician type.—Studies in China.—Farm economy type.—Statistical type.—Political arithmetician type.—Diet investigations.—Studies in Latin America.—Porto Rico.—Cuba.—Mexico.—Peru.—Uruguay.—Argentina.—Studies in other countries.—South Africa.—Egypt.—Java.—Philippines.—Australia.—New Zealand.—Siam.

Since 1850 studies of family living have had several characteristics in common. They are profuse, they emphasize international comparisons, and they are becoming statistically complicated, even abstruse. On the whole, however, they are very one-sided.

[1] Notes on most of these modern studies were compiled by C. C. Zimmerman and are published in an analytical bibliography of studies of family living by the Bureau of Home Economics of the United States Department of Agriculture. Exact references to the studies discussed here will be found in this bibliography: Williams, F. M. and Zimmerman, C. C., "Studies of Family Living in the United States and Other Countries," U. S. D. A., *Miscellaneous Publication No. 223,* 1935.

Profuseness is shown by the numbers in individual countries. Germany, Russia, and the United States each have given us several hundred studies of varying size and importance. Others, such as Great Britain, France, Italy, India, and China present fewer but even here the bibliographies are large. In one form or another practically every country has furnished some studies concerning family living, many of which were recently inspired by the coördinating work of the International Bureau of Labor Statistics.[2]

The *emphasis upon international comparisons* was especially started by the early work of Gregory King. The comparisons take a number of forms. One may be illustrated by the attempts of labor boards in individual countries, such as those in America and in Great Britain, to make studies in foreign countries. Another is the classification of families by country of origin, a procedure followed in America in some of the large-scale studies of the latter part of the nineteenth century and the first part of the twentieth. A third type is illustrated by an excellent report made by Edward Young in which he included all the available information gathered by the officials of the United States Department of State from local studies in foreign countries as well as reports of typical families. In all countries the wages and expenditures barely balance, but the amounts vary from $1100 a year in England to $100 a year in France, $40 a year in Italy, $250 a year in Greece, $238 a year in Belgium, $400 a year in Sweden and Denmark, $225 a year in Holland, and $750 a year in Russia and Tunis. These reports from foreign countries were sent to America for comparison with similar materials in other countries and in the United States.[3] Finally, the international comparisons have also been of the type illustrated by the analysis of the cost in fourteen European cities of purchasing the economic goods afforded by the incomes of the lowest paid Ford workers in Detroit which has been discussed in Chapter I.[4]

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[2] See International Labour Office, *Methods of Conducting Family Budget Enquiries,* Series N, No. 9, Geneva, 1926; and National Industrial Conference Board, *The Cost of Living in Foreign Countries,* New York, 1927.

[3] Young, Edward, *Labor in Europe and in America,* Philadelphia, 1875.

[4] Internationales Arbeitsamt, *Beitrag zur Frage der internationalen Gegenüberstellung der Lebenshaltungskosten,* Studien und Berichte Reihe N Nr. 17, Geneva, 1933. Also in English: International Labour Office, *An International Enquiry Into Costs of Living,* Series N (Statistics) No. 17, pp. 1-209, illus., Geneva, 1931.

The emphasis placed upon *statistical analysis* of the material classifies itself into three general types. One type of study uses the materials for the construction of supply, demand, or price curves. Some of the investigators made theoretical analyses, whereas others used old or new materials from studies of family living

In these works the investigators compute curves of demand chiefly for articles of economic importance and relate these curves to family living. These curves indicate the amounts which, under the conditions of the study, are purchased at particular prices per unit. They were first based upon observational analyses of various products or types of products and later upon market reports of sales at different prices. Finally, an attempt was made to secure such curves from family expenditure data, and Frisch and Gilboy have even used "personal estimates of what would happen to expenditures under imagined conditions of change in the incomes of the estimators.[5]

These curve-fitting studies may be classified into two sub-types. The first attempts to divide commodities into those with elastic and those with inelastic demand curves and to find the relationships which they may have with family living. Commodities with an elastic demand are those which show, for the period under consideration, a considerable change in quantity of transactions with relatively small changes in price. Commodities with an inelastic demand show major changes in price with little or negligible influences upon demand, consumption, or market transactions. This phase of the study of curve-fitting is an attempt to classify commodities according to the types of curves connected with each.

The second sub-type in the field of curve-fitting is represented by attempts to find stable and ever present curves of demand so that these could be used in conjunction with data for the analysis of the relations between production or supply and price as factors in family living. This is an attempt to generalize the typical curves found for each com-

[5] See a summary by H. Schultz, *Weltwirtschaftliches Archiv* 37 (1): 29-38, January, 1933; Gilboy, E. W., "Demand Curves in Theory and Practice," *Quarterly Journal of Economics*, August, 1930; "The Leontief and Schultz Methods of Deriving Demand Curves," *Quarterly Journal of Economics*, February, 1931; "Demand Curves by Personal Estimates," *Quarterly Journal of Economics*, February, 1932; Warren, G. F. and Pearson, F. A., "Interrelationships of Price and Supply," Cornell Agriculture Experiment Station, *Bulletin 466*, March, 1928.

modity as representing relations which hold in other circumstances or in other conditions or times and which may be used to estimate the behavior of the market or a given standard of living. Both subjects have been the objects of a great deal of investigation.

A second trait of these statistical investigations in the modern period has been the continuous search for units of comparison. The pattern for this was laid down in earlier investigations, such as those by Arthur Young, who estimated in his *Farmers' Letters* as early as 1758 that the consumption of family members should be differentiated according to age and sex. Benoiston-de-Chateauneuf in 1817 divided the population of Paris into five age and sex groups and estimated the number of ounces of bread required daily by an individual in each group according to some early investigations by M. Tessier. Ducpétiaux picked families of similar composition. Le Play used the case method and Engel developed the *quet* scale.

In the modern period, these early works were followed by studies which dealt with food requirements alone.[6] Particular types of units were used by the governmental bureaus of different countries, such as the scale by the United States Bureau of Labor Statistics and others developed and used by the German and the Danish governmental investigators. A. Slosse and E. Waxweiler compared some of these units, particularly E. Engel's, with that by W. O. Atwater and claimed that the two gave practically the same results.[7] On the other hand, H. Lichtenfeld analyzed the Engel unit (3.5 *quets*) in relationship to the units used by Atwater and by the German and Danish governments and came to the conclusion that the German and Danish units were always less than the *quet* unit and that the Atwater and the United States Official were always more. In every case 3.5 *quets* was a middle value. A number of similar studies have been made.[8]

[6] Such as those by L. P. Playfair, W. O. Atwater, G. Lusk, Carl Voit, H. C. Sherman, Faith Williams, Hazel Stiebeling, and a number of other competent investigators. See the chapter on Statistical Methods by Faith Williams in U. S. D. A., *Miscellaneous Publication 223*, *op. cit.*

[7] See Slosse, A. and Waxweiler, E., *Enquête sur la régime alimentaire des 1065 ouvriers belges*, Institute Solvay, 1910, p. 11.

[8] Lichtenfeld, H., *Uber die Ernährung und deren Kosten bei deutschen Arbeitern*, *Basler Volkwirtschaftliche Arbeiten*, Stuttgart, 1911, Nr. 2, p. 44 ff. See also: *U. S. D. A. Miscellaneous Publication No. 223*, 1935, "Studies of Family Living in the United States and Other Countries" by Faith M. Williams and Carle C. Zimmerman.

This work has been continued in America by several persons. Sydenstricker and King developed a unit which they called the *ammain* which was intended to cover the entire maintenance expenses for an adult male as contrasted with the *fammain* which covered only the food required or used for adult male maintenance. W. F. Ogburn made a statistical analysis of this scale and came to the conclusion that it was an improvement "by 10 per cent more or less in a measurement already in existence. . . . "[9] On the other hand, E. L. Kirkpatrick developed a scale known as the cost-consumption unit (*c.c.u.*) for the same purpose as the *fammain* developed by Sydenstricker and King. An analysis of Kirpatrick's scale showed that the *c.c.u.* had greater consistency than the ordinary adult male maintenance scale used by others.[10]

A similar illustration of this tendency in modern studies of family living is to be found in the recent study by the German Reichsamt which used one computation for reducing food values to adult equivalents and another for other expenses. Their table is as follows:

TABLE FOR REDUCING HOUSEHOLDS TO ADULT EQUIVALENTS[11]

(1 adult equivalent = 100.) For the German Study of 1927-28

	Male	Female
1. For Food		
Up through 9 years of age	50	50
Beginning of the 10th year through the 14th year	75	75
From beginning of the 15th year on	100	90
2. For the Other Expenditures		
Up through 5 years of age	20	20
6 through 9 years of age	30	30
10 through 14 years of age	50	50
15 through 19 years of age	70	70
From 20 years of age on	100	90

[9] Ogburn, W. F., "A Device for Measuring the Size of Families, Invented by Edgar Sydenstricker and W. I. King," *Methods in Social Science*, ed. by S. A. Rice, Chicago, 1931, pp. 210 ff.

[10] Kirkpatrick, E. L. and Tough, E. G., "Comparison of Two Scales for Measuring the Cost or Value of Family Living," *The American Journal of Sociology* 37 (3): 424-434, 1931. Kirkpatrick compared his scale with a simpler one adapted for me by Pauline Nickell from studies by L. E. Holt.

[11] German Reichsamt, *Die Lebenshaltung von 2000 Arbeiter-, Angestellten- und Beamtenhaushaltungen*, Vol. I, Berlin, 1932, pp. 11-12. For a more comprehensive summary, see Faith Williams' analysis in U. S. D. A., *Misc. Pub. No. 223*, 1935.

Literally hundreds of studies of these types have been made by investigators in practically all countries. Theodore Markuson in Russia has been working for some years on German and Russian data and is now including information from other countries in an attempt to establish more exact units.

A third type of statistical study found in the modern period was the attempt to apply the Pearsonian and allied correlation methods to the investigation of family living through the family expenditures.[12] The purposes of these studies have been numerous. Ogburn sampled a few families in a few cities of the United States, and, by developing the formulas for regression lines of expenditure upon income and size of family, sought to generalize these data for the whole country. He also attempted to find the relations among certain types of expenditure when variations due to family size and income were eliminated as far as possible by the use of partial correlation analyses. J. J. Bennison modeled his Burmese study on Ogburn's, except that he did not carry out the second part (finding relations among certain types of expenditure after the influence of size of family and size of income was removed). All of the others limited their analyses to two major problems: first, they tried, by the use of partial and multiple correlation, to get a clearer and more exact picture of the structure of the family budget than could be obtained by the ordinary methods of tabular or cross-tabulation analysis, and second, to "explain various types of expenditures" by relating their variations to changes in incomes or in other types of expenditures. The assumption was made, following the traditional analysis of Ernst Engel, that variations in certain types of expenditures indicated variations in the level of living. These investigators were interested in attempting to measure the level of family living. They even attempted to relate some expenditures to others or to incomes and even to outside factors, such as education, distance from town (in the case of the isolated family farm), form of land tenure, etc.[13]

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12 See Carle C. Zimmerman, "Mathematical Correlation in the Household Budget," *Sociologus* 8 (2) : 145-166, June, 1932.

13 See Chap. XXIII.

The chief weaknesses of the modern studies may be listed as follows. The studies are on a large scale and expensive so that they are necessarily limited in their objectives. So many cases are included that the amount of material about each, which may be analyzed and presented, tends to be restricted to general categories. Qualities of goods used or individual practices concerning preparation and consumption must be neglected. The statistical analyses become so abstruse that one has difficulty in understanding the reality. To make these general comparisons by statistics, assumptions have to be made which seem questionable upon later inspection.

An apt illustration of this is to be found in the international comparison of the cost of the Ford workers' content of living. The implicit assumption of this study is that the marginal utility of the last unit of currency used is the measure of the level of living. On this assumption it is found that the lowest paid and regularly employed Ford worker in Detroit can afford goods which cost approximately RM 5135 in Berlin and RM 5315 in Frankfurt, Germany.

Now let us take this conclusion with its assumptions and study it closely. At approximately the same time as the Ford workers' study, an official German investigation was made which tells how the workmen and officials actually live. On the basis of 896 carefully selected cases, it was found that the German workman used RM 3325 for living. That same year the average white-collared worker used RM 4712 for the goods and services consumed by his family and the average official (*Beamten*) used RM 5349. According to the marginal utility analysis underlying the Ford workers' investigation, the following assumptions are used and conclusions are suggested:

1. The marginal utility of the last unit of currency used for living is a measure of the level of living.

2. (a) The lowest Ford worker used an average of RM 5225 for his family living according to average German prices in Berlin and Frankfurt.

(b) The average German urban laborer used RM 3325.

(c) The average German urban (white-collared) employee used RM 4712.

(d) The average German urban official used RM 5349.

3. Therefore:

(a) The level of living of the lowest Ford worker in Detroit is approximately equivalent to that of the German official.

(b) The difference between the levels of living of the average German worker and the lowest paid Detroit Ford worker is the same as the difference between the levels of living of the average German workman and the German official.

Statistically, these conclusions are valid; actually, they are absurd.

The same is true for analyses within a country, especially in rural-urban comparisons. One cannot understand the level of living of the Irish peasant in relation to the urban workman in Dublin on the assumptions which must necessarily be made in order to carry out the profuse and costly statistical inquiries.

Of course, the trouble is not in the statistical method. It is rather in the uses to which it has been put.

The solution seems to lie in more regularity of investigations, the reductions in the size of the sample, and the increasing of its representativeness by careful selection. After these measures have been taken the investigations themselves need broadening, particularly in the lines of including the special factors in living. In spite of the profuseness of modern studies, it is extremely doubtful if one could write a *Modern European Workers* or a *Workers of the World* or even an *American Workers* which would be half as accurate as the famous Chapter XII in Volume I of Le Play's *Les ouvriers européens.*

With this general analysis of the characteristics of the modern period of investigation in studies of family living, we are now prepared to turn to individual countries and analyze their significant studies. Only the more important countries are analyzed. No standard form of analysis is used because each country, and even each study, tends to have its own individual peculiarities or outstanding traits.

Great Britain

The general pattern of the modern period in family living investigations is likewise current in Great Britain with the exception that statistical elaboration is not as prevalent there as in other countries.

In this respect, the England of the modern period differs from the England of the time of Gregory King because during this earlier period many important statistical studies with international data were furnished by English writers. The following description gives the highlights of studies concerning England, Scotland, Wales, and Ireland according to the year to which they apply.

The second chief characteristic of the British studies is their emphasis on food or food and rent expenditures, often to the neglect of the enumeration of other types. A typical study of this nature gives wages, food, and rent expenditures. The other expenses are grouped. A great deal of attention is paid to diet. However, a number of studies are more inclusive.

A third trait is their preoccupation with poverty, disease, and slum conditions, probably due to the high proportion of urbanization in the country.

There are a number of Le Play investigations for this country which should be considered. These include studies of a carpenter in Sheffield for 1842-51; a steel worker in Derbyshire for 1850; two cutlery makers operating domestic industries, one in London and one in Sheffield, for 1851; an agricultural laborer in Nottingham, 1856; a London dairyman, 1857; a Jersey tenant farmer for 1882, 1895 and 1896; a tanner of Nottingham for 1888; and an artisan in Scotland for 1892. These studies follow typical Le Play methodology. The Board of Trade gives complete incomes and expenditures of a London cabinet-maker's family for the 37-year period 1850-1887.

The first study including a large number of families was that by Edward Smith concerning diets and living conditions of 370 poor families of farm laborers in 1860. Its primary emphasis was upon food conditions. In 1872 Edward Young summarized the circumstances of the families of nine workingmen in the industrial cities of England, Scotland, and Wales. Another investigation by the Massachusetts Bureau of Labor Statistics in 1883 summarized the conditions of sixteen workingmen's families in Great Britain. These last two were for the purpose of comparing living conditions in America with the mother country. It was followed in 1885 by a study of the families of 23 English laborers in various cities by the United States Department of Labor. Finally, in 1887 the British Board of Trade became interested in the level of living of British laborers to the extent that 34 family records for the industrial district were summarized and published.

In 1886-1888, Charles Booth's famous survey of *Life and Labour* in London included detailed records of expenditures for thirty poor families of that city. Booth was trying to show the poverty-stricken condition of these families. This was followed by a study of 28 families of England and Scotland, from both rural and urban districts, compiled by the Economic Club between 1891-94. The Economic Club was an organization which tried to duplicate Le Play's work for Great Britain. However, only a casual study of their report indicates that they apparently did not understand the methods of Le Play or changed them so radically that the resemblance is lost.

In 1891, Schultze-Gaevernitz was interested in comparing the German and English cotton industry and for this purpose analyzed living conditions of five typical employees in the British textile industries. In the same year the United States Bureau of Labor, which was attempting to determine relative "costs of production" in American industries in order to advise Congress concerning the tariff, gathered data on 341 British families in the cotton-textile industry, 131 in wool, and 26 in glass manufacturing. In 1898-1903, the British Board of Trade became interested in the international significance of the level of living of workers, particularly in relation to the cost of living, and published a number of studies. The first applied to 223 families and was limited primarily to food details. The second applied to 286 families, 101 of whom resided in London. This is like the previous study except that it is more detailed and gives more of a comparative analysis. They continued the study in 1904 summarizing 1808 bills of family expenditure, all for cities of England and Scotland. Cost of living indices from 1880-1900 were constructed. Rents were considered in more detail by a study of this factor in 88 industrial towns which was not published until 1913. All of these studies pay primary attention to cost of living and secure their information through investigators who have little intimate knowledge of the family. The cost of living emphasis has continued to the present time.

In the meantime, British investigators became interested in the living conditions of agricultural laborers. In 1902, Wilson Fox summarized sketchy data on the cost and consumption of food as reported by 114 investigators for all the districts of England. In 1907, even more scanty data were presented for 78,000 laborers on about 16,000 farms in Great Britain. F. G. Heath analyzed this study in more detail with particular reference to living "in kind" in a book published about 1910. In 1912 and 1913, further information was presented for 3600 families in English and Welsh rural and town districts by the Land Enquiry Committee. The Agricultural Wages Board computed expenditures for agricultural labors from 1914 to 1918. Other important studies of the rural laborers in Great Britain were made by A. B. Hill in 1925 and A. W. Ashby in 1924. Hill worked with the Medical Research Council and paid particular attention to rural and urban diet conditions for 98 families. Ashby, on the other hand, as an agricultural economist, was particularly interested in the cost of living of the 83 rural families studied.

If emphasis upon poverty in the studies of family living is an index to actual conditions, impoverishment must be rife among the laboring classes in England. In his volumes on European workers published in 1879 Frédéric Le Play repeatedly refers to the poverty in Great Britain as an illustration of the demoralizing effect of industrial development and the free contract system upon the workers in western countries. Ignoring early studies, including that by Edward Smith in 1863 and Charles Booth's famous survey in 1886-1888, we find Rowntree beginning his famous investigations which led to the theory of the fluctuations of the condition of the laborer's family about the poverty line in 1899. He was followed by D. N. Paton who made a study of fifteen poor families in the slums of Edinburgh for 1901. P. H. Mann applied Rowntree's analysis to 127 rural families in a Bedfordshire village in 1903. This same analysis was followed by H. Bosanquet in

1903, by the Edinburgh Charity Organization Society in 1904, by the Dundee Social Union in 1904, by the Liverpool Joint Research Committee in its study of extremely poor casual laborers about the docks in 1908, by M. S. Reeves for families earning less than $5 a week in 1909-1912, by A. L. Bowley and A. R. Burnett-Hurst in a study of 2150 households in four towns in 1912-1913, by a Fabian Society Tract for 34 families in the Lambeth district of London in 1913, by a similar study in 1913 for poor London families by J. C. Pringle, by a study of Scottish slums by D. N. Paton and L. Findlay 1919-1923, by a study of twelve unemployed families in Glasgow by A. M. T. Tully in 1922, and by a sequel to their *Livelihood and Poverty* applying to five industrial towns in England written by A. L. Bowley and M. H. Hogg in 1925. Finally, in 1930, C. T. Edgar made an analysis of the contribution of "social services" to the real incomes of British laborers.

A part of this preoccupation of the British investigations with poverty is reflected in the numerous studies of the level of living among families which are in poor hygienic or health conditions. Attention may be called to a 1914 study by A. E. Carver correlating diets with tuberculosis in Birmingham, to a study of forty families of miners by the Medical Research Council in 1922-1923, to the 1923 diet study for rural and urban laborers by A. B. Hill, and to a number of others of similar nature.

The chief studies for other than the lower classes in modern England include the following. One by E. Warren for 1866 tells how to manage a house on £200 a year, L. Geoffrey gives details for a civil servant, with £1400 income in 1929, the cost of living of government employees was reported for 1920, D. C. Jones summarizes expenditures for 233 professional families for February, 1926, J. H. B. Masterman summarized those for eleven families of parochial clergy in 1918, and the Sumner Committee on "Cost of Living" 1914-1918 gives some important data.

Trade Union studies of importance include 629 household accounts by the Trades Union Congress in 1919 and a report of the Association of Women Clerks and Secretaries in 1922.

France

France produced the Le Play-Durkheim approach to family living studies. In this respect it contrasts with the "pauper note" in Great Britain, the statistical tomes in Germany, and the mathematical approach in Italy. Some historical studies have also been made in France, possibly not of the same quality as those by J. E. T. Rogers or W. Sombart but at the same time extremely valuable in their own way. Such are the works by G. d'Avenel, J. H. Baudrillart, E. Levasseur, H. Sée, and others.

The Le Play school with its studies is functioning today although possibly not on the same level of genius as was established by its founder. This school has not dealt with the *theory* of method or with epistemology, as did Max Weber's typological approach, but rather uses these theories for their maximum research value without discussion of their underlying philosophical basis.

Due to the Le Play school, studies for France are available for practically every year since 1848. The following chronological list itemizes these investigations. This list tells the story for France better than any description.

Between 1848 and 1860 the Le Play group studied a weaver, a junkman, six farm laborers, a silver miner, a laundryman, a community of peasants, a Basque peasant family, a carpenter, a tailor, a stone quarrier, a tinsmith, a shawl weaver, an assembler of steel tools, a tool polisher, a water carrier, a stevedore, a laundress, and a group of embroiderers. To these twenty-three studies must be added a report on typical silk workers in a factory at Lyon by Louis Reybaud.

From 1860 to 1870 the fourteen Le Play studies in France included a coal laborer, two farmers, peasants in Aisne and in Basse, a typesetter, a school teacher, a second-hand furniture dealer, a fisherman, a weaver, a fan maker, a pottery maker, a glove maker, and a group of Corsican peasants in the mountains of Bastelica. In addition, Louis Reybaud made a study of ten cotton textile workers in the suburbs of Mulhouse, and also one of five families of woolen textile workers.

Between 1870 an 1880 four Le Play studies were made: one of a shoemaker, one of a locksmith, one of a fisherman, and a stem-family in Gascogny. In addition, there were five others including the United States Consular reports on a French day laborer, a Parisian laborer, a family at Nice, and two other laborers from Marseilles; a cost of living study in Paris by G. Bienaymé; the United States Consular agents' data on a married farm laborer at Lyon and two other families of laborers; a food study including budgets of a printer and a painter by M. O. Piequet; and one budget study by Edward Young.

From 1880 to 1890 there are twelve Le Play studies including a police officer, three farmers, a salt maker, a factory superintendent, a wheelwright, an emigrant peasant and mason, a market gardener, a group of share tenants, a group of vine growers, and a tinsmith. There are also four others: a study of the diet of the French army by L. Kirn; investment of 1000 working families by E. Cacheux; typical expenditures of the indigent class in Paris by Comte d'Haussonville; and a study of a migratory mason by H. Clément.

Between 1890 and 1900 fifteen Le Play studies were made covering a paper mill employee, a carpenter, a cabinet maker, three farmers, a toy-maker, two coal miners, a lamplighter, a supervisor of a spinning machine, two locksmiths, a distiller and vineyard owner, and a piano tuner. There were also five others: a study of carpenters, furniture makers, toy makers, and merchants in Paris by P. du Maroussem; a summary of records of 295 French industrial families by the United States Bureau of Labor Statistics; a baker, a bricklayer, and a woman who delivered bread by the French Ministry of Commerce; and a public official in Paris by Beaurin-Gressier.

Six Le Play studies were made between 1900 and 1910: a porcelain worker, a railway signal man, a gardener, a corset maker, a glove maker, and a brush maker. There were also seven other studies including eight records in a study of labor conditions by F. and M. Pelloutier; a study of French professional classes; 1915 French school teachers by the French Department of Labor; four cotton spinners' families by J. Houdoy; 5605 workers in all industries by the British Board of Trade; Maurice Halbwachs' study of seventy-nine families; and 1783 questionnaires and 137 records of workers in the lingerie industry by the French Ministry of Labor.

There were no Le Play studies between 1910 and 1920. The others included a comparison of expenditures of laboring and professional families by Maurice Halbwachs, two middle-class families by Jacques Bertillion, prices for necessities of life 1914-1920 by A. Etienne, two French fishermen by L. and M. Bonnef, cost of living from 1870-1920 by Paul Alexis, two metal-worker families 1918 by M. Bitsch, and an expenditure questionnaire 1914-1920 of workers in twenty French typical cities by the French Cost of Living Commission.

Between 1920 and 1930 there were three Le Play studies: a railway worker's family in Lorraine, a railway adjuster of the Wendel Steel Works, and a railway worker commuting from Paris. In addition there were seven others: Parisian workers after the war by J. Valdour, two Parisian families 1882 compared with 1922 by P. du Maroussem, a study by the Society of Catholic Engineers, Paris tenement workers by P. Parat, the household accounts of seven French workers' families by H. Clouet, a female garment worker by the Jeunesse Ouvrière Chrétienne Feminine, and a lower-class laborer by L. Roussel.

France has also given us two monographs by Halbwachs of considerable theoretical significance:[14] *La classe ouvrière et les niveaux de vie*, and *L'évolution des besoins dans les classes ouvrières*. The first is based chiefly upon the official German study of 1907-08, and the second upon the official German study of 1927-28. The most original characteristic of the first monograph is a sociological study of the forms and classes of consumers' desires. "How can we speak of the need for nourishment," says Halbwachs, "when the consumer desires beverages, legumes, beef, pork, milk, bread, spices, sugar, etc. If we say that these are but different methods of satisfying the same desire, we have made an arbitrary falsehood of reality. The same applies to other needs, such as clothing, lodging, etc." His answer has been summarized briefly in Chapter III, and need not be repeated here. Likewise, the outstanding contributions of his second monograph have been incorporated in Chapter III. Social psychology has thus dealt directly with some of the problems of family expenditures.

[14] Halbwachs, Maurice, *La classe ouvriere et les niveaux de vie*, Paris, 1913; and *L'évolution des besoins dans les classes ouvrieres*, Paris, 1933.

Germany

The studies in Germany are numerous. Carefulness in collecting the materials and statistical elaboration are outstanding. German investigators have not used abstruse correlation methods to any great extent but have furnished a meticulous analysis of most of the economic details of family expenditures by cross-tabulation. The country which produced Ernst Engel, Heinrich Schwabe, and Etienne Laspeyres has also given us some of the most elaborate modern investigations of family living. A monograph by Gerhard Albrecht, printed in 1912, gives a bibliography of about 300 titles. Since that time, investigations in Germany have been so numerous that even a list covers considerable space. We can only give a brief summary of the more important of these.

Foreigners have made investigations in Germany, such as that by Edward Young in 1875, the officials of the United States Department of State in 1878, and of the British Board of Trade in 1903. We can only mention these in passing. A number of Le Play investigations were made in Germany beginning with the miner of Hartz, studied continually from 1829 to 1845, and including others carried through most of the nineteenth century. Le Play considered northern Germany a territory peopled by families "socially" prosperous because of a strong social constitution and in spite of their contact with the industrial system. However, antagonisms between this country and France tended to reduce the number of Le Play studies. Gottlieb Schnapper-Arndt attempted to develop a German Le Play system but his comprehension of the methods and objectives of Le Play seem to have been such that he eventually finished his work with only a complicated system of domestic accounting which was much too detailed for any practical use. However, Schnapper-Arndt's historical studies on the documents of the early Frankfurt Burgers justify mention of his work.

The Creative Period. This development came in Germany during the period of Empire creation, from about 1850 to the death of Engel (about 1895). Studies were exceedingly numerous and the modern note in German investigations of family living began creatively on a broad and analytical scale. August Flor attempted in 1847 to study laborers in agriculture and industry as well as teachers and clergy in lower Bavaria. Expenditures are estimated by observation but they are related to a minimum standard of living based upon costs of charity families. At about the same time Alexander von Lengerke dealt with the same subject in more detail for the agricultural workers in various Prussian states. His results are based upon a questionnaire sent to the landlords. A number of historical accounts of importance were added to these earlier studies made by contemporaries. E. Hirschberg, Berlin statistical chief, summarized the period from 1848 to 1896 based upon records of the lower laboring classes which he collected in Berlin at the end of the period. Paul Kollman took the actual expenditures of a high official's family and compared them for 1850 and 1875, having secured the data from records kept by the family. A. Emminghaus took the housekeeping record of a friend of his and presented the whole record in 1904 for the forty-year period, 1862-1903.

In addition to the above listed studies, approximately fifty others worthy of consideration were published before 1895. Carl Hampke summarized their conclusions and presented most of their important tables in his excellent analysis "Das Ausgabebudget der Privatwirtschaften," 1888, and Engel published his "Lebenskosten" in 1895. Among these we should call particular attention to a series of studies by Paul Dehn published in the Annals of the German Kingdom in the early eighties. Their importance lies not so much in the original materials presented as in the ability of the author to bring together the varied German household accounts for the different territories and social classes. During this period, Heinrich Schwabe attempted to develop his law of rent paralleling Engel's food law. Ernst Hasse added to this study in 1875 on the basis of income tax data collected by the state of Saxony. However, Etienne Laspeyres, who somewhat earlier had published one of the best monographs existing on the correlation between housing conditions (in Paris) and the moral and criminal behavior of the people, attempted to show that Schwabe's law was valid only *within* social classes. The data gathered by

Laspeyres were largely from other published sources. Thomas von der Goltz attempted to show the living conditions of agricultural laborers with particular reference to changes since 1865 and the growing migration into urban districts. Incidentally he furnished materials which show that Engel's food law is not applicable under conditions in which peasants are changing from a customary cereal diet to a market-chosen diet similar to that found in the industrial districts or in all districts with increasing urbanization.[15]

The creative period in German investigations drew to a close with the works by Hampke and Engel. All types and motives for present-day studies were established in this earlier period. Labor unions, social work organizations, governmental bureaus, city statistical offices, professors, scientific organizations, and private individuals had published studies. Estimates of expenditures, typical families, social classes, the rich and the poor, the worker and the poverty case, the peasant and the urbanite had been studied. The works and theories by Engel, Laspeyres, Schwabe, and von der Goltz were in existence. Diet studies had been made which could be used later in the technical manipulations of the adult equivalent scale. The *quet* scale was invented. In other words, the creative thinking in this field, in so far as it exists today, had been largely completed.

The Adult Period in modern German investigations lasted from the death of Engel to the World War. This was one of further development of technique and refinement of method in mass statistical studies. During this period, the first very large governmental study appeared, that by the Reich Statistical Office in 1907-08. Albrecht in his monograph published in 1912 wrote at a time when constructive and original work, even that of refinement, had almost ceased.

The important studies during this period may be classified for purposes of discussion into eight sub-groups. One of these may be called *official* investigations. The pattern was established by Adolph Braun in his methodical discussion concerning official investigations in *Die Neue Zeit* at the beginning of the century. The Berlin Bureau of Sta-

15 See Williams, F. M. and Zimmerman, C. C., U. S. D. A., *Misc. Pub. No. 223*, for a list and description of studies during this period.

tistics summarized 908 schedules of household data for 1903 which they received from the thousands of questionnaires distributed by the trade unions. They followed this by a study, published in 1904, of a large number of the lower middle-class. In 1906 Frankfurt made a smaller study covering only 100 laboring families, and in 1909 the Imperial Statistical Bureau published its 1907-08 summary of 852 accounts in fourteen cities of the kingdom. In addition, records were kept for less than a year by 118 families and the results published. This study has been made available in a number of languages, being translated into English by the United States Bureau of Labor Statistics and analyzed in French in the theoretical study by Halbwachs. It possesses the advantages and disadvantages of all official studies.

Another group deals with particular industries. The first of importance was the study published in 1896 by Johannes Feig of the linen industry in Berlin. It summarizes the conditions of 91 families who either work at home or in factories making underwear, shirts, and linen clothing. In 1900 a similar study was made of German printers presenting material on fifteen families. In a similar way, the Ruhr coal miners (1900), the jewelry makers (1901), the transportation business (1902), watchmakers in the Black Forest of Baden (1905), domestic industries in Prussia (1905), elementary school-teachers (1907), the metal trades (1909), and miners in the Saar Valley (1910), were studied on the basis of household accounts. These sometimes included as many as 600 families.

A third group comprises distinct international comparisons. The first of these compared the glass workers of the United States and Germany; 73 families in Germany were studied for purposes of comparison with the 1891 study of the United States Department of Labor. In 1901 H. Lichtenfeld compared food conditions in America and Germany on the basis of family records. In 1903 a general comparison was made on the basis of materials already collected for the proletariat in the two countries. The British Board of Trade study, made in 1905 and published in English in 1908, summarized relative conditions for rents, housing, prices, and wages by an analysis of 5000 weekly records from 33 German industrial towns. In 1906 the Gains-borough Commission of British Workmen attempted the same type of analysis on the basis of three typical records made after an observational tour.

Rural-urban studies were promoted by a fourteen-year study from 1888-1902 which attempted to find out the influence and causes of migration to the cities from the country districts of East Prussia. An earlier study in Mecklenburg sought the same objective but presented only one typical chart of family expenditures. Max May used the same idea for twenty families which he analyzed between 1892 and 1897. Franz Heiser-Hartung and the Statistical Bureau of Halle followed the same general methods in their particular investigations also made during this period.

Detailed investigations of food conditions flourished apace. Max Gruber investigated nutrition among the industrial workers of Silesia chiefly upon the basis of data already collected by Kuhna. In 1904 Paul Mombert made a careful study of the influence of industrial changes upon the deterioration of certain elements in the food of the laboring classes. In 1904-05 F. Goldstein attempted to determine whether the German people had sufficient meat in their diet. About the same time, a more competent investigator, Alfred Grotjahn, made a complete analysis of the typical diets of the German Empire concluding that many industrial workers had poorer diets than the economically less well-off peasants. Soldiers' diets were analyzed by F. Hirschfeld in 1907. Max Rubner and Fritz Kestner were particularly impressed by the fact that a standard diet was, at most, a misnomer since each particular individual and social class showed tremendous variations in food requirements. Finally in 1911 H. Lichtenfeld began a number of detailed studies of German dietaries based upon a great many family records already collected. Lichtenfeld's studies rank in first place because of the carefulness with which he approached the whole problem of diets from the standpoint of family living.

The social workers also had their day in court. Henrietta Fürth, Friedrich Kriegel, Frau Hartwig, and Otto Tugendhat respectively published important studies concerning household expense accounts and their significance for family welfare work among the poor. A number of accounts also attempted to show the changes in family living with the passing of time. One investigation covers the family from 1895-1906, a second presents records for a Hessian farm from 1888-1909, a third deals with conditions in Lubeck from 1891-1912, and so on. Two German upper officials furnish records from 1894-1910, and several families of school teachers, bankers, and skilled laborers furnish records for shorter periods of time.

During this period, theoretical and methodological studies concerning German families were published by Karl Bücher, William Gerloff, Adolph Gunther, Gerhard Albrecht, and Maurice Halbwachs. All of their conclusions are important but none of them make any particular contribution to the theories well-outlined and published before the death of Ernst Engel. In detail the studies show some improvement and some retrogression. There is no particular development in theory or generalization other than the Durkheimianism introduced by Halbwachs.

The Post-War Period in German studies is materially influenced by the war. The usual war studies were made here as in other countries both to aid the actual waging of the war and to determine its influence after peace was declared. Many of the early investigators participated in these war and post-war investigations. The three most important studies made during the war were official ones undertaken in 1916, 1917, and 1918. These cover wages, cost of living, needs of the consumer, and the results of food and clothing rationing. As a result, the post-war investigations of war influences upon the people find concrete data more prevalent in Germany than in most of the other warring countries.

Such investigations ceased during the 20's until inflation had taken place and the mark was stabilized. Investigations during this period are of value only if the results are recorded in physical rather than in monetary terms. Following the stabilization of the mark, the investigations continued with practically the same motives and upon about the same scale as those preceding the war. Trade union investigations were represented by studies carried on by the metal workers, the building trades, and the organization of railway employees. In

1929 the building trade made a careful study of 896 German families in thirteen phases of their occupation both in urban and in rural districts. In 1929, 120 families of railway workers and salaried employees were persuaded to keep household accounts for the entire year. The building workers made their study as a protest against attempts to lower wages, whereas the railway employees believed that the official study of 1927-28 was misrepresentative and showed that people of their class were more highly paid and were economically better off than they actually were. In other words, both of these studies were protests against possible changes in wages and conditions.

Official studies were represented by continual investigations after the period of inflation by the Hamburg Statistical Office. Preliminary data were published in 1925 and 1931. In one case, schedules of estimated expenditures were gathered from eighty households of the lower middle class for 1925, and in another twenty-six families of the upper working classes kept records for five years. The largest investigation was that by the Imperial Statistical Office which summarized records kept during a whole year, 1927-28, by 2036 families in 56 German cities. This was published in two volumes, the first of which was a summary, and the second presenting the data for individual cases. The laboring classes were represented by 896 households, the white-collar employees by 546, and the officials by 498. The income and distribution of expenditures of each group was analyzed in detail. Two adult equivalent scales were used, one applying to food alone, and the other to expenditures. In many respects, this is the most carefully detailed study of industrial workers in existence. The chief conclusions were presented in statistical tables and graphs. It is impossible to describe these investigations in detail but they are still in print (published 1932) and may be secured by the interested investigator. Maurice Halbwachs of France wrote a monograph, parallel to his earlier study of the 1907-08 official German investigation, based particularly on the conclusions of this 1927-28 investigation. The chief theoretical conclusions of the analysis were published in a series of articles by Friedrich Lütge while the materials were being summarized.

No investigations are available for Germany during the period since the Republic. What influence this change will have upon the nature of methods and the types of problems studied can only be a matter of conjecture.

Italy

The first group of Italian studies in the modern period was made by the Le Play school. Almost without exception these Le Play investigations deal with agricultural families, or with miners or weavers living in rural communities who engage in part-time farming. In 1857, studies were made of two *métayers* or share tenants, in 1860 data were gathered concerning a part-time farmer who was a lead founder in the Apennine mountains of Tuscany, the same year a silver miner was also studied in this district, between 1879 and 1895 a continuous study was made of another *métayer,* in 1886 a sulphur miner from Sicily was included, in 1887 and 1889 a cash-tenant in a semi-commercialized farming industry in the province of Foggie was studied, and in 1887 a vine grower and farmer near Rome who operated rented land on short-time leases was also included. Studies of a weaver of San Luccio in 1892, an agricultural worker of Ravenna in 1899, and a part owner of Puglia in 1903 completed these investigations.

During this same period, the United States Consuls collected a few data concerning Italy, and Edward Young made five budget studies, one each in Milan, Venice, Messina, Brindis, and Sarnpiedra. The United States Bureau of Labor Statistics made a detailed analysis of wage earners in Italy for 1885 in which twenty studies for the various Italian districts were summarized. Other early studies chiefly concern food consumption, food expense, and agricultural conditions. Thus, H. Ranke tried to discover the food consumption of an Italian bricklayer in 1877, whereas A. Shetelig was interested in meat consumption in northern Italian cities. The first large study, published by Enrico Raseri in 1879, attempted to ascertain the food conditions of the rich and the poor in every Italian commune. This study is extremely valuable because it describes what the social classes consume and how they live in each commune. A somewhat similar study by L. Bodio in 1882 is confined almost entirely to the working classes, but it also gives the detailed food expenditures of two families. A similar study by the Director General of Statistics in 1885, covering every province in Italy with particular reference to food, also adds 29 records of family expenditures and valuable international comparisons. In 1886 L. Bodio compared some original and already collected data with materials for the various European states.

Early studies of agrarian families were made by Th. Eheberg, the Minister of Agriculture, L. Bodio, and Countess Maria Pasolini. The most important were those by the latter two investigators. One family on the Countess Pasolini's estate in the commune of Ravenna was carefully studied from 1859-1894. A number of other families were studied for one year, such as Bodio's analysis of official data for 1875, and Pasolini's study of three families for 1890.

The remaining Italian studies may be summarized in five groups: those concerning peasant conditions, urban workers, the war influence upon living conditions, theoretical measures of consumption and living, and the state policy under Fascism. The peasant studies may be illustrated by the investigations by P. Albertoni and Ivo Novi in 1894, by F. Mantovani in 1893-1895, by E. Mase-Dari in 1901, by G. Lorenzoni in 1904, by F. Chessa in 1906, and by P. Albertoni and F. Rossi in 1908. In general, these studies include careful descriptions of the content of living and a meticulous analysis of the diet rather than emphasis upon the economic distribution of expenditures. They tend to give a careful analysis of typical cases rather than a rough summary of a large number of cases as found in other countries. However, some of them (*i.e.* Mantovani) summarize as many as thirty families.

The studies of laborers may be illustrated in the works by L. Manfredi in 1893, by Gina Lombrosa in 1894, by the Humanitarian Society of Milan in 1902, and by others in 1903, 1907, 1910, 1913, and 1914. Included in this group is a study of university students by A. Z. F. Serafini for 1894 and 1895, and of housing costs by R. dalla Volta about the same period. The study by the Division of the Milan Humanitarian Society in 1904 was particularly concerned with unemployment. A. Schiavi's study of about the same year dealt with labor conditions in the furniture industry. A. Pugliese's study in 1914 concerned the food conditions of 51 workers' families in Milan. An investigation of the piecework done at home was made the same year by F. Marconcini not only for Italy but also for other countries of western Europe. The most outstanding of all, however, is D. Orano's study of living conditions in Rome made between 1906 and 1910. He dealt particularly with laborers in the modern section. In addition to records of expenditure for 35 families, he made a rather comprehensive description of the entire living condition of the laborers in Rome.

Studies of the influence of the war upon living conditions in Italy, in general, were made by the same investigators who had carried on the earlier studies. In most cases these were based upon data already collected and supplemented by a few more records gathered by the investigators. The analysis of economic theories concerning family living may be illustrated by investigations conducted by Corrado Gini and G. del Vecchio, both of which have been summarized in Chapter III on laws of consumption. To this should be added the analysis of the elasticity of various types of consumers' goods by Felice Vinci, first published in 1918.

The Fascist studies are connected with the rebirth of national feeling arising from the attempts of the Italians to escape from what they believe to be the inevitable death of western society if it follows the Spenglerian course of the northern countries. In their efforts to create a sustaining culture with enough inward strength to promote the development of the people, they have begun a number of studies on the balance between consumption and production. The first phases of these studies have been published under the Institute of Statistical Economics, directed by Corrado Gini, but preliminary indices of thought along these lines are to be found in the proceedings of the Italian Committee for the Study of Problems of Population. What creative form studies of family living will take under this new growth of Italian culture is still largely a matter of conjecture, but preliminary indications suggest that their general approach will combine objectives similar to those of the political arithmeticians of the time of Gregory King with the techniques of the twentieth century. If this is so, we may expect creative thought in family living in Italy in the near future which will be different from the standardized studies promoted in many of the other countries. Previous investigations in Italy, as we have seen, have had their own peculiar characteristics which have enabled these investigators to make their particular contribution to the total problem of family living.

Other European Countries

The Le Play investigations apply to all countries in Europe and to other sections of the world where French influence has penetrated. The general investigations by Edward Young and the United States Consular agents present information in the last quarter of the nineteenth century for many countries.

Because of the intimate connections between Germany and prewar Austria-Hungary, there was a considerable similarity between investigations conducted in the two countries. Early investigations in Austria-Hungary by von Wahlberg and Gruber describe the households of the laboring classes in the 1880's. Similar investigations by D. Vogelsang and Lavollée, about the same period, give a similar analysis from the French point of view. Since the World War, investigations stimulated by the International Bureau of Labour and following somewhat the international pattern are available for several hundred families who kept account books. The peasant movements in these countries of central Europe since the World War have stimulated certain original types of investigations concerning agrarian conditions, but the detailed results have not yet been made available to the foreign public.

Belgium has long been an object of investigation in studies of family living due largely to the stimulus furnished by early industrialization, the consequent pauperization of the industrial workers, chiefly textile, the early works by Edward Ducpétiaux and Ernst Engel, and the important rôle taken later by workers at the Solvay Institute. Comprehensive studies began as early as 1848; Ducpétiaux published in 1855, and the Bureau of Labor in 1886. Other studies were made in 1891 (the subject of much of Engel's work, *Die Lebenskosten*, 1895), 1921, and 1929. The last three studies have been given a summary analysis by the Solvay Institute through the writings of Max Gottschalk. In addition, because of competitive industrial developments, important studies were made in the country by the United States Bureau of Labor Statistics and by the British Board of Trade, and were published respectively by the United States Government in 1886 and 1891, and by the British Government in 1910. B. S. Rowntree, in his attempts to understand the poverty of Great Britain, turned to Belgium between 1906 and 1908 and made a study of the records kept for one month by 70 families. Finally, attention should be called to the well-known study by A. Slosse and E. Waxweiler (published in 1910) concerning the food conditions of 1065 Belgian families. This famous monograph, which gives summary tables for most of the existing European and American investigations on food conditions, will probably stand for many years as a model monograph of its type. Very few published since that time have surpassed its scientific quality.

Czechoslavakia has published studies concerning the peasants and the workers which show the influence of the standardizing work of the International Bureau of Labour. Most of the investigations are available in French as well as the native language.

Denmark received its primary impetus in studies of family living through the work of Marcus Rubin who, between 1896 and 1898, summarized 251 records kept for one year by both rural and urban families. The results are available in French. It is one of the most careful of the early studies. In 1894 the members of a Seminar under Adolf Jensen at the University of Copenhagen made preliminary investigations concerning the cities and provincial districts of the country. A number of household account records were found among the upper class of workmen and from these and other observations a careful summary was made of the food conditions of the families of Danish laborers. Since that time official studies of importance have been made in 1909 and 1922. These various investigations have been linked by summary observations for the intermediate years. In general, the Danish studies follow the clear and readily understandable pattern true of nearly all investigations of family living in the Scandinavian countries.

Esthonia has one study covering 283 working families in Talinn and Narva who kept records for a month in 1925. It combines the methodology standardized by the International Labour Office with certain Russian methods for computing adult units.

Finland has three studies of importance: two made in 1908 and 1909, and another since the war. One of the early ones by Sundstroem (in Germany) is a careful analysis of food conditions in eighteen rural households. About the same time, Vera Hjelt, a factory inspector, made a study of several working families. The governmental study since the war includes 437 workmen and 117 white-collar employees of sixteen towns and eight villages who kept records for a year during 1920-21. Its methodology is similar to the standard set by the International Labour Office. Most of the Finnish studies give résumés and table headings in French. They are coördinated with excellent general statistics on income, taxation, and distribution of wealth published annually in the statistical yearbooks. This applies to all the Scandinavian studies.

Norway has a number of excellent studies beginning about 1906 with an investigation of two farmers, twelve workers, and eighteen petty officials. The purpose of this study was to determine the basis for levying taxes. Consequently, the data are representative of the masses of the people in that kingdom. In 1912 nineteen low-salaried white-collar employees were summarized. That same year 171 laborers' families, located in six cities, kept records but only the general aspects were analyzed. This was followed by an investigation of sixteen rural families who kept records for a year beginning with April 1913 for the purpose of enabling the investigators to make an analysis of farm conditions. Prior to this (about 1911-1912) Storsteen had made careful comparisons for most details of goods consumed and expenditures by six rural and six urban families. Between 1916 and 1919, at the request of the government, many families kept records of their expenditures. Of the large number received, 651 were summarized for 1916, 534 for 1917, and 82 for 1918-19. Finally, a somewhat similar analysis was made of supervised households records of 135 workmen and 31 federal employees for 1927-28. Within the limits of their statistical nature, these investigations are models in methodology.

Sweden has also been an excellent place for the development of the statistical type of inquiry. The earliest important investigation was the study of diet made by Hultgren and Landergren in 1891 for twelve families of workmen who had sufficient income to choose their foods freely. The first official inquiry of a statistical nature applied to 150 working families who kept records from 1907 to 1908 in Stockholm. A more complicated investigation was made of 1355 families, one third of which were lower grade officials who kept records in 1913-14. This was followed by a study of 372 rural workers, farm tenants, and part-time farmers in 1920, and also by an investigation of 1400 families for 1923. The 1923 study included 747 industrial workers, 445 white-collar employees, and 208 of the upper middle class. These last two studies were conducted with the same careful methodology as the earlier ones.

The Netherlands has also been a fruitful place for investigation of family living. An early one by Moquette in 1905, although concerned mainly with food consumption, also included income and expenditure for representative groups of poor, middle class, and wealthy families. In 1911, 70 families were studied including not only the working classes but others as well. In 1917, 39 Amsterdam families furnished records over a four-week period. This was repeated in 1918 by 28 families and in 1919 by 114 others. Of these 114, 82 kept records for the entire year. In 1920-21, 20 families of laborers and four minor officials kept supervised records at The Hague for the entire year. Again in 1923-24, 212 Amsterdam families of different social classes, ranging from those with incomes of 1000 florins to 19,000 florins, kept records for the year. In the group were 33 high officials, 80 white-collar federal employees, 21 municipal employees, 114 workers, 17 tradesmen, and 5 teachers. As an appendix to this study, 19 rural and agricultural laboring families were analyzed from the country districts around Amsterdam.

In Poland studies have been made since the World War, and a number for the same territory, published earlier in Russia, Germany, Austria, and by the Le Play school, are also available. Recent studies include 69 laborers who kept records in 1927-28, 192 for 1927 alone, and 369 for the three-year period 1927-29. An analysis of the records of 71 families whose chief breadwinners were engaged in metal occupations was also made during May 1932.

Switzerland has a long record of investigations due primarily to the activities of Stephen Bauer, a co-worker of Engel; Carl Landolt, who was interested in this problem in the early 90's; Ernst Laur, an outstanding European investigator of farm and peasant enterprises; and Ernst Ackermann, an economist of a later period. Carl Landolt published a book on method and technique of household statistics in 1894 which summarized his work in and around Basel for the early 90's. Bauer, assisted by a number of co-workers, made investigations covering a number of years. Laur's works are summarized under the reports of the *Secrétariat des Paysans Suisses*. In 1901 he developed a volunteer system of farm accounting and analyzed several hundreds of such records each year. These not only provide information about farm management but also a great deal about consumption and family living. His general influence in studies of farm family living in Europe is recognized in all countries. His system was introduced into Russia in the early years of the twentieth century. Official studies of household accounts in Basel are available for 1912 and for 1919-23. For 1921, 323 families of officials, employees, and workers are summarized for the whole country. There are a number of others for 1919 and 1922. Zurich furnishes 130 household accounts for 1912, 37 for 1919, and 53 for 1920. For the year 1912 there are about 800 records of families published for the entire country. Earlier studies include one in 1872 by C. V. Boehmert, another for the same year by A. Chatelenet, and one for eight families in 1886 by the United States Bureau of Labor Statistics. Long-time records for Switzerland include four families for a nineteen-year period following 1896 summarized by Fritz Krömmelbein, the records of a clerk and a teacher for 1866-1885 by E. Hofmann, and one of a governmental official for

1883-1910 by Max Duttweiler. There are a number of similar records available for Switzerland. In no other country is this information kept in the same manner on such a large scale.

A number of other countries in Europe, such as Portugal, Roumania, Greece, Turkey, Spain, Latvia, Iceland, and so on are represented by only a few investigations. This is partly because few studies have been made in these countries, and partly because existing investigations have not been located. The survey clearly shows that the types and value of such investigations depend primarily upon the interest and capabilities of the scholars in a particular place rather than upon the size of the country.

Japan

Japan, like many other countries, first became engrossed in studies of family living because of interest in food conditions and the productiveness of the rural economy. In 1905, at the suggestion of W. O. Atwater, K. Oshima published a lengthy manuscript through the office of Experiment Stations of the United States Department of Agriculture which summarized the results of 360 dietary studies made in Japan between 1882 and 1902. Since this first study began within a decade and a half after the Mei-ji restoration opened the country to intercourse with other world powers, we have reason to believe that the careful résumé by Oshima in English presents most of the studies existing up to that time. The bias, of course, is toward food conditions but in countries where the chief item in family living which enters into commerce is food, we have reason to feel that the picture is a good index of the totality of living conditions in Japan.

Other summary reports in English of investigations in Japan were respectively printed in 1918, 1921, 1926, and 1931. The Ph.D. thesis by K. Morimoto in 1918 at Johns Hopkins University not only summarizes the general details of a number of other investigations but also presents the results of a new study of 217 families of farm tenants collected in 1913 in Hokkaido, the northern island. Ta Chen summarizes a study of school-teachers in Tokyo made toward the end of 1920, and also presents a minimum budget for a Japanese family with two children. In 1926 the United States Bureau of Labor Statistics translated and summarized a Japanese report upon labor conditions among the textile workers in India, China, and Japan. Finally in 1931 K. Morimoto again published a summary study for the Japan Council of the Institute for Pacific Relations. He gives the chief data from twelve early studies but depends primarily upon the conclusions of a larger investigation made by the Japanese Bureau of Statistics in 1926-27.

In the meantime, I. Takano had published in the *Proceedings of the International Institute of Statistics* a résumé in German of the important urban investigations which were carried on in Japan prior to the 1926-27 study. In 1924, one of the outstanding Japanese agricultural economists, S. Nasu, presented, in his study of land utilization in Japan, the chief results of investigations of peasant family living appearing in that country following the periods summarized in the first monograph by K. Morimoto. Finally, T. Matsuda prepared for the meeting of the International Institute of Statistics, which was held in Tokyo in 1930, a 70-page résumé in English of the large governmental inquiry of 1926-27. The investigation was concerned with the six chief occupational classses. It included a study of 2236 salaried workers with low incomes in the eleven largest cities of Japan, 3008 families of factory workers in the twelve leading industrial centers, 520 families of miners from the five leading mineral districts, 633 families from transportation and communication, 663 families of day laborers in the six principal cities, and 736 peasant households from nine provinces. Coöperation was asked from 11,824 families selected as representative of living conditions under these various circumstances. Of these 7856 were requested to keep records for a year, and 6505 complied with the request. Of the farmers requested to keep the records, 97% conscientiously did so, while the lowest consistency was among urban day laborers, only 62% of whom completed the year's record. One volume which was published presented the methods and general results of the inquiry, the second provided the detailed frequency tables for the urban families, the third contained further detailed tables and made comparisons between the salaried workers and the wage earners, and the fourth analyzed the conditions of the farm families and included, in addition, 22 detailed tables concerning these families. In general, the investigation followed the best statistical procedures used by western countries. Since the summary and chief tables are available in English it should be consulted by all who are interested in such studies. Investigations in Korea should be considered along with the Japanese, especially the one on diet by J. D. van Buskirk and others, and the one on general family living in a number of villages by E. S. de Brunner. Both of these studies follow American methodolgy and are available in English.

The short but growing history of studies of family living among the Japanese does not permit us as yet to give them a particular characterization as to methodology or objectives. However, since there seems to be a close correlation between the character of the attempts of a particular country to choose a destiny of its own and the types of family living investigations carried on in that country, it behooves the other world investigators to keep in close contact with the developing methodology among the Japanese.

India

The standardized statistical type of study is illustrated by the work in Bombay by G. F. Shirras and by the Labour Gazette, in Ahmedabad and Sholapur City by the Labour Office, and in Rangoon (Burma) under the direction of J. J. Bennison. A somewhat similar analysis was carried on privately for six families in Bihar by Horne for 1916. The Bombay studies are of a statistical nature applying first to the poverty-stricken laborer in industry and later to conditions among the middle class. Bennison, on the other hand, includes a more representative group in his study and attempted, as has been indicated elsewhere, to give the records a partial and multiple correlation analysis following the example set by W. F. Ogburn in the United States. All of these studies are of particular interest because they can be compared directly with similar investigations in other countries.

A second type of Indian study may be called the village type of investigation. These attempt to compute incomes and expenditures for entire villages. Following this the members of the village are divided into several social classes and typical representatives of each class are compared. This type of work can be illustrated by Mukhtyar's study of a south Gujarat village in 1930, by Panadikar's investigations of the Bengal delta in 1926, by a series of investigations of Punjab villages commenced by the Board of Economic Enquiry in the Amritsar district in 1926, and by other investigations by Radhakamal Mukerjee, A. J. Saunders, Gilbert Slater, Harold Mann, N. V. Kanitkar, E. D. Lucas, J. C. Jack, S. K. Iyengar, S. R. Deshpande, G. S. Ghurye, A. Dass, and H. Calvert. These studies provide detailed analyses of varied problems, such as food, housing, water supply, health, land tenure, or other phases of family living, according to the particular interest of the investigator.

The political arithmetician type of investigation appears in the works by K. T. Shah, K. J. Khambata, R. K. Mukerjee, and D. S. Dubey where the wealth, the taxable capacity, the general food requirements, and the other conditions of the people are summarized on a national scale. R. B. Gupta's study of the relationship of house rent to income illustrates the monographic type applied to a particular phase of family expenditure while other investigations by L. S. B. Turner, and A. R. Burnett-Hurst deal more especially with poverty among the urban tenement dwellers. Finally, the correlation between social organization and the content and standard of living is carefully analyzed in an important work by S. S. Nehru on caste and credit in the rural area. This latter work is an original investigation which deserves careful study. It correlates caste and social class with occupational, social, economic, religious, and other factors in the totality of family living.

Thus, we can see that in this particular country a variety of conditions, problems, and influences have given investigation of family living some original twists which merit considerable attention.

China

There are approximately one hundred studies in China. These are of various kinds ranging from the Cornell type of farm management studies which J. L. Buck of Nanking has adapted to Chinese conditions to the most urban investigations of the standard statistical type. L. K. Tao has summarized many of these for the Institute of Pacific Relations. Other summaries have been made from time to time by C. G. Dittmer, H. D. Lamson, C. F. Remer, and writers for the Chinese Economic Journal.

Buck's farm economy study covers several thousand families in north and east agrarian districts, materials for which were secured by his students. In most cases, the students were members of the families so that the information was substantially accurate. In addition to the farm management information, the general distribution of the cost of consumers' goods is presented. Further investigations of the rural economy were made respectively by J. B. Taylor, C .B. Malone, and Mao Yung. All of these studies attempt to give information about incomes, expenditures, land tenure, and other phases of the living conditions.

These studies of farm economy are supplemented by village studies, somewhat similar to those developed in India, but with a greater bias toward the statistical isolation of the individual family. A particular illustration is the study of a village near Peking by F. C. A. Lee and T. Chen. After summarizing the individual families, a great deal of information is included for the village as a whole. The general impression given by this study is that it forms a good corrective for many of our western opinions about Chinese villages which are based chiefly on presuppositions and a study of theoretical schemes of social organization outlined in some of the Chinese classics.

Statistical investigations of groups of families have been numerous in the cities. Shanghai, Peking, Hangchow, and thirty other cities have been investigated in detail so that comparative information with other Asiatic and western cities is available. Of most interest, however, are the particular studies applied to types of social groups. Illustrations of these are studies of college employees (such as those by Ta Chen), of middle class families by A. D. Milan, of student homes by the same author, of students in college by C. F. Remer, of factory workers in Tangku by Sung-Ho Lin, the same in Shanghai by H. D.

Lamson and others, an investigation of the hosiery knitters and carpet weavers in Tientsin by H. D. Fong, and of ricksha pullers in Peking by the governmental Bureau of Economic Information. One of the most interesting of this group is an analysis of 285 families in Shanghai published under the name of Fang Fu-an. 100 of these are printers, 85 postal employees, and another group are residents of a typical industrial district. In some cases, complete records were kept and in others only the expenditures are estimated.

The political arithmetician type of investigation is illustrated by the studies of G. W. Sarvis, W. H. Mallory, H. D. Lamson, C. G. Dittmer, and C. C. Chang. All of these writers stress food, famine, population density, and a low level of living. Of course, their conclusions are based to a large extent upon the districts of China where these conclusions would be most likely to apply. None of them see in China the things which Le Play recognized in the early investigations of various families for that country by members of his school of thought.

Diet investigations have been summarized on the basis of material secured in China by W. H. Adolph, Hsien Wu, J. Hammond, and H. Sheng, and also by M. E. Jaffa for the Chinese in California. Jaffa was contributing to the early diet work by W. O. Atwater. There are a number of other investigations of the same nature, but these are illustrative. Urban surveys are illustrated by those for Peking made respectively by S. D. Gamble and J. S. Burgess, and L. K. Tao. Of these two studies, the one by Tao emphasizes the direct family expenditure. Tao secured records from twelve school-teachers for November, 1926, and 288 monthly records from laborers' families for about the same period. This information, in addition to the social survey by the other two investigators, gives an excellent picture of conditions in that city. Finally, the long-time records kept by a particular family are represented in a study by S. D. Gamble which covers two families in Peking for several years each. One belonged to the middle class, whereas the other possessed considerable property. However, the records cover only from three to five years for each family.

The Chinese studies thus represent types to be found elsewhere. Although they are numerous, they have as yet presented no particularly original traits of their own. A large part of this may be partly due to the influence of standardized western education upon most of the investigators.

Latin America

It is unfortunate, considering the economic importance of these countries, that so few investigations of family living are available. As one approaches them from the north to the south, particular attention should be called to the rather pessimistic investigation in Porto Rico by the American Brookings Institution. These investigators see relatively little in life in the tropics except the absence of goods which constitute the paraphernalia of living in Europe and America. The average income of a family is $250. Zimmerman has gathered data for Cuba some of which may be found in Chapter VI.[16] Cuban families averaged not more than $300 a year in 1934, even though prices for consumers' goods were close to those paid in the United States. Several studies exist for Mexico, most of which are wage data supplemented by an estimated weekly cost of living for a laborer for the purposes of interpretation. However, the Economic Bureau made a study of 1,944 gainfully employed families, chiefly federal employees, for 1924-25. The study is not complete but it does give a fair picture of family living among the fairly well-to-do salaried employees. This is supplemented by a study of the economic condition of agricultural workers combined from secondary data for four or five of the more important Mexican states in 1926 by E. Ferrari.

No studies were located for the important country of Brazil or any of the other northern countries except Peru. For this country, Hernando Lavalle y García presents a very interesting document applying to seventeen lower middle class families in Lima and its environs for 1918. The analysis is based upon questionnaires. Uruguay furnishes us with an important document for 1920 concerning the wages

[16] See also *The New Cuba,* Foreign Policy Association, New York, 1935, Chapter IV.

and cost of living of the agricultural laborers summarized from the questionnaires returned by 186 estate owners. This same country also gives typical expenditures of a married and unmarried day laborer from 1913 to 1919. The same investigation is carried further by the Ministry of Industry for a married working man with no children and a public employee for the years 1914-26. In general, the results are differentiated so as to apply to nine economic groups of laborers.

Argentina has been most prolific in studies of this type for South American countries. Preliminary studies, made for the ten-year period, 1886-1896, covering both rural and urban families, were based upon observations and upon account books discovered for the families. Between 1905 and 1912, a public investigation was made of cost of living in the municipal districts which gives a few important contributions to family living. Finally, in 1925, 1926, and 1928, the living conditions of a large number of families in Buenos Aires were summarized by the National Department of Labor on the basis of schedules filled out by visitors. All of these can be interpreted and understood in a background of general description of sociological work written by such men as C. O. Bunge, and the rural investigations now under way by M. Perez Catán, who is one of the outstanding agricultural economists of the country.

Thus, the chief characteristic of this important continent is the relative absence of data for an interpretation of family living.

Other Countries

A few investigations are found in other Asiatic countries, Africa, Australia and the smaller islands of the Pacific area.

Africa is represented by a few Le Play studies, the early investigations by Edward Young, some British studies in the Union of South Africa, and some governmental and other studies in Egypt. Those interested in historical investigations should not overlook H. Brugsch's attempt to summarize the material for early Egypt on a basis of inscriptions and historical records. However, the largest study in Africa was represented by an analysis of 594 records kept by clerks, artisans, and laborers in the urban districts of Egypt in 1920. This is a standard statistical analysis.

As one moves east, there are number of important studies recently made by the Dutch in Java, the results of only a few of which are available in English. The Philippine studies made by José E. Velmonte, Juan O. Sumagui, Pedro H. Viray, Meneses, Agbanlog, and Bandong apply chiefly to the peasant with emphasis upon his diet conditions. Some excellent studies by F. O. Santos and S. J. Ascalon have been made of tropical diet including the food values of various items used in the Islands.[17] The only other study of importance is one by the Bureau of Labor built around the cost of living for governmental employees.

In Hawaii a number of studies have been made under the auspices of the United States Bureau of Labor Statistics from 1906 on. Particular reference should be made to a large study published in 1911 which covered 12 Caucasians, 42 Chinese, 30 Japanese, 127 Portuguese, and 150 Hawaiian families. In Australia and New Zealand excellent studies are available particularly because of the interest in minimum wage legislation in this territory and of the scientific zeal exhibited by G. H. Knibbs, J. W. Collins, and others. Some of the memoranda of the conditions of the aborigines present important data which, combined with ethnological investigations, have enabled valuable publications by men such as B. Malinowski, Richard Thurnwald, and others to give a clear picture of living conditions among these people. The chief statistical publications among the non-aboriginal peoples include 212 Australian families who furnished yearly records for the period beginning July 1, 1910, 392 Australian families who kept records for one month in 1913, and 66 who furnished such accounts for thirteen weeks in 1917-18. The Australian studies were paralleled in New Zealand in 1910-11 by an investigation of 69 laboring families who kept records for a year. These statistical investigations in New Zealand and Australia illustrate the difficulty of securing records without supervision. After considerable advertising, 1800

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[17] See *The Philippine Agriculturist* 22: 745-776, 1934; and The University of the Philippines, Agricultural Experiment Station, *Circular No. 20,* November, 1931.

families agreed to keep records in New Zealand, of which only 69 eventually proved to be satisfactory. In Australia only 6% of the account books were returned from the early investigations, and the 1917 study practically failed because of lack of coöperation although records for only 13 weeks were requested.

Attention should be called to the use of family living studies on a broad scale by the Siamese Government for the development of social policy. This work was instituted as a coöperative venture between several Americans and the Siamese Government and is now being carried on coöperatively by Harvard University and the Siamese Government as a series of general investigations in the social sciences. The early investigation included 2000 village and farm families distributed through forty villages. It used a complex approach developed by Zimmerman in some studies at Minnesota. It has the elements of a synthesis of sociological, economic, and physical investigations arranged on a form closely paralleling early investigations by the political arithmeticians and largely presented from the Le Playist point of view. The chief structure of the entire family living is thus brought into prominence along with suggested reforms for improving the economic conditions of the people without disturbing the non-material phases of their standards of living. Since then, James Andrews of Harvard University has completed a second investigation under the auspices of the Siamese Government and the Harvard Professors Committee on Siamese Studies. The social studies were correlated with analyses of the health and the physical anthropology of the Siamese.[18]

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[18] See Andrews, James, *Rural Economic Survey*, No. II, Ministry of Economic Affairs, Bangkok, 1935.

CHAPTER XVII

The Le Play School

Documents of Le Play school.—Chief purposes of studies.—Cyclical fluctuations in prosperity.—Methodology of studies.—Place.—Civil state.—Religion and moral habits.—Hygiene and health service.—Rank of family.—Means by which family exists.—Mode of existence of family.—History of family.—Analysis of annual income.—Expenses.—Accounts annexed to record.—Notes.—Methods of collecting materials.—Relation of standard of living to social structure.—Family, budget and standard of living.—Terminology and concepts.—Levels of standard of living.—Elements of social structure.—Mores and family authority.—Religious institutions and governmental authority.—Economic goods.—Positions in social space.—Simple and complex prosperity.—Suffering in agricultural and commercial societies.—Forces threatening social stability.—Symptoms of decline of prosperity.—Three major types of families.—Patriarchal family.—Unstable family.—*Famille-souche*.—Relations between employer and employee.—The six principles.—Theory of engagements.—Criticisms of Le Play school.—Answers to these criticisms.—Contributions of Le Play.—He laid the foundations for sociological categories similar to those of Durkheim, Maine, and Tönnies.—His typological method preceded the work by Max Weber.—His statistical developments stimulated Engel and even went further from the accounting point of view.—He instigated a movement for a social science with a methodology *sui generis*.

The Le Play school is so unusual and the writings of its members are so numerous that a separate chapter is necessary to explain their work. In one respect, practically all studies of family living can be divided into a dichotomy with the Le Play school contributing most of one type and the statistical studies most of the other. The statistical studies pertain partly to sociology and partly to the other social sciences. The same may be said of the Le Play school with the exception, as will be evident in the analysis, that it deals to a greater extent with the concepts and problems of pure sociology. The Le Play school has been active since 1829 and has published monographs for most of these years.[1]

[1] Investigations were made in Algeria, Arabia, Austria, Bâli, Belgium, California, Canada, China, Corsica, Egypt, France, Great Britain, Germany, Holland, Indo-China,

Purpose of the Studies

The chief purpose of the studies depended, first, upon the person making the study, and, secondly, on the selection and editing for publication by the Society. Le Play was impressed by cyclical fluctuations in economic and social prosperity and tried to explain these through his analyses. He seemed to find the chief explanation in the numerous elements of the social structure (*social constitutions*); hence, he paid particular attention to the family, the mores of a society, employment, labor unions, and the relations between the individual and the government. He considered each individual a product of many converging lines of the social structure. He attempted to show that the well-being of the individual depended, to a considerable extent, upon the nature of the various lines and forces which bound this individual to the social structure. He believed that if one could study the family in its relation to the general social structure, one could explain the fundamental bases of the family's well-being. However, in addition to maintaining this general conception, Le Play and his followers were characterized by all the motives of the other investigators of family living. The basic idea which differentiates these studies from all others lies in the use of the case study in family living to understand the social structure.

Method of the Studies

The variety and detail of the information obtained concerning representative families led to a complicated method and technique. The analysis was limited to working people (*ouvriers*). However, his definition of this class included small capitalists, such as proprietary farmers or the owners of other kinds of property (boatmen or tailors). It was believed that this class constituted 95% of the world population

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the Island of Jersey, the Island of Reunion, Italy, the Ivory Coast, Lapland, Morocco, Norway, Quebec, Russia, Sicily, Spain, Sweden, Switzerland, Syria, Texas, and Tunis. Most of the studies apply to France and are more numerous for certain years than for others. In addition, the statistics were sometimes printed separately from the conclusions and analyses. In general, however, the methodology for the whole group is similar.

and that their welfare explained that of the other 5%. The studies always included sixteen characteristics to which a number of others were generally added in the "notes." They may be enumerated as follows:

(1) *Place.* This includes a discussion of the geographical location of the particular family studied, and the type of industry and family in that area. In this section is presented the rationale for choosing the particular family and some discussion of its representativeness.

(2) *Civil state.* This section lists the members of the household by age and sex, gives their age at marriage, and includes data concerning any children who have died. It also indicates whether or not there were any sexual irregularities in the family.

(3) *Religion and moral habits.* Here the formal religion of the family is given, and the degree of actual adherence to the forms and tenets of the religion is discussed.

(4) *Hygiene and health service.* This discusses the physical condition of the members, the diseases which they have had, and their recourse to and costs of medical treatment.

(5) *Rank of the family.* This deals with the position of the family in the social hierarchy and describes changes in the social standing of the family which tend to improve or depress its occupational (economic) status.

(6-7-8) These three categories are devoted to a discussion of the *means* by which the family exists. No. 6 is devoted to property, which is divided into real property, domestic animals, and tools or working equipment. Each item is discussed and is given a money value. No. 7 covers subventions, by which is meant the individual's rights in connection with the property and services of the community, the employer, or the government. Each item is discussed and evaluated. No. 8 involves the work and industries carried on by the family. Details are given concerning the work of the husband, wife, children, and other family members. If the family carries on any "industry," such as the keeping of a cow or a garden, this is discussed in detail.

(9-10-11) These deal with the *mode* of existence of the family. No. 9 discusses the principal items of food, the number of meals partaken each day, the menus of typical meals, and the time of eating. No. 10 deals with the house, furniture, and clothing. It includes a physical description of the house, a list and evaluation of the important items of furniture and equipment, and the clothing for each member. No. 11 ends the discussion of the modes of existence by a characterization of the most important forms of recreation of each member of the family.

(12-13) These deal with the *history* of the family. No. 12 discusses the principal phases of the family from the birth of the parents until the time of the study. It generally includes data concerning the social status and occupations of the last generation of the family. No. 13 attempts to characterize the family according to the mores and institutions which seem to ensure the physical and moral well-being of the family. For instance, it may be pointed out that religious teachings have so ordered the character of the members that the employer has great confidence and interest in them. As a result the employer may furnish them medical care or some kind of employment even during depressions. It may be indicated that the family is very thrifty and that the property which they have accumulated is their only security against hard times in the future. Or, the analysis may find that a particular family spends all of its income each year but has certain lands or other property which cannot be hypothecated (because of the feudal system or of the particular system of land laws or primogeniture existing in many countries). In many respects this particular section is the key point of the whole monograph. The essence of the Le Play system is to be found in the analysis involved in this section. All other parts of each monograph are built around this.

(14) Analysis of *income* for the year. This is always divided into four sections—property, subventions, wages, and industries—and each one of these is always divided into two parts—the sources of income and the income. The first section concerns property. In the first part the property is listed and valued at local prices. In the second part the income imputed to each unit of property is given in two categories—the value of receipts in kind (goods and services), and

in money. Receipts in goods and in money are always listed separately in money value (*i.e.,* local retail prices). Some items which are consumed at home instead of being sold are returned in money value, but this applies only to those few which have an immediate local market value. The second section analyzes subventions in the same manner. The third section applies to wages. In this section is given a list of the members of the family, the average wage per day, and the number of working days of a primary or secondary nature either in or out of the home. The total receipts in goods and in money are listed at the right of the page. Anything of an entrepreneurial nature or relating to family industries is found in the next section which relates to industries. The working time for the family industries is given in the third section and the value of computed receipts from those industries is found in the fourth. Both columns of receipts (in money and in kind) are added and this amount is balanced against the total expenses.

(15) The *expenses.* These are divided into five sections—food; household; clothing; moral, recreational, and health needs; and industry, debts, taxes, and insurance—with an additional statement on the yearly savings. Each section lists the expenditure in money or the value of the goods consumed if they were not purchased. The first section concerns food, which is divided into that consumed at home and that away from home. The first statement lists the age of each member of the household and the number of meals each ate at home during the year. The foods are classified into cereals, fats, milk and eggs, meat and fish, legumes and fruits, condiments and stimulants, and fermented drink. Under each classification the names and amounts of each item consumed, the price per unit, and total expenditure are given. The amount of food eaten away from home is given for the number of days per person. The resultant record constitutes a complete and itemized picture of consumption. The section on the household includes items of lodging, furniture, heat, and light. A description of the house and an evaluation of the furniture is given earlier as mentioned above. The rent, under lodging, is either the actual amount paid or an imputed percentage on the basis of the value of the house. In some cases this is 5% but varies more or less ac-

cording to the interest rates of the country. Lodging also includes the upkeep of the house and the furnishing of water for family use. Furniture covers the purchase of new articles and repairs. Under heating is listed the kind, the amount, and the value of the fuel. Lighting equipment is specified and valued in the same way. The next section concerns clothing and gives details for each person and a common bill for laundry. The expenses for clothing are divided into monetary expenditure and an evaluation of the household labor at local market prices. The next section concerns moral, recreational, and health needs. This lists detailed expenditures for religion, education of the children, charity, recreation and ceremonies, and medical services. Section five lists the expenditures for industry, debts, taxes, and insurance. As expenses for industries have already been subtracted in order to secure the net income, no detailed figures are given for these. However, interest on debts, taxes, and insurance is itemized in detail. The expenses are then balanced against the income by a separate and detailed item called savings for the year. At the end of the account the receipts and expenditures are balanced.

(16) Accounts annexed to the record. These are detailed items which explain the net income given before. Their interest lies chiefly in the details concerning the clothing of the household, and the quantitative analysis of materials used in the household industry. It includes the price and description of each item of clothing and an estimate of how long this item has been worn. Net expense for the year is also computed.

(Notes). This section always includes diverse factors of the social structure (*éléments diverse de la constitution sociale*), which vary according to the circumstances of the particular society.

The materials were gathered by field workers who spent from one to two months in the direct study of each family. In the study of the case materials, no method of measuring family size was used. The nearest approach to a statistical study of the results was made by Cheysson and Toqué in 1890, and the earlier analysis by Ernst Engel in 1857 when he first published his famous law. These are some of the most complete studies of family in existence. As a result any analysis of the living conditions of the working population in a particular country may find an answer to almost all the questions in the Le Play studies of that time and country. In spite of the criticisms which apply to the latter works of the Le Play School, many of the earlier cases are still models in methodology.

Description of Results

Le Play largely studied the relation of the standard of living to the social structure. He early formulated the conception that if one knew the entire family budget one could describe the kind of family. Another idea was developed from this: if one knew the type of family one could understand the total social structure of which it was a part. Thus, he made a triple parallelism between the following:

1. The type of the total standard of living,
2. The type of family, and
3. The type of society or social structure.

This analysis makes his studies unique and led to a more complete comprehension of the problem of modes of living than is found in the ordinary statistical studies. Since he also used historical methodology, his results include broad conclusions. His observations also enabled him to predict many of the statistical results which appear in a more exact manner in the later works of Engel. Although Engel first published his law as soon as one year after the first edition of Le Play's *Les ouvriers européens,* he attributed much of his original inspiration to Le Play.

The reader will understand Le Play's emphasis on the family, although his method of analysis was a description of the family budget and standard of living, if he remembers that Le Play saw the family in operation through the family budget and standard of living. Hence, he thought it unnecessary to consider the two separately.

Le Play used commonplace, and hence ambiguous language. Fortunately, however, in his second edition he defined three hundred of his more important terms so that we know more exactly what he meant. He often used rather figurative language which requires careful interpretation. His concept of the standard of living was defined as the essential needs of man (*besoins essentials de l'homme*). He conceived these to be of a dual nature combining *the daily bread* and the *mores*. He used these terms to indicate that a standard of living is composed of materials and psycho-social behavior. The materials he called the daily bread, and the psycho-social he often called the Decalogue or the moral law.

According to Le Play, the standard of living is capable of assuming four or five different levels. These levels are stabilized by what he called the *social constitution* or social structure, which he divided into two phases: the *private life* and the *public life*. The elements of the social structure are seven in number. Two of these he call the *foundation;* they consist of the mores and family authority. Two of them he called *cements;* they consist of the religious institutions and governmental authority. The other three elements are the *economic* goods which are held by the individual, the employer, (or feudal patron), and the community. Le Play, with the concrete thinking of an engineer, pictured the individual as being suspended in social space, composed of different types of standards of living, by these seven elements of the social constitution.

The extreme positions in this social space were called *prosperity* (*prospérité*) which Le Play placed at the top as desirable, and *suffering* (*souffrance*) which he put at the bottom as undesirable. These two categories are more than economic categories because each includes some part of the physical and some part of the psycho-social conditions of the society. He recognized that certain families and certain societies can have cross-combinations of prosperity and suffering at least during the periods when certain social processes changed in direction or rate of movement. Prosperity was defined by the physical and psychological condition of societies produced by their constant well-being (*bien*). This well-being requires an adequately functioning social structure according to the seven categories already mentioned. If the social structure breaks down, society approaches the bottom of social space (*souffrance*). The chief decadent force is the inherent badness of human beings, *e.g.*, their innate tendencies toward individualism, selfishness, and the like.

Prosperity is associated with social peace (peace between the classes, within the family, the industries, and the government) and social stability. It was divided into two types: *simple prosperity* and *complex prosperity*. The chief difference between these two types lies in the proportion of agriculture to industry in the economy of the society and the quantity of certain material goods used by the average family. *Simple prosperity* depends almost exclusively upon support from agriculture and fishing, *i.e.* when people consume the products of the soil and water without selling them. There is little trade and industry. *Complex prosperity* is found in societies where there is a great division of labor and exchange of products but where the other fundamentals of prosperity are also maintained. Le Play did not say that all families are prosperous at any time but rather that the masses with strong social structures have either simple or complex prosperity. In addition to this, he indicated that both kinds of prosperity vary according to the time, the place, the race, and the political power of the nation.

Suffering (*souffrance*) also appears both in agricultural and in commercial societies, and varies according to the same factors (time, place, race, and political power). The chief difference between prosperity and suffering is found in the character of the seven elements of the social structure and in the failure of the people to preserve these seven elements. Suffering occurs when the people violate the rules of well-being, but not all suffering is due to this. For instance, momentary suffering is often found in simple societies (closely connected with agriculture), and is there generally due to natural disasters. This hardship is generally of a temporary nature and can be easily remedied. On the other hand, when complicated societies begin to suffer from the continuous lack of inclination or ability to follow the rules of well-being necessary to maintain their social structure, it is difficult to repair the resultant damage. If continued for any length of time such suffering (*ébranlement*) leads to their social disorganization and decline.

In addition to the fact that any particular society can be classified as to its position in social space according to the above categories, Le Play believed that there is a general tendency to change as time goes on. By considering the seven elements of the social structure, a society or group of people can be classified as simple and prosperous or suffering, or as complex and prosperous or suffering. Societies tend to change but Le Play did not recognize any necessary regularity or predestined direction of the movements. Some societies change slowly, and others more rapidly; some vary greatly, and others only slightly. Le Play was convinced that the variations during historical periods from prosperity to depression are greater for western than for Oriental societies. Nevertheless, he believed that, in general, prosperity tends to breed conditions which lead to suffering unless the leaders in that particular society are extremely wise. On the other hand, he also indicated that conditions of suffering tend to breed prosperity and will even be valuable if the leaders (social authorities) and the circumstances of the time enable the necessary tasks to be accomplished before the society comes to ruin. Thus, he denied such a thing as historical predestination but, at the same time, indicated that social forces are sometimes so powerful that the intelligent leadership of society may not suffice to control or guide the people. One cause of this arises from the fact that the appearance of suffering in any society influences the judgment of the upper classes first of all, and that these authorities are generally incapable of understanding the situation and of returning to prosperity.

> The depositaries of political and religious authority, chosen generally from the wealthy class, are usually the first to propagate evil; for it is owing to the influences of wealth and authority that vicious habits grow up, to scatter their seeds upon the public at large. The depraved upper classes abandon themselves to all kinds of irregularities, inspired by their sensual passions and selfish interests. Seized now and then by a kind of vertigo, they yield, in contradiction to their most evident interests, to the propagation of error and destruction. We then find them, in their speeches and writings, as well as by their actions, sapping the foundation of religion, the family sentiments, the traditions of the

> Church, and, in general, destroying or perverting all the moral agencies which had before contributed to strengthen the foundations of society.[2]

Furthermore, Le Play indicated that prosperity with its social peace and social stability is a difficult position for any society to attain and the very fact that it has been attained makes it difficult to preserve.

> People rise with difficulty to the highest degrees of prosperity and harmony. Those by whom such advantages are attained, experience still more difficulty in preserving themselves from the corruption which emanates from the possession of authority and wealth.[3]

The forces which produce these changes in any particular society are to be found, according to Le Play, in the inherent evil of the human heart. Man is a beast of prey. Le Play did not believe with Rousseau that man is born good, but rather that the individual is selfish by nature and tends to do things which are inimical to social peace and stability. Society has recognized this inherent badness of pure individualism and has sought to control it through the mores and the social structure. However, periods of prosperity tend to make people careless of their mores and the preservation of a strong social structure that the causes of suffering creep into societies when they are most prosperous. On the other hand, lack of prosperity stimulates people to increase the strength of their mores and to reinforce their social structure in order to restore social prosperity. Thus, Le Play found that the standard of living of any particular people is a combination of individual nature and the rules of the social structure.

The symptoms of the decline of prosperity are to be found in six practices and beliefs: the increasing spirit of revolt and contempt for national customs, the suppression of former leaders who have interpreted the mores to the people (local social authorities), the excessive intervention of government in private life, the increasing attention

[2] Le Play, *The Organization of Labor*, tr. by Governeur Emerson, Philadelphia, 1872, p. 32.

[3] *Ibid.*, p. 37.

paid to words ("Whilst men who practise the truth keep silent, those who speak and write the most are employed in propagating error!"), the corruption of language which enables individuals to attack the social structure under the guise of *liberty, progress, equality* or *democracy,* and an exaggerated importance ascribed to forms of government rather than to their content and practices. A part of this last practice is to blame the government for deficiencies in the individual or in the social systems. The symptoms of purification and prosperity are the opposite of the above six practices.

Le Play developed a system of sociology which is akin to that of some of the early Chinese social theorists.[4] The fundamental idea of this system was that society depended upon certain structural relations. He emphasized two forms of relation—those within the family and those between the employer and the worker—a classificatory analysis. The first of these concerns the type of family which he considered *the* social unit. He recognized other forms of aggregation, such as nations and social classes, but to him it appeared that the family is the ultimate social unit which reflects all the important characteristics of a society. He did not follow any evolutionary hypothesis but developed his theories in accordance with a conception of functional relations. He believed that the family was influenced by other forms of social organization and he also saw the family influencing these other forms. He indicated that the family would sooner or later reflect the conditions within the society. His classification of the family unit is based on a system parallel to his classification of societies and types of standards of living. He recognized simple but strong societies, prosperous but strong societies, and disintegrated or broken societies. In the same way, he found three major types of families—the patriarchal, the *famille-souche,* and the unstable.

The patriarchal family which is found in simple but strong societies preserves the spirit of the family. It has a stable and permanent relation with its fireside, it is faithful to traditions, and it establishes its married children near the homesteads in order to watch over and

[4] See "The Counsels of Kâo-Yâo," *The Shû King,* Sacred Books of the East, Oxford, 1879, tr. by J. Legge, Vol. 3.

preserve them. When economic conditions become difficult, it migrates as a unit. Individuals who leave the family temporarily are still under the protection and dominance of the family. This type of family is associated with simple prosperity as a type of standard of living. The people do not have a high material standard of consumption of goods, as in some other societies, but their well-being is more permanent than in some other societies and the non-material phases of the standards of living are highly developed indeed.

The opposite type of family is the unstable one. This has no particularly permanent attachment to the hearth and is inspired by a lust for social change. Its relations with the past and future are insignificant. This family is formed by the marriage of the parents. It has few traditions. It increases in size with the birth of children but, in contrast to the patriarchal family, when they leave home, all bonds and ties tend to be severed. It disappears as a unit with the death of the parents since traditions and family history have little meaning for it. As a family the time reference is neither the past nor future but rather the living present. In such a family the individual depends more upon himself for a standard of living. In case of serious accidents, unemployment, or calamities, he suffers unless some extra-family agency, such as the government, takes care of him or unless he has accumulated sufficient property to take care of himself. This type of family is found in complex suffering societies. The individual consumes a large amount of material goods when he is well and employed and when there is general economic prosperity in the society. However, since the individual has no family tradition to restrain him and since he is always stimulated to spend conspicuously, recurring periods of economic insecurity cause a great deal of physical hardship.

The third type is the *famille-souche,* a family which incorporates some of the characteristics of the patriarchal family and some of the unstable family. *Souche* is a French word usually applied to vines, such as the grape, which have a stem or trunk from which cuttings may be taken each year. The trunk or stem furnishes new growth the next year and even if the cuttings die the trunk still lives. It is also applied to families operating under a system of primogeniture or some other system of inheritance whereby the property and traditions of the family are transmitted from one generation to the next in a determined line of succession. Le Play used this term to apply to those families who preserve a homestead for a certain child but send their other children elsewhere to make their own living. In case of misfortunes, the members who have left often obtain temporary subsistence and aid from the *souche* or stem. Thus, the *souche* maintains the traditions and preserves the family, whereas the other members go freely into industry and employment and make it possible for the society to combine both preservation and change. Those who leave the homestead are entitled to participate in the family property but not to such an extent as to menace the well-being of the heir who stays at home. This type of family, according to Le Play, is associated with societies which are complex but also prosperous. He tried to show that fundamental prosperity is associated not only with the well-developed material standard of living but also with a social system organized to preserve this standard of living.

In his analysis of relations between employer and employee, or patron and worker, Le Play had two general theories—one may be called the six principles and the other may be called his theory of engagements. The six principles are outlined as follows:

> The usages which furnish the truest indications of the material and moral health of places of labor—those which I name essential—are to be especially recognized by two characteristics: they are all abandoned in the manufacturing groups of western Europe, in which the extreme evils of pauperism exist; they are all found existing in establishments and localities where harmony reigns, attended with stability and comfort. They may be grouped under the six following heads: first, permanence of the reciprocal engagements existing between the proprietor and his workmen; second, perfect understanding in regard to the rates of wages; third, alliance between the laborers of the workshops and domestic industries, rural or manufacturing; fourth, habits of economy, securing respect to the family and the establishment of children; fifth, indissoluble union between the family and fireside; sixth, respect and protection given to women . . . the observance of the six essential usages of Custom everywhere indicates the existence

> of prosperity; while the absence of these same usages coincides invariably with a state of decline.[5]

It was in his theory of engagements, however, that he paralleled the type of family and the standard of living by a system of three types of relations between the employer and employee. These three types were called *permanent-forced, permanent-voluntary,* and *momentary.* The permanent-forced engagement is a system of labor in which the workers are permanently attached to their jobs, their patron, or their community (if this is the industrial unit) either by custom or written law. Such conditions are found in simple societies operating under the feudal system or in societies in which the current customs have resulted in a low index of mobility. During Le Play's time he found such conditions in most of eastern Europe and Russia where the peasants or workers were bound to their community or to a seignior either by law or custom. This type of organization of labor is associated with a strong social structure and a simple but prosperous standard of living if the other usages or principles of relations between employer and employee are also present.

Permanent-voluntary engagements consist of an organization of labor in which the workers are voluntarily but permanently attached either by custom or long-term contracts to a patron or employer. Sometimes such engagements are found between a community and the individual. In such engagements the worker can cease relations with his employer or *vice versa* at any time or at the expiration of any contract. However, it generally happens that the individual remains permanently on the job. In time of prosperity he prefers the long-time safety of his current job even at a lower rate of pay than under some other arrangement with less security. In times of depression the employer or patron sees to it that the worker is provided with means of subsistence. This type of relation creates a sort of customary insurance against unemployment and starvation. A part of this security is achieved by additions to the family budget in the form of subventions. In a great many cases the patrons or employers operating under this system of engagements insist that the workers combine industry and agriculture. The individual has his home, food, fuel, and many of the other necessities

[5] Le Play, F., *The Organization of Labor,* tr. by G. Emerson, Philadelphia, 1872, pp. 121-122.

of life. In case of a depression in which the employer can no longer pay full-time wages or the same rate of wages, the individual family expands their gardening and agricultural activities so that they are assured the means of subsistence. Under such conditions the patron or employer takes an interest in his workers and by advice and suggestions keeps them from spending all their income during upswings of the business cycle. This type of engagement is associated with the *famille-souche* and the complex but prosperous standard of living. Le Play believed that such conditions predominated in northern Europe during his time.

The third group of engagements are momentary, a type of free and changing labor contract with which we are so familiar in America today. The worker is hired for the job and fired when it is finished. If there is a depression the worker is given no work and he receives no subventions from his employer. There is no personal relation or interest existing between the employer and the employee. It is a case of every man for himself. If the worker does not save, he must either starve or receive government or community doles during times of depression. Strife appears between the employers and the workers, and social peace and stability are threatened. This is a system of engagements to be found principally in societies which are beginning to suffer. Periods of depression increase the conflict between the classes and endanger the social structure. This type of engagement is associated with the unstable type of family. Corporations replace the individual firm or the community as employers. This is a type of relation which Le Play believed was developing in France during his time and was threatening the existence of the State.

Criticisms of the Le Play School

One could write much in discussing and analyzing the critical arguments which support or oppose the methods and conclusions of Le Play. He has been criticized at times on one or all of the following grounds:

(1) His religious background and leanings made him so biased that he used science to prove moral preconceptions and not as a method of investigation. This is ethics, not sociology.

(2) He viewed the material progress of the world as a sign of decay rather than recognizing its good as well as its harmful qualities.

(3) He failed to see some of the disadvantages of the feudal system and talked of returning to it at a time when most of the world was intent upon moving the other way. As a result his ideas became nothing more than impractical pessimism.

(4) His preconceptions led him to read into his cases certain types of families and forms of social organization which others, without his biases, could not find.

(5) He saw a regularity in the historical course from prosperity to decadence and *vice versa*—neither of which really exist.

(6) He did not clearly set forth any one method. Sometimes his families were averages, sometimes typical, and sometimes selected cases used to prove a particular manifestation in its extreme expression (typological). Consequently, he had no clearly defined and consistent methodology except that used in writing up the case histories of each family.

(7) Le Play could not prove that his families were representative of the groups which he studied. As a result, Alfred Marshall held, "To work it well requires a rare combination of judgment in selecting cases, and of insight and sympathy in interpreting them. At its best, it is best of all: but in ordinary hands it is likely to suggest more untrustworthy general conclusions, than those obtained by the extensive method of collecting more rapidly very numerous observations, reducing them as far as possible to statistical form, and obtaining broad averages in which inaccuracies and idiosyncrasies may be trusted to counteract one another to some extent." [6]

(8) Le Play was more interested in reform than in scientific description. His interpretations suffered from this. He did not use the logico-experimental method but depended more upon his "derivations."

(9) His method of study is so detailed that it soon tends to lose its scientific value. The investigator becomes lost in insignificant details.

[6] Marshall, Alfred, *Principles of Economics*, London, 7th ed., p. 116. See also Zimmerman, C. C., "The Family Budget as a Tool for Sociological Analysis," *The American Journal of Sociology* 33 (6): 901-911.

(10) The method is subjective and not objective. Others by repeating his study would have reached different conclusions. As a matter of fact, some of the followers of Le Play did reach entirely different conclusions from the same kind of investigations.

In answer to these criticisms the following might be said:

(1) The fact that Le Play had religious preconceptions does not prevent him from seeing some of the truth about standards of living. His methodology must not be thrown aside entirely on account of its occasional misuse.

(2) The fact that rapid social change often causes difficulties in social organization must be faced by the social scientist. A bias in favor of change is as unscientific as the theory that everything good lies in the past.

(3) Developments in many parts of the modern world indicate to many sociologists that some kind of fundamental change is needed to reconcile the material conditions with social needs. Whether this means a new feudal system or a "new era" no one knows.

(4) The general prevalence of theories as to the synchronization of the various parts of culture indicate that if Le Play erred in the simplicity of his doctrines concerning the correlation between a material culture and forms of social organization he made a mistake common to many social scientists. Inherent in this is the conclusion that the study of family living according to Le Play's general scheme deserves further careful investigation.

(5) Regularity in the course of history, or the repetition of some of the elements of history, is a popular doctrine among many thinkers. Concerning this point of view, Le Play erred no more than Spengler and other modern and ancient prophets who from early times have emphasized the cyclical phases of history as opposed to "linear trends" or progress.

(6) It is not necessary for an investigator to follow one method of study, but the various methods must be judged by results and not by techniques. His case histories were systematic studies of certain families. If from these studies he developed theories somewhat unique and original for their time, it may be that the method still has its advantages. He certainly combined the mechanical type of investigation with the intuitive and "understand-

ing" forms of approach. Many great scholars recognize the value of intuition in establishing hypotheses for investigation and testing.

(7) It was not entirely essential for Le Play's conclusions to prove that his families were absolutely representative. He could hold that most social systems were omnipresent so that a family, even though not typical in all respects, would reflect the chief factors of the social organization of its culture. Further, the "typological" method calls for the extreme rather than the average expressions of a particular social trait. If by using this method Le Play discovered something not ordinarily observed about the underlying characteristics of a particular society, he should be given credit. The method of Le Play may be combined with statistical investigations in order to satisfy other purposes as well.

(8) Le Play's interest in reform rather than pure description of social events does not necessarily prevent his analyses from having great descriptive value. Le Play's monographs are still held to be of high scientific value by modern scholars who study the same types of society. The type of family which Le Play called the *souche* still exists. Our Ozark investigations and study of the colonists of Spanish origin in the rural districts of Cuba both show this. Recent investigations in Ireland by Arensberg show similar types of families there.[7] Le Play may have erred in his description of this kind of family but something of that general type still exists. In addition, the question as to whether social science is "pure" description or is biased toward reform is unsettled. The author's emphasis depends more upon his inclinations and tastes rather than upon any absolute truth. The important consideration in each case is whether the results are valid.

(9) An emphasis upon fine details in an investigation should be decided by results and not by any preordained theoretical method. Certainly the statistical and historical methods have their meticulous and seemingly insignificant sides.

(10) A decision in favor of either subjective or objective methods of investigation places the social scientist where he may close

[7] See Zimmerman, C. C. and Frampton, M. E., *Family and Society*, New York, 1935; Foreign Policy Association, *The New Cuba*, 1935, Chap. IV; and Arensberg, Conrad M., "A Study of Rural Life in Ireland as Determined by the Functions and Morphology of the Family," Ph.D. thesis, Harvard University, 1934.

> his eyes to part of the truth. Many things discovered by methods called subjective may be found to be true in the long run. On the other hand, massive "objective" proof concerning a certain event may dissolve into nothing because the mere choice of measures, quantities, and objectives may be originally done upon purely transient and subjective bases. Subjective and objective cannot be divided in the social sciences. A dollar may be an objective fact but fundamentally it represents a changing subjective value. The fact that a farmer has $600 money income a year does not indicate that he lives in the same manner as a town laborer with the same income. Disregarding other differences in real income, it is clear that the marginal utility of the last unit of currency has its subjective as well as its objective meaning.

There are other points of view concerning the Le Play analysis, but here we give only some of the more philosophical. It would seem that neither the complete acceptance nor the absolute neglect of the Le Play methods of investigation in family living can be justified from the scientific point of view.

Le Play certainly anticipated Émile Durkheim in the ideas concerning the influence of the division of labor upon society, a sociological theory which has done much to increase the importance of Durkheim in sociology.[8] In many respects, it may be claimed that Le Play anticipated the basic elements in the theory about the social causation of suicide, another idea which has contributed much to the high appraisal later given to the Durkheim school. It is clearly evident that Le Play used the "ideal" or typological method, one of the essential methods now recognized in the social sciences chiefly through the works by Max Weber. It has already been suggested that his work stimulated Ernst Engel in his investigation of the statistical typology of the family budget. Finally, Le Play must also be credited with initiating a movement for a social science with its own concepts instead of imitating those of physics, chemistry and the other natural sciences. This method of investigation has been recognized as a justification for developing

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[8] Durkheim, Émile, *On the Division of Labor in Society*, New York, 1933, tr. by G. Simpson. There is also great similarity among the main concepts of F. Le Play, H. S. Maine, and F. Tönnies. However, Le Play was not as much an evolutionist as either of the others or Durkheim.

the science of sociology.[9] Whether or not one agrees with Le Play's conclusions, his methodology deserves study. It should also be pointed out that his suggestion concerning the value of part-time farming is a solution for part of the instability and insecurity of the worker in industrialized societies and is recognized in practically all such countries today.[10] Possibly we shall also in time recognize some value in his theories of the family as forces for reconstruction.[11]

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9 See Sorokin, P. A., "The Principle of Limits in the Direction of Social Processes," *Proceedings of the Am. Sociological Society* 26: 19-27, 1933.

10 See C. H., "Economic and Social Conditions of the Agricultural Classes," *International Review of Agriculture* 24 (9): 333-386, Rome, 1933; Quante, Peter, *Die Flucht aus der Landwirtschaft*, Berlin, 1933.

11 For further analysis of Le Play, see Zimmerman, C. C. and Frampton, M. E., *Family and Society*, New York, 1935.

CHAPTER XVIII

The Russian School[1]

Russian budgetary materials are first reported for the late eighteenth century.—These were used in economic plans for breaking up the three-field system on estates.—The next period of popularity was the nineteenth century when agricultural leaders were faced with problems of economic reorganization after the freedom of the serfs.—The accounting system combined production and family living because these were undifferentiated by the peasants themselves.—By 1900 the chief elements of rounded studies of family living were crystallized by Shcherbina.—After the 1905 Revolution, Russian economists directed their investigations toward means of increasing individual production as an aid to the Stolypin reforms.—Household accounts began to be kept.—Accounting procedures developed by Laur and other foreigners were adapted to Russian problems.—By the beginning of the World War, Russian investigations were the equal of those found anywhere in the world.—The Tschuprow Society consolidated methodology and fomented investigations somewhat identical to the later work by the Social Science Research Council in America.—After the Revolution the investigations were adapted to the ideals of Communism.—Studies of laboring families increased in number and in scope.—The budget has been adapted to studies of the use of time, of economic geography, of the social organization of the family and the village, and to other purposes.—Russian investigators have learned from foreigners and have much to offer from the standpoints of methodology and aims.

So little is known of Russian investigations in family living that they deserve special consideration. Their great number requires a full chapter for discussion. The first Russian attempts to make such

[1] The facts of this discussion are compiled chiefly on the basis of A. Tschajanow, *Russian Budget Studies: History and Methods,* Moscow, 1929 (in Russian). However, it does not represent complete agreement with his ideas or an identical following of any particular part of his work. All Russian studies published in other than Russian have been consulted as well as the analysis given by P. A. Sorokin in Sorokin, P. A., Zimmerman, C. C. and Galpin, C. J., *A Systematic Source Book in Rural Sociology,* Vols. II and III, University of Minnesota Press, 1931 and 1932. For particular points many other works have been consulted. The Le Play studies of Russian families are summarized. The author is indebted to Professors P. A. Sorokin and W. W. Leontief for critical reading of the manuscript of this chapter and a number of suggestions. The essay is largely descriptive. J. W. Boldyreff and Mary Sulloway helped with the Russian. For the interpretation, I alone am responsible.

studies came in the last decade of the eighteenth and in the early nineteenth century when interest in the economy of the large agricultural estates increased. This stimulated many studies in which the authors, in discussing the new agriculture, outlined new economic projects for the tenants. They attempted thereby to increase profits, rents, and other land-owners' revenues in agriculture. These plans were illustrated by family budgets which were often based on actual observation.

Characteristic of these are a few families cited in the tract, "Progress of the New Agriculture Based on the Rules of Secret Advisor Johannes Christian Shubart von Kleefeld," written by Andrei Roznatovski and published in 1795 in Moscow. In discussing the breaking up of large villages into smaller villages or even isolated farms, Roznatovski completed his study with a section on the establishment of separate peasant households or isolated farms in contrast to the *mir* or commune. In the course of this study he presented a table on income, expenditure, and savings in a peasant household. The data relate to a farm household in Tula gubernia.[2] The farm was recognized theoretically for crop rotation, including grass as one of these crops. The figures cannot be considered typical because the whole account is a project for new agricultural households based on a rotation with grass crops. However, it is plain that the data relate to existing households.

A much more accurate and detailed picture is afforded by accounts published in a brochure in 1801 at St. Petersburg under the title, "Homesteads or a New Method of Settling Peasants and Obtaining Revenues from Them for Landowners." The author of this study described peasant farms in the Zvenigorodski district. He cited highly detailed accounts of the plan for organization of the household described. He enumerated the income and expenditure and divided the items into money and kind.

These and other early attempts to study household accounts at the beginning of the century bear the character of calculations and cannot be called family living investigations in the exact sense even though based on observation. Investigations of income and expenditure in the

[2] A gubernia is an administrative district in Russia similar to a state or large province.

European sense began later. F. Shcherbina in his address to the statistical division of the XI Meeting of Russian Naturalists and Physicians states that "the first to pay serious attention to the collection of budgets in Russia was D. P. Juravski." In his work, "On sources and Uses of Statistical Accounts," published in 1846, Juravski outlined the significance of considering household accounts of income and expenditure (for peasants this includes the whole farm business as well) in studying the material resources of different classes. In this work Juravski gave two budgets of expenditure, one for a family with a landed estate, and the other for a middle-class family. He outlined in percentage the difference between expenditure for necessities by these two classes. However, D. P. Juravski did not have successors, and such investigations in Russia do not appear again until the period of social uplift in the 1870's, the time of the first development of rural statistics by the Zemstvo offices.

From the 1870's on, in different parts of Russia, a large number of studies appear. Of these the most independent and fully developed are those by P. P. Semionov and E. N. Anuchin. In 1877-78 the Independent Economic and Russian Geographic Societies jointly undertook a number of investigations for studying rural communes. P. P. Semionov, who was one of the investigators, described twenty communes of the Muraevenska volost, Dankovski uyezd, Razan gubernia. In the course of the work he studied six households which were representative of the classes of wealth in a village. His work may be judged on the basis of one of his budgets presented below.

Peasant Owner-Tenant Household in 1880 According to P. P. Semionov

A self-sufficing household, consisting in 1861 of 6 census persons was broken up in 1869 by the uncle and his nephew. The nephew left with 2 census persons and a third of the property. Then, in the remaining houeshold, in 1872 the oldest son was forced out by his father taking with him one person's share of land, but no additional property. In 1876 a second son was separated on the same conditions. In both cases domestic disagreements of the wives were the causes of the separation. The household described is that of the first son who left in 1872. It was composd in 1880 of 2 children under 12 and 2 adults.

The inventory as given in rubles included land, stone cottage, farm buildings, cattle (1 cow, 3 sheep with lambs), poultry, furniture, and clothes.

The income (divided into that from owner's land and that from rented land) was from rye, millet, oats, hemp, cattle, poultry raising, labor, and management of the head of the family as a hired workman and supervisor, his keep, and the earnings of his wife.

The expenditures included taxes and levies, rent for land, cost of cultivation, hire of shepherd, keep of householder, flour for the family, other food items, footgear, and clothing.

The stone cottage which cost 200 rubles was built partly from savings and partly from borrowings (70 rubles) from the landlord in 1878.

From this example it is evident that the accounts are brief, and that items of expenditure are not to any great extent subdivided according to wants. The results are stated broadly. As for production income and expenditure, Semionov denotes some attention not only to final totals expressed in units of value but also to more detailed accounts of household transfers and the household inventory. Although he includes household income and expense, Semionov neglects many other important items. This first period of Russian studies, 1877 to 1894, included some investigations of physiological norms of nutrition as well as income and cost of living.

An essay by W. I. Pokrovski, "Historic-Statistical Description of Tver Gubernia," Tver, 1883, gives the inventory, income, and expenditure for an average Tver peasant household. He divides income into kind and money. The figures do not balance because the income from "other than the farm" is not included. Thus, his study is also incomplete.

All the early studies are monographic accounts and lack the basic characteristic of statistical investigation—mass observation. The income and expense data are examples to illustrate the descriptions. No bases for the derivation of average and percentage figures are given. An exception was the work by Sheshunov in Yeniseisk gubernia (1890-93) which made statistical analysis its primary aim.

Studies at the End of the Nineteenth Century

In 1894 studies of family living were discussed at the IX Meeting of Russian Naturalists and Physicians. L. N. Maress emphasized the need for investigation of the *customary* nutrition of the people. He held that general statistical surveys were inadequate for this purpose as they were too extensive and lacked detailed observation. He called attention to the Le Play monographs and in his paper used data from studies in Voronejh gubernia. His idea was to supplement studies of varied types of peasant households by monographic descriptions of consumption. He suggested that the following data be included in this monographic description.

1. Quantities of resources available for satisfying the family's wants.
2. Relative rôles of industrial and agricultural income in the budget of different groups of families.
3. The kind of foods used and the amount used per capita by each family.
4. Thc economic value of the goods and money which the family has for its different wants.
5. The relative expenditure for food.

F. Shcherbina discussed methods of calculating norms of grain consumption and emphasized the desirability of securing complete data on income and expenditure to check the totals. In general, the members of the society treated these investigations as means for studying mass consumption.

The discussion of these questions stimulated further development. In the next few years Russian statisticians obtained mass data in such family investigations. In the seven following years, 1894-1901, twelve studies were published, and a number of others were planned or under way. The most important were: *Tabular Symposium* (*Sbornik*) *for Twelve Districts of Voronejh Gubernia,* Voronejh, 1897; and *Statistical Description of Kaluga Gubernia,* Vol. I, Kozelski Uyezd, issue II, Kaluga, 1898. However, the early studies were unsatisfactory and, in many cases, never published.

Gradually then many items of income and expenditure in kind were evaluated in money. The system of classification finally used was as follows:

Income Reported in Money Values

1. Value of different kinds of labor on the farm computed separately for each person in money.
2. Piecework for others.
3. Day labor for others in money.
4. Alms or gifts collected (men, women, in kind and in money).
5. Amount of money obtained for sale of:

Horses, oxen, cows, sheep, pigs, rye, wheat, flour, oats, millet, buckwheat, barley, sunflower seed, other grains, from renting land, fodder, wood, forest and building, poultry, garden vegetables, etc., eggs, butter, down, feathers, wax, cloth, bristles, wool, hemp *et al.*, miscellaneous.

6. Income from unusual sources (pensions, salary for public service, rewards, shares, renting rooms).
7. Income from labor in trade and industrial undertakings (re-leasing land, renting a mill, keeping a livery stable, money lending, contracting, etc.).
8. Income from shares in commercial and industrial establishments.

Expenditure Reported in Money Values

1. Money spent during a year on purchase of:

Grain, meat, pork, millet, fish and other food, horses, oxen, cows, sheep, pigs, fodder, wood and lumber for buildings, clothing and footgear, wheels, carts, plows, scythes and other harness, salt, kerosene, tar, utensils, etc.

2. Money spent on weddings (ceremonies, vodka, and other expenses).
3. Funeral expenses.
4. Other religious ceremonies.
5. Military service.
6. Payment of old debts.
7. Interest on debts.
8. Vodka.
9. Tea.
10. Cultivation of land and harvesting of grain.

In addition to these items the studies also contained questions on credit, and the value of seed grains. The accounts were not separated into goods and money.

The materials on 176,821 household heads, gathered by the census takers, were reported in F. A. Shcherbina's book, *Peasant Budgets,* 1900. Shcherbina also added some computed items of income and expenditure.

The large scale of this material permitted the Voronejh investigators to use statistical methods in working up the material and to classify the households into groups according to the extent of the land owned. Nevertheless, the Voronejh statisticians had no followers because, in comparison with the energy needed for this investigation, the results were inadequate, and many errors were made.

At the same time intensive statistical descriptions of 230 typical households in Voronejh, Ostrogojh and Zemlansk uyezds were analyzed by F. Shcherbina. The information had been gathered by school-teachers and other semi-trained investigators. These schedules for single households were very detailed and took into account goods in kind in addition to money income and expenditure. The result was a schedule containing several thousand questions which took many hours to fill out, but which gave a relatively complete picture of the household described.

The discussion by Shcherbina shows the influence of landholding and the size of the household on family living. It also establishes physiological norms of consumption and compares the different studies with each other and with foreign investigations. The *quet* was used as an adult unit. This study played the same rôle in Russian statistics as the studies by Ducpétiaux and Engel did in western Europe. It was the first large study of Russian family living in which all methods of statistical technique were used.

At the same time the Kaluga Statistical Bureau, under the direction of A. Peshekhonov, explored in a new direction. Instead of making a complete census, it used sampling methods. It attempted to study every tenth household by mechanical selection but schedules were secured for only 1,313 out of 15,821 households or 8%. The schedule had considerably less detail than that of the Voronejh Bureau. It aimed to consider only the more important divisions of property, income, and expenditure. A large part of the money income and expenditure was calculated from norms without direct notation for the individual family.

The following fundamental elements were fairly well developed in the methodology of Russian budgets at the end of the nineteenth century by Tschajanow.

CHARACTER OF RUSSIAN STUDIES AT THE END OF THE NINETEENTH CENTURY
(Presence of Elements in Works Listed, Author, District.)

Elements of Investigation	Zakharov Moscow gubernia	Semionov Kisgan gubernia	Pokrovski Tver gubernia	Sheshunov Yeniseisk gubernia	Shcherbina: Voronejh 176,821 cases	Shcherbina: Voronejh 230 cases	Peshekhonov Kaluga gubernia
Establishment of an understanding of a typical budget	−	+	+	+	×	+	+
Division of program into very minute details, scope including all income and expenditure, individual as well as household	−	−	−	+	−	+	−
Inventory of property:							
(a) household	+	+	+	+	+	+	+
(b) individual	−	−	+	+	−	+	−
Receipt of all data from concrete investigations relating to the household described	−	−	−	+	+	+	−
Account of goods on hand	−	−	−	−	+*	+	+
Account of credit relations	−	−	−	+	+	+	+
Yearly balance	+	−	+	+	+	+	+
Account of labor	−	−	−	−	−	−	+
Norms of nutrition	−	−	−	+	−	+	+
Expression of all amounts not only in units of value but also in units of weight or volume	−	−	+	+	−	+	−
Division of income and expenditures into money and kind	+	−	+	+	×†	+	+
Tabular form of working up data	−	−	−	+	+	+	+
Treatment of budgetary data as mass data and corresponding working up material by the method of cross tabulation	−	−	−	+	+	+	+

— = no treatment.
+ = adequate treatment.
× = partly treated.

* Obtained by calculation.
† Most important items are calculated.

If one carefully examines these studies, one finds that, along with data characterizing the family standard of living, there are also data on the economic and social organization of the farm itself, such as the seed used, the kinds and cost of fodder, and other materials used in production. The expenditure division combines family consumption with the cost of maintaining a household, a domestic industry, or a farm. Subsequent historical research in Russia indicates that these studies, in their further development of content and aim, gradually center around the sociology and economics of production.

Studies of the Early Twentieth Century

F. Shcherbina soon became interested in the percentage of total family expenditures constituted by production expenditures as well as the factors of such distribution. He soon found followers who contrasted total expenditures with total income. They calculated the net return from all branches of the household and labor. The pioneer worker in this field was A. Peshekhonov in Kaluga. In a description of peasant economy in Kozelski uyezd he did not sketch family living separately, but used all the statistical material of the bureau in describing each branch of the household economy. The study analyzed the cultivation of the fields, vegetable gardens, the pasture lands, forest lands, cattle raising, and industrial occupations dealing in detail with the use or "exertion of labor power." This general view of peasant economy showed its receipts and returns to labor through a combined and simplified accounting system. The concepts of farm management described the organization of labor in a household, determined the cost per day of a working horse, the cost of a *pud* (36 lbs.) of manure, and found the relative returns from different branches of the household.

Of the early twentieth century studies, those by Yuferov, Makedonov, Arnold, the Kirghiz Bureau, and Padolka are similar to the earlier investigations by Shcherbina. The statistical bureau of the Vologodda gubernia, however, was interested in an economic inventory of the households, in working out methods for determining the normal output per worker and the return from different crops, and in the amount and composition of crop loans customarily registered by village censuses.

These were determined by means of monographic descriptions of many typical households. The problems of evaluation required study. In general the Vologodda studies were very complete and constitute a classic example of this kind of work.

The early twentieth century was also noted for the introduction of western European methods for studying the wage earners by Prokopovich in his "Haushaltungsbudgets Petersburger Arbeiter," *Archiv für Sozialwissenschaft und Sozialpolitik,* Vol. 30, Tübingen, 1910. This study was based on the results obtained from 570 households divided into three groups of laborers: Russians as a whole, residents of the province of St. Petersburg, and residents of the city of St. Petersburg. They are further grouped according to the expenditures which ranged from less than 200 to more than 1200 rubles a year. Incomes were not accurately ascertained; it was believed that the expenditures averaged 20% more than the incomes. Rents accounted for 14.68% of the whole expenditure, clothing 9.96% to 14.8%, and food 44.7% to 57.74%. Tabulations were also based on the size of the family: from single households to those with 11 or more members. The relative proportions of expenditure for necessities confirmed Engel's law but not Schwabe's (percentage for rent did not decrease with income). Incomes for laborers in St. Petersburg averaged about 50% more than in other parts of Russia. The number of cases examined was small in comparison with the number of Russian workers (570 to 3,000,000) but this represents the beginning of this type of investigation in Russia.

The Emphasis on Production Analysis

As already indicated, the studies included production as well as consumption. The first decade of the twentieth century saw a considerable change in Russian agricultural life; the old forms of three-field cultivation being found unprofitable. New forms appeared following the Revolution of 1905 and the Stolypin reform measures. The government increased the studies and established several extension institutes to help the peasant. The villages were being broken up into isolated farms. Former studies were not adequate for understanding this changing agriculture. This was discussed at the XI Meeting of

Russian Naturalists and Physicians in 1909-10 K. A. Matseevich's address to the Agricultural Society in 1910 attempted to formulate a new goal for the investigation, chiefly as a study of the economic organization of individual peasant households. Former studies had dealt more with villages and mass statistics.

The meeting of the Moscow Oblast Agriculturist Aid Society of 1911 held that in planning rural household economy the best source of information was budget studies. Questions of utilizing the data for purposes of production economics became very frequent in agricultural publications, and a number of agricultural organizations included such inquiries in their programs. Among these was Tschajanow's study of *Flax and Other Crops in the Plan of Organization of the Peasant Household of Non-Black Soil Russia,* Moscow, 1912-13, which was made for the Association of Linen Producers. It was first planned to be a complete study, but after it was begun many items were eliminated.

Tschajanow adapted data from the flax study for twenty-five households and analyzed it to show the farm and family divisions of the budget, and the relations of farm income to expenditure through double-entry accounting. All general expenditures were placed in one account and not distributed among separate crops, figuring only in the household balance. The published form of this material permitted the reader to grasp the organization of production for each crop. By summarizing the figures of the separate accounts and deducting debits from credits, the yearly profits from agriculture were found. By adding wages received for other occupations the author was able to compare the total with the expenditures for personal wants. He was also able to calculate the average return for one working day in terms of produce grown. This connection of budgetary investigations to the analysis of production became a basic practice in Russian economic studies of agriculture.

Studies in Which Records Were Kept

The first Russian attempt to use income and expenditure records was by F. Shcherbina in his *Peasant Budgets* which recorded monetary transfers from the account book of a peasant of Voronejh gubernia.

The next was an "Account Book from Moscow Gubernia," published by N. F. Annenski in *Russian Wealth*, 1902. This was followed by the work of S. A. Pervushin, *On the Question of Establishing Budgetary Inquiries*, Moscow, 1912, published by the Moscow uyezd zemstvo, which contained two peasant income-expenditure accounts for a number of years. These three works utilized accounts found accidentally by the investigators. At the meeting of the Moscow Agriculturists in 1911, S. A. Pervushin pointed out the unreliability of schedules filled out during interviews, and suggested securing a number of correspondents to keep accounts throughout the year.

With the growth of marketing, the peasant household, which at an earlier period was preoccupied only with home production for self-sufficiency, became more interested in the quantity of production. With the growth of monetary exchanges this emphasis on quantity was replaced by interest in the abstract quality—economic value. Under these new conditions, details of household accounting grew in importance in order to determine the most productive part of the activity, and thus enable more time to be spent in the more profitable enterprises. A search was made to find simple methods of accounting readily understandable by the peasant and suitable for a houshold whose aim is not a maximum return on capital invested but an optimum return for the yearly labor of the family. This was begun by introducing the methods of Dr. Ernst Laur of Switzerland.[3]

Methodological Developments Preceding the War

Between 1909 and 1916, seventeen important studies concerning Russian household economy were published. Kuzminikh-Lanin was the author of *Artel Feeding of the Workers of One Silkwinding Factory in Moscow*, Moscow, 1914, and also *Artel Feeding of the Factory Workers of Moscow Gubernia*, Moscow, 1914. These studies used a method first suggested by Professor Erisman in 1894. Income and

[3] Laur's methods and results are summarized in "Recherches relative à la rentabilité de l'agriculture," *Report of the Swiss Agricultural Secretariat*, Berne, 1926, parts I and II. This summarizes his studies from 1901-1926. See also Sorokin, Zimmerman and Galpin, *Systematic Source Book in Rural Sociology*, Univ. of Minnesota Press, 1932, Vol. III, Ch. XXI, pp. 400 ff.

expenditure accounts were collected during the several years for factory eating-houses run by the *artels*. The material on consumption was collected and analyzed by man-days. Stable consumption norms were derived, and the influence of seasons and other factors on consumption were studied.[4]

Thus, the pre-war studies in Russia had moved far beyond the modest ideas of Sir F. M. Eden, and the term "budgetary investigation" now had a rather indeterminate meaning including many greatly varied items and purposes. This differed from the census and inventory investigations which only gave the value of possessions. The budget investigations gave the values and the course of goods and services available for total living. Some tried to give a cross section at a given period; others to give the movement and development of phenomena during the course of a year. The pre-war studies seemed to combine the characteristics of both.

The Penza and Valuiski studies, which were never completed because of the war, approached such a complete household investigation. The complete schedule included the entire production and consumption of the peasant household.

Even more detailed was the Valuga study which had four divisions. The fourth stage was a monographic description of the individual household, supplementing the budgets by information on clothing and furniture, detailed labor accounts, measures and weights of all the more important household articles and domestic animals, and the history of the household and its agricultural record.

Immediately before the war, A. Pedashenko of the Division of Rural Economy and Agricultural Statistics of the Central Department of Land Cultivation and Organization became interested in types of household records and published, with N. Kajhanov as editor, a two-volume compilation and analysis of all western European forms of household accounting statistics. The widespread organization of the work was postponed because of the war.

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[4] The *artels* were cooperatives of workers. In this case the workers absent from their peasant homes cooperated for mutual sustenance. For *artel*, see P. A. Sorokin's article in Volume 2 in the *Encyclopaedia of the Social Sciences.*

Methodological Conclusions of the Tschuprow Society

Inquiries had brought forth so many new methodological ideas that it seemed imperative to systematize them and to give them a theoretical foundation. The A. I. Tschuprow Society for the Study of the Social Sciences undertook this task and discussed it at their three annual meetings before the revolution. By summarizing what was said at these meetings, a composite picture of pre-revolutionary budget methodology was found to cover the four following divisions.

1. *Selection of Households Described.* One of the fundamental things is the selection of households evenly distributed throughout the territory. Vologda investigators succeeded in completely fulfilling this requirement, others only partially. In selecting a typical household the investigators had two requirements to be met by different processes. The first was that the characteristics of the household budgets should be similar to the regional composition. In order to do this the sample and the region should coincide for relative and average figures, for curves of distribution, and for absolute sums when the sample was multiplied by the coefficient of selection.

The methods used included mechanical selection, as the 10th, the 20th, etc., and household and representative selection based upon typical characteristics. The objections lay in the fact that it was very difficult to determine typical characteristics. The household selected might fulfill these requirements and not be typical in other respects. It was often impossible to find households of the average size which had typical characteristics. Further with a small coefficient of selection many small groups may not be represented at all or will be represented in the sample by a very limited group.

A second requirement was that the studies should not give the average but the full range of household types to be found in the region. The research worker is instructed to describe the poor, middle, and rich households in the villages visited according to his own judgment so that they will be typical for the region. The only restriction is that the regions are selected from which the budgets are to be chosen so that they will conform to the productive organization of the types of households. The central bureau determines all the possible combinations of household figures, the representatives of which are then checked in the household census for future budget investigation.

The objections to this method are that distribution curves for households in the region, according to various characteristics, cannot be investigated by this analysis and that averages of the entire study have no real meaning.

2. *Criticism of the Materials.* In the first treatment of the material one is often necessarily pushed into interpolation of the data by various empirical formulae. Interpolation has a place when used to fill in unavoidable omissions or when the data contradict each other. In these cases Shcherbina, Pashkovski and Tschajanow used interpolation. This called forth severe criticism because they interpolated in the place of inadequate or rejected data according to norms which were the averages for all remaining budgets or separate groups of budgets. It was claimed that interpolating norms instead of individual figures gave typical households rather than individual households, thus excluding the use of comparison and grouping. Defenders of this method of interpolation claimed that the percentage of interpolated figures was usually insignificant (less than 5%), and that their influence in the rise and fall of the distribution in the groups was small.

3. *Evaluations.* A considerable part of the budgetary data was in kind which could be evaluated in monetary units. In doing this the following types of goods had to be considered.

a. Produce having a market price but not sold for some reason.

b. Produce whose finished form has a market price but which at the time of investigation is in process of production and has no market price.

c. Produce which is not marketed (manure, etc.).

d. Buildings, production equipment, etc.

Many investigators believed that these should be evaluated by the owners. Others believed that this introduced such a large element of subjective judgment that the figures would be incomparable; there should be some form of uniform evaluation. Still others believed that there should be different methods of evaluation for the different kinds of products, using tax data for goods which had no market price.

4. *Methods of Treatment.* Questions were also raised as to balancing the incomes and expenditures, accounting for labor, the classification of items, etc. No final decisions were reached. Two ideas were suggested: (a) Budgets should be published individually, not in groups; and (b) investigators should pay special attention to money savings, and conditions of the productive means at the beginning and end of the year.

Studies After the War

The war made systematic gathering of data impossible, and discontinued the historical trend of methodological inquiry. During the period 1913-1922, in the majority of cases, old budgetary studies were completed, and texts were written for the tables made before the war.

The reappearance of family living studies occurred in 1919 when the Central Statistical Bureau carried on a widespread investigation. The method included an introductory analysis of the household history, aiming to determine the most important changes in the household during the war and revolution and their causes. 1914 and 1919 were compared in reference to population, land utilization, sowings, garden areas, occupations, commercial and industrial enterprises, cattle ownership, and inventories (61 items). Then several hundred items were allocated to the economic factors in production. Included among these were numerous details of time distribution but most of them applied to the farm rather than the household. The study was concluded by an analysis of food consumption, money income, income in kind, savings in money and kind, and debts. The major emphasis was on the factors of production.

Such investigations found a firm basis only after a constant unit of exchange, the *chervonetz,* had been established. The most important ideas in methodology which developed at this time are as follows:

1. The idea of collection and treatment of family living data to study the national economic balance, as well as the analysis of merchandise, purchasing activity, and other economic properties of peasant households and laborers' budgets.
2. The idea of using a budgetary method for studying reciprocal social relations within the village, its form of social-economic

differentiation, and its expression of the productive characteristics of different social groups in the village.

In the period of war and communism the knowledge of consumption norms was very important and indispensable. Beginning with 1919 many scientific organizations focused on these norms. In this connection may be noted the monthly questionnaires which were used at the time of the Food Institute of the Supreme Economic Council of the U. S. S. R. However, the most significant were the statistical studies made by the consumption division of the Central Statistical Bureau, under the direction of A. E. Lositski. These works, relying on two observations during a year, aimed to give the average daily consumption of various foods, and the calorie total with a separate account of the grams of fats, carbohydrates, and proteins.

Somewhat different in composition and history but similar in aim were the studies undertaken by L. N. Litoshenko in 1922, 1923, and 1924. The aims were the determination of the amount of goods exchanged in peasant households, the composition of this exchange, the consumption norms of industrial commodities, and the capital turnover. An attempt was made to secure indices for calculating the changes in national economy and the separation of production norms and personal consumption in order to construct a general balance.

This form of treatment and publication described the household in detail but presented only a series of balances. In succeeding works this one-sidedness was somewhat corrected. With immense material at its disposal, more or less evenly distributed over the country, the Central Statistical Bureau could give its studies a distinctly large scale character, yielding a picture for the whole country. The continuation of the records from year to year permitted a dynamic investigation of the business cycle. These conditions made the work by Litoshenko seem an important contribution to Russian methodology, in spite of the lack of analytical statistics and of the general sparsity of groupings. Part of his dynamic study is a classic example of the use of budgetary data to present national economic problems. Nevertheless, the fascination of details and the search for indexes of national economy diverted the investigations of the Central Statistical Office from the study of the organization of production. From the publications of the Bureau one may derive information on the profits and standard of living of peasant households, but it is impossible to discover anything about the organization of production, the cost of production, or other similar problems. This evoked severe criticism from agronomic circles and special production records were organized by the Bureau of Agriculture to complement the investigations of the C. S. B.

Most of these works may be placed in four categories. (1) Works studying norms of consumption, market turnover, or monetary budgets, and other separate budgetary problems concerning national economic character. (2) Works dealing with local problems. (3) Monographic works by central and local institutions studying the organization of peasant households and questions of agricultural production. (4) Those attempting to study problems of the social structure in the village and the economic structure of households of different social types through family living investigations. For the analysis of social relations the authors rejected groupings according to area of sowings and directly considered the social relations in the village.

Finally, an absolutely new use of budgets is found in the so-called sectional profile studies of economic geography, in which the investigator, moving by tens of kilometers along a line marking the development of some factor, prefers to study parallel changes in the forms of household organization. This was also applied to the study of the culture of raw materials.

In addition to these, the seven Le Play monographs which apply to Russia are of particular importance. The first was made by F. Le Play and M. Daniloff in 1844 and dealt with an iron-smelter and coal-hauler in the mines of the Ural Mountains. This was followed by a study by F. Le Play and R. Riaboff, also in 1844, which dealt with a carpenter and grain merchant in the gold mine section of western Siberia. In 1853 A. de Saint-Léger and F. Le Play made three studies, one of which dealt with a tribe of Bachkirs or semi-nomadic pastoral people upon the Asiatic slopes of the Ural Mountains, a second with feudal peasants on the black soil steppes of southern Russia, and a third with peasants and migratory laborers in central Russia. In 1876 and 1884 A. Wilbois made a study of the emancipated serfs in a rural community which dealt particularly with the problems of purchasing their farms. Finally, in 1887, A. Peretz furnished a study of an armor-maker in the imperial factory of Toula. These seven monographs were similar to the other Le Play studies.

Studies of Laborers

The number of inquiries covering family budgets of Russian workers before the Revolution of 1917 was very small. Such inquiries were chiefly conducted by trade unions under most favorable conditions and therefore presented a very limited scope for thorough investigations. Moreover, they were confined to certain industries and towns. Such were the inquiries made in St. Petersburg in 1908 and 1909, in Baku in 1910, and several others. These inquiries, however, supplemented by official statistics, are the only available sources for the standard of living of Russian workers before the Revolution.

Since the Revolution, budget inquiries of workers' families have been conducted yearly in Russia. November has been chosen as the most convenient and most characteristic month for such investigations. Unfortunately, the inquiries of the first years of the Revolution (1918-1922) are hardly comparable with each other and later inquiries because they were conducted during the civil war and the experiments of pure communism when wages had ceased to play any important part in the income of the workers. Conclusions from these studies should be made concerning the price situation, the purchasing power of money, the selectivity of cases, and the availability of goods.

The Soviet inquiries have been conducted on a large scale by means of a detailed questionnaire and the help of agents who distributed account books to workers' families and supervised the entries. The Central Statistical Department was assisted by the local offices for labor statistics and also by local trade union committees. The inquiries cover four main industrial regions: Moscow, Leningrad, the Ural district, and the Donabas coal-mine area in the Ukraine; and are conducted among workers employed in the main industries (textiles, metals, and coal-mining).

The number of returns examined since 1922 and the average size of the families covered by them are shown in the following table.

NUMBER OF RETURNS EXAMINED AND AVERAGE SIZE OF FAMILIES, 1922–1927*

Date of Inquiry	No. of Returns	Average No. of Persons in Family
1922	1434	....
1923	1600	4.15
1924	1600	3.60—4.21
1925	1402	4.10
1926	1380	4.10
1927	1400	3.93
1928	1370	4.01
1929	1044	4.04
1930	1204	4.02
1931	2103	4.00

* The figures for 1928 are from *Labor in the USSR* (in Russian), published by Gosplan, Moscow, 1930, p. 57.

The small number of returns examined and their limitations in regard to locality and type of industry make it impossible to consider these budgets as representative samples of workers' family budgets in Russia. The wages given in the inquiry represent those of the aristocracy among labor in the districts in question.

The Soviet labor inquiries include a number of items of income and expenditure in addition to other descriptive materials. The items of income are: wages of head of family in his main occupation; wages of members of family in their main occupations; aids for temporary disability; other earnings of the head and members of the family; receipts from own producing economy; receipts from renting house, rooms, or corners; other receipts; floating credits; and those taken out of reserve and savings. The items of expenditure are: dwelling; heating and lighting materials; eating at home; eating out; alcoholic beverages; tobacco, cigarettes, and matches; clothing, toilet articles, and laundry; furniture, household articles, and decorations for the houses; hygiene; treatment of sickness; cultural-educational expenses (a detailed list); societal-political expenses; expenses for own agricultural economy; taxes; and other expenses. The more recent studies are classified into seven geographical areas, and into married and unmarried laborers. Some attempts have been made to compare the conditions of the collective units with the individual laboring units. In addition, certain descriptive materials are gathered concerning the houses, such as the room-space per person, heating, lighting, water, and sewage disposal. Further information has been collected concerning the educational, recreational, and political gatherings. Materials are generally tabulated according to size of income and size of family. However, these data should be interpreted according to their representativeness.

Conclusions

One theory which has been developed to a considerable extent in Russia has been that of the influence of the inner structure of the family upon its standard of living. This is generally measured by the relation between workers and consumers in the family.[5]

Attention should be directed to the exploratory work concerning "time budgets" which has been carried on in Russia in a more analytical manner than in other countries. S. A. Strumilin in *Time Budget of the Russian Worker* (Moscow, 1925), and I. Larin in *Soviet Village* (Moscow, 1925) distribute the yearly 8,640 hours of the typical city worker and peasant according to sex into the following categories: production, transportation to work, state duties, household duties, marketing, education, eating, recreation, religion, and sleeping and resting. This analysis particularly differs from the time studies in other countries because of its attempt to classify and enumerate the total time of the individual. A number of other similar studies were made but these are the most representative.

Russian studies have adapted themselves to the different forms of social organization. Thus, the early Le Play studies and Kleefeld's work dealt with the feudal *mir*. The voluntary rationalization of the *mir* by the distribution of lands from the common fields was described. After the freedom of the serfs actual studies of the *mir* organization grew in popularity. As social differentiation increased, the items in and the differentiation of the budget increased. The Stolypin movements to break up the *mir* after the War of 1905 brought new problems. Late movements were studies of the *artel*, studies of the worker's budget, studies of consumption under communism, studies of national economic balance under the totalitarian concept of the socialist state.

During all of this development, however, there were a few persons who sought fundamental scientific truth in these budget studies.

[5] See the discussion of Tschajanow's theories in Chapter III.

CHAPTER XIX

American Studies—Then and Now

Budget studies of consequence were not taken up in the United States until after the question of the Union was settled by the Civil War.—Earlier writers, such as Rae and Carey, however, did a great deal of thinking about consumption economics.—In the period after the Civil War, Francis Walker contributed greatly to a theory of consumption.—Walker was an optimist whereas Henry George was a pessimist.—During this period Edward Young established international and statistical investigations.—Carroll D. Wright gave a realistic approach which still remains a landmark in the field of budget investigations.—W. O. Atwater began a dietary approach which has not been excelled since.—The period after 1900 was one of flowering of budget investigations.—Technique and problems were attacked by numerous investigators.—Very few studies after 1900 had the creative originality of the earlier works by Young, Wright and Atwater.—Individualism, Equalitarianism, Malthusianism, Hedonism, and Progress found their devotees in consumption theory and in budget studies.—A large study was proposed by a Committee of the Social Science Research Council in 1929.—This study is criticized because it deals with expenditure alone.—It over-emphasizes the use of the marginal utility of the unit of currency.—Its technique is purely synthetic.—It is primarily limited to a study of sensation alone.—Its unreality shows up in an outstanding fashion by its neglect of the non-material standard of living.—Static utility charts will not solve the probable problems of living in future America.

This chapter deals with family budget studies in the United States. These have been relatively numerous (probably 500 in all) and cannot be listed or discussed in detail. We choose rather to discuss them with particular reference to their theoretical background and their probable future development.[1]

The economic doctrines essential to such studies developed quite slowly in the United States, due in part to the newness of the country, to its comparative self-sufficiency, and to its isolation from Europe. These circumstances, together with the bountiful natural resources,

[1] See Williams, F. M. and Zimmerman, C. C., U. S. D. A., *Miscellaneous Publication No. 223*, for further notes.

account for a general optimism which has always pervaded American thinking. An illustration of this is the early attempt to refute the law of diminishing returns. The great fertility of the land which had barely been tapped led to many illusions. Until more settled conditions prevailed there was little evidence to support fundamental economic laws. Land was abundant and labor scarce, which was the reverse of conditions in England and Europe. Living conditions were strenuous and difficult but not of the kind that are generally concomitant with widespread poverty. Industrialization did not become important until the improvement of transportation.

The rise of dominant groups of economic thinkers did not occur until after the formative period of political and economic life in the republic. During this early period, circumstances stimulated a general reaction against the classical doctrines, particularly in regard to the law of diminishing returns, the Malthusian theory of population, and the subsistence theory of wages. Early writers, however, did consider the relation of consumption to production. Daniel Raymond in 1820 believed that equilibrium between them should be maintained because this would "insure the greatest degree of national prosperity and happiness." This treatment of consumption in relation to prosperity was limited to the field of production. It was not long, however, before the treatment of consumption became broader.

John Rae (1786-1873), a Scotchman by birth, spent the formative period of his intellectual life in America. In his *Principles of Political Economy,* consumption is discussed as "Luxury." He designated vanity as the underlying factor in retarding the progress of the accumulation of wealth. The essence of vanity is the desire for superiority over others regardless of their merits. The things which gratify the desires of vanity are those which become essentially conspicuous during the process of consumption. Expensiveness is considered the predominant feature of luxury; the basis of which is its scarcity, or the amount of labor required for its completion. Once the labor requirement is reduced and the supply increased so that it is available to a large number of consumers, it loses its power to satisfy the dictates of vanity. Variety, in the form of fashion, then becomes a substitute for unit expensiveness in gratifying the desires of vanity.

So pervasive is the trait of vanity in human nature that there is a constant effort to imitate. The amount expended for necessities tends to become proportionally less while that for luxuries increases. The result, according to Rae, is that one "becomes a mere imitator, and like most imitators, is apt to retain all the defects and to drop much of the graces of his copy." [2]

Rae distinguished between social vanity and intellectual vanity: the former is expressed in sumptuous entertainments and luxuries of the table, and the latter in expensive buildings and decorations. Differences in vanity are also noted between rural and urban peoples. Scattered populations never experience the same degree of vanity that prevails among dense populations.

He suggested the nature of vicarious consumption (a term used later by Veblen, but never by Rae himself)[3] when he said that a man sometimes labors with the intention of building up a fortune which will be bestowed on his children in order "to give the present [generation] an idea of the extent of his resources . . . and to make it apparent to his contemporaries that a monument of his prosperity and magnificance will descend to future times." Luxuries as such are considered wasteful but with the progress of invention it is possible to extend their utilities and thereby put them out of the luxury class.

H. C. Carey (1793-1879) may be singled out, however, as the dominant economic thinker during this period. He provoked much thought concerning the wages and condition of the laboring classes. He set forth as an elementary proposition that "man desires to maintain and improve his condition." [4] Believing this to be a fundamental urge he was inclined to be optimistic about its effect on the actual living conditions of working people. If allowed free play, the laws of nature will work in harmony with the interests of man. He attributed poverty and misery to interference with the natural working out of these laws.

He was among the first Americans to use the term "standard of living" in the sense of actual consumption. He maintained that this standard depends on the relation between capital and labor. On first

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[2] Rae, John, *Principles of Political Economy*, p. 256.

[3] See Gray, Alexander, *Development of Economic Doctrines*, New York, 1931, p. 204.

[4] Carey, H. C., *Principles of Political Economy*, Philadelphia, 1837, Vol. I, p. xvii.

thought one might suppose that this would be rather pessimistic. Carey himself said that

> . . . where the increase of population is attended by a *diminution* in the ratio which capital bears thereto, there is a *constant deterioration* in the condition of both labourer and capitalist, accompanied by *a depression in the general standard of living.*[5]

But Carey contended that with progress the laborer would in reality receive a relatively larger share of the product. The facilities for providing for physical wants would be increased thereby and accordingly the intellectual and moral condition of the population would steadily improve.[6]

The Creative Period [7]

Following the Civil War, economic problems, especially those involving the tariff and monetary matters, assumed added importance. From the point of view of economic theory, classicism gained a more secure foothold in the United States. The first luminary to reach full ascendance during this era was *F. A. Walker* [8] (1840-1897). He was one of the chief opponents of the wages-fund doctrine, a concept which for more than half a century had colored economic thought concerning the condition of the laboring classes. He held that wages, and conse-

[5] *Ibid.,* Vol. II, p. 464, 1838.

[6] A critic suggests: "I very much question that Carey held that labor would secure a larger proportion or share of the product of industry as progress was made. A larger income yes, a larger share of total product, probably not. The author should reassure himself."

Gray's interpretation is the same as mine. See *The Development of Economic Doctrine,* London, 1931, p. 250. Paul T. Homan's interpretation is the same as this. See *Encyclopaedia of the Social Sciences,* Vol. 3, p. 226. "Carey . . . sought to establish a principle of increasing relative remuneration to labor as compared with that of capital."

Carey summarized his thought as follows:

XXIII. That with every improvement in the quality of labour, the quantity of commodities to be divided is increased. That this increased production is attended by the power, on the part of the labourer, to retain a constantly increasing *proportion* of the commodities produced. He is, therefore, constantly improving in his condition. (*Principles of Political Economy,* by H. C. Carey, Philadelphia, 1837, p. 339.)

[7] The use of this terminology applies almost purely to budgetary studies. We are not evaluating American culture generally.

[8] F. A. Walker was the son of Amasa Walker, founder of Oberlin College, Boston merchant, anti-slaver, congressman and economist. F. A. Walker himself was a soldier (sergeant major to brigadier general in the Civil War), journalist, statistician, Yale professor, president of M. I. T., exponent of the quantity theory of money, and economist. He was a colorful figure who left a mark upon his times.

quently the condition of laborers, were determined by the relation of population to capital, or by that share of capital reserved for labor.

Walker considered consumption a fourth field of political economy, regretting the fact that economists in general had neglected this type of behavior. He defined consumption as the "use made of wealth." As a field of inquiry it is significant to the economist because the use made of the existing wealth determines to a great extent the wealth of the next generation. It is not so much the absolute amount of wealth which matters as it is the habits of consuming it. The habits of consumption of nations or races may account for their rise and fall. Walker used the terms, standard of living and standard of subsistence, interchangeably. What he had in mind was the actual content of living. In some cases he included comforts and decencies, in others only subsistence. He spoke of *planes of comfort and decency* and of a *plane of extreme misery*. He showed that the primary use of wealth is for subsistence. In warm climates subsistence is assured simply by food. Methods of using food were developed even before the means of production. Cooking as an art was developed before means of cultivation. In colder climates, together with the need for food, are the needs for shelter, clothing, and fuel.

The relation of numbers to standard of living is more complex. Wealth is consumed by the productive laborer, his wife, and his children. The first needs to be met are those of subsistence. If there are too many children, the standard of living must be reduced. The effects will be: (1) a reduction of the vital force and labor power, (2) a diminution or disappearance of a reserve fund, and (3) the generation of infirmities and diseases of a transmissible character. As long as the standard of living includes comforts and decencies, people will resist a lowering of it by restricting the number of children, but once it has fallen to a mere subsistence level, this restriction no longer operates. He cites such countries as India and China where a high birth rate is said to go hand in hand with meagre and squalid conditions or a "plane of extreme misery."

After the needs of subsistence are satisfied, new wants will be governed by the moral and social characteristics of each group. If the new wants cannot be satisfied by the existing fund of wealth, the procreative force is checked in one of three ways: (1) reduction of the number who marry, (2) postponement of marriage, and (3) a diminished birth rate. The desires for a diversified diet and for decencies have been powerful influences in restricting population. He defined *decencies* as those things required by public opinion. The desire for decencies is not so widespread as the desire for a diversified diet but within the range in which it operates, it exhibits greater persistency and intensity. Walker foresaw in the low cost of food the means of increasing comforts and luxuries.

Thus, according to his point of view, consumption forms the dynamics of wealth. Once a people has found it can regulate the population numbers, there will be no end to the expansion of wants. Forces which enlarge capital and expand the productive agencies will be at work.

Henry George (1839-1897) was a second conspicuous figure during this period. He is mentioned here because his point of view about consumption is antithetical to that of Walker. He was vitally concerned over the condition of the laboring class and the prevalence of poverty despite "progress," but he sought an answer only in the fields of production and distribution. Like Mill he believed that the "science of political economy does not concern itself with consumption." He granted that human desires give rise to the activities of production and distribution, yet concluded that the province of political economy does not extend beyond distribution. "With what becomes of wealth after it is distributed political economy has nothing whatever to do." [9]

After 1885 the thought of American economists began to develop rapidly. Ideas similar to those of the classical, the Austrian, and the historical schools gained popularity. If any feature is to be called "typically American" it is probably this very eclecticism of thought.

Associated with these developments in the theory of consumption was the rapid increase of budget studies. Prior to this, there had been very few other than personal reminiscences and newspaper articles. In 1836 the United States Senate had published "a regular diary" of the expenses of a clerk gathered after an argument as to salaries of employees. This occurred in the days when the west had come "into its

[9] George, Henry, *The Science of Political Economy*, New York, 1898, p. 427. George missed a number of meals himself. His early days were spent in great poverty.

own" under the national leadership of Andrew Jackson. Later, in 1859 L. Simonin had attempted to introduce the Le Play system of investigation into America by his analysis of the "Gold Miner of Mariposa, California." [10] However, beginning in 1870 and extending through the end of the nineteenth century a series of investigations were made and ideas were systematized principally under the leadership of Edward Young, Carroll D. Wright, W. O. Atwater, and the United States Department of Labor Statistics.

Edward Young was chief of the Bureau of Statistics of the United States Treasury when in 1870 he presented a report upon "the cost of labor and subsistence for the year 1869, as compared with the previous year." This attempted to summarize conditions among the American wage earners at the end of the Civil War and compared them with Ducpétiaux's study in Belgium for the early '50's. However, Young made his most mature report in 1875, after having traveled to Europe as a delegate to the International Statistical Association and having secured data for a number of countries.[11] Young's versatility is shown by the many diverse figures which he has incorporated in this single volume on living conditions of the mass of laborers. He begins with a history of labor, treating conditions in ancient Egypt, Chaldea, Greece, Rome, and Europe under the feudal system and after the introduction of machinery. He then deals with labor conditions in the various European countries, the United States, and Canada between 1870 and 1875. For each country there are presented detailed studies of wages, prices of commodities, and budgets of average weekly or annual expenditures of laborers' families. Frequent mention is made of dietaries, leisure-time activities, types of dwelling, types of clothing, consumption of alcoholic beverages, etc. Much of the material was gathered personally by the author. Other sources were government

[10] Further studies by the Le Play School in North America include: Gauldrée-Boilleau, M., "Farmer of St. Irene, Canada," *Les ouvriers des deux mondes* (1) 5:51-108, Paris, 1885; Jannet, Claudio, "Farmer in the West of Texas," *Les ouvriers des deux mondes* (2) 4: 101-172, Paris, 1895; and Lortie, S. A., "Printer of Quebec, Canada," *Les ouvriers des deux mondes* (3) 2: 61-132, Paris, 1908.

[11] Young, Edward, *Labor in Europe and America*, Philadelphia, 1875. For some reason this 864-page document was printed privately although it resembles the governmental publications of the period. The thoughts of F. A. Walker and the work by Young were closely related.

statistics, questionnaires, and diplomatic and consular reports. For comparative purposes, all money was translated into American dollars.

His analysis of conditions in America was based upon tables showing "the rates of wages paid in agricultural, mechanical, and manufacturing industry, together with the cost of subsistence and the expenditures of families of work-people in the several sections and States of the Union" and Canada.[12] The average weekly expenditures covered 95 workingmen's families in the United States and 19 families in the eastern Canadian provinces.

Young, however, was chary of conclusions. He presented no systematic budgetary theory and reached no particular hypotheses. This may be due in part to his official connections. His data merely describe the costs of living in various countries, and show that wages and conditions of work vary with place, time, and occupation. He simply tries to trace the condition of labor "from the earliest historical period to the present time."

It was *Carroll D. Wright,* one time a colonel in the northern army, later lawyer, politician, Massachusetts and United States Commissioners of Labor, Harvard lecturer, coal-strike arbitrator, and president of Clark College, who, first among American writers, developed a systematic theory of budgetary behavior. Wright was a social reformer and a devotee of evolutionary sociology in addition to his qualifications as a statistician and budget investigator. In 1875 [13] Wright presented a study of the conditions of workingmen's families. This dealt with 2041 persons in 397 families, mostly of skilled and unskilled laborers in Massachusetts. He compared the itemized expenditures for the skilled and the unskilled laborers and a few overseers or bosses. International comparisons of expenditures, and the quantities and qualities of items consumed were also presented. In this work the American studies of standards and levels of living attained a rapid and vigorous maturity. Wright considered all phases of family budgets from incomes through expenditures, consumption conditions, and savings. He recognized the importance of the social organization in his investigations of the size and composition of the families and their influence

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12 *Ibid.*, p. 737.

13 Wright, C. D., *Sixth Annual Report of the Massachusetts Bureau of Labor,* Part IV, 1875.

upon earnings, expenditures, consumption, and savings. He considered the various trades, the skilled, unskilled, and the overseer type of industrial employment, and the nationalities of the workers for each item. A number of the items also include separate analyses which divide the communities into those under 8,000, those from 8,000 to 16,000, and those above 16,000. At the end of his analysis he comes to the following twenty-three conclusions: [14]

> (1) In the majority of cases, these workingmen do not support their families by their individual earnings alone.
>
> (2) The amount of earnings contributed by wives, generally speaking, is so small, that they would save more by staying at home than they gain by outside labor.
>
> (3) The fathers rely, or are forced to depend, upon their children for from one-quarter to one-third of the entire family earnings.
>
> (4) The children under fifteen years of age supply, by their labor, from one-eighth to one-sixth of the total family earnings.
>
> (5) Judging from the proportionate outlay for dress, as regards entire expenses, there is no evidence that the workingmen we visited, in obedience to fashion indulge in an excessive or disproportionate expenditure.
>
> (6) From our investigations, we find no evidence, or indication, that workingmen spend large sums of money extravagantly or for "bad habits."
>
> (7) As regards subsistence, rents and fuel, the workingmen's families paid therefore larger percentages of their income than do workingmen's families, with like incomes, in Prussia and other European countries.
>
> (8) As regards clothing and sundry expenses, our workingmen's families paid therefore smaller percentages of their income than do workingmen's families, with like incomes, in the countries mentioned above.
>
> (9) The families containing the greatest number of child workers occupy the most crowded rooms and the inferior class of tenements.
>
> (10) About three-quarters of the workingmen's homes are in good condition as regards locality and needful sanitary provisions; but,—

[14] *Ibid.*, pp. 442-445.

(11) Nearly one-half of the unskilled laborers live in the inferior tenements.

(12) The working classes of Massachusetts are well fed.

(13) Their food, in variety and quality, is above the average of that consumed in foreign countries, and, as regards quantity of animal food used, their "higher level" is unquestionable.

(14) Our workingmen are, on the average, well and comfortably clothed.

(15) Their manner of dress is, at least, capable of most favorable comparison with that in foreign countries.

(16) A large proportion of the skilled workingmen visited have sewing and other labor-saving machines in use in their families.

(17) As evidences of material prosperity, significant numbers of the families (the aid of child labor being fully allowed), own pianos or cabinet-organs, have carpeted rooms, and maintain pews in church.

(18) More than one-half of the families visited save money; less than one-tenth are in debt; and the remainder make both ends meet.

(19) Without children's assistance, other things remaining equal, the majority of these families would be in poverty or debt.

(20) Savings, by families and fathers alone, are made in every branch of occupation investigated; but . . . in only a few cases is there evidence of the possibility of acquiring a competence, and, in those cases, it would be the result of assisted or family labor.

(21) The higher the income, generally speaking, the greater the saving, actually and proportionately.

(22) The average saving is about three per cent of the earnings.

(23) While the houses of the workingmen visited compare most favorably with those in foreign countries and other states of the Union, yet, in certain of the United States, workingmen have better opportunities for acquiring homes of their own.

This type of analysis with its background of a complete budget of incomes and expenditures, its consideration of the social organization, its discussion of savings and home-ownership, and its general orientation places budget studies in the United States on a scientific plane which has been equalled by only a few investigations since that time. However, Wright went even further and attempted to construct general principles for the measurement of living by the distribution of expenditures for present consumption. It was in this analysis that he made his misinterpretation of Ernst Engel's law. In so doing he contributed a series of statements most of which are erroneous and which led to the development of a generally undetected fallacy. It obscured the important conclusions developed by Wright by a pedantic argument over the validity of the erroneous version of Engel's laws.

Thus, Wright, in spite of the brilliance of his analysis, developed the background for an entirely different school of thought, one which attempted to measure living by the distribution of contemporary expenditures and paid relatively little attention to the problem of security. This change might have taken place in any event being more or less inherent in American optimism and the general lack of perspective and careful thought of social scientists *ex officio*. No matter for what reason, this new movement gained public attention and it was fifty years from the time of Wright's publication before American budget studies again were able to show works of any great popularity which analyzed the standard of living on such a comprehensive and worthwhile foundation as that by Wright.

The third investigator in the early and creative period of American budget studies was *Wilbur Olin Atwater* of New York and Vermont.[15] While a student at the Sheffield Scientific School at Yale University, he came in contact with Samuel W. Johnson, Professor of Agricultural Chemistry, and William H. Brewer, Professor of Agriculture. He received his Ph.D. in 1869 and spent the next two years in Leipzig and Berlin studying physiological chemistry. Between 1874 and the time of his death in 1909, Atwater centered his attention on the problem of food, beginning with that of cattle and ending with the food of men. By 1890 he had already made considerable contributions to the problem of the human diet. In 1894, with the assistance of C. D. Woods, he actively attempted to determine the heats of combustion of foodstuffs of humans, using a new form of bomb calorimeter. At the World's Fair in 1893, he analyzed the food products exhibited by the various

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[15] Schneider, E. C., "Wilbur Olin Atwater," *Dedication of Atwater Laboratory, June 12, 1930,* Storrs Agricultural Experiment Station, Bulletin 168, November, 1930, p. 216.

countries. In 1894, he was appointed chief of nutrition investigations under the office of experiment stations of the Department of Agriculture. In his capacity as chief, Professor Atwater planned and supervised investigations in about twenty states.

Atwater's study soon led him to consider the social background of the families as well as economic factors. When his technique was most highly developed, his analyses constituted family budget studies particularly expanded in reference to the analysis of foods. Since he had to examine each diet carefully his studies turned more toward the case than the statistical method. He laid the foundations, along with Engel and a few Europeans, for the adult equivalent scale. Much has been done since that time to shift the weighting of some of these scales but little substantial improvement has been effected.

By the early nineteenth century, 125 studies of family budgets had been concluded in America. Some of them, particularly the governmental investigations, included thousands of cases. Moreover, the technical, logical, and statistical foundations for a well-developed methodology had been laid.

The Period of Maturity [16]

Between 1900 and the present time approximately 350 separate studies have been made in the United States. Among these, particular attention should be called to the following. In 1901, the United States Department of Commerce and Labor studied the families of 25,440 wage earners, low salaried employees, tradesmen, and professionals. All investigations were limited to workers or others whose earnings were under $1200 a year. Analysis was made according to country of birth, home ownership, and types and amounts of expenditures. Schooling, size of homes, composition of households, and employment were also studied very carefully. A group of 2,567 families, who furnished the most reliable information, was studied in more detail and food consumption was reduced to the adult male equivalent.

Between 1902 and 1905 Louise B. More made a careful study of poor families living around Greenwich House in the lower west side

[16] Again this applies only to budget studies. It is doubtful even in this field if we have gone much beyond C. D. Wright.

of New York City. This analysis included all types of workers and a few shopkeepers. Some household expenditure records were kept by fifty of the families. A number of dependent families were included. In 1907, the same type of analysis was made by Robert C. Chapin in his study of the standard of living among workingmen's families in New York City. He attempted to determine how families in the same environment, but not dependent upon charity, lived. Chapin was unusually well-versed in investigations of this type and as an appendix he translated one of Le Play's monographs to illustrate Le Play's methodology.

Between 1907 and 1910, a number of studies by Margaret F. Byington and Charles P. Neill dealt with particular industrial towns and industries. Byington's study dealt with budgets in a steel town whereas Neill chose respectively the glass industry, the silk industry, the ready-made clothing industry, and the cotton mill workers.

During this same general period, Joseph L. Hills, Charles E. Wait, and H. C. White, presented dietary studies for the rural regions of Vermont, Tennessee and Georgia, all of which represent mature analyses built upon the early work of Atwater. The United States Immigration Commission studied income and rental expenditures among the immigrants in New York, Chicago, Philadelphia, Boston, Cleveland, Buffalo, and Milwaukee. Furthermore, the Great Britain Board of Trade, which had become interested in the cost of living in American families similar to the earlier investigations in Europe by the American Government, made a careful investigation of 7716 American wage earners in the building, engineering, and printing trades in 28 representative industrial towns. This study, however, gave few details as is characteristic of many official British investigations.

In the next decade, J. C. Kennedy studied the Chicago stockyards community; the National Education Association studied conditions among school teachers; Robert E. Park contributed a number of investigations of standards of living among Negroes; George F. Warren began to publish some investigations of farm family budgets; Esther L. Little and W. J. H. Cotton continued investigations of mill workers; T. J. Woofter contributed a study of the budgets of Negroes; F. H. Streightoff published his investigations of factory workers; Samuel

T. Bitting also contributed to Negro family budgets; and W. F. Ogburn, the United States Bureau of Labor Statistics and the United States Railroad Administration, furnished a long series of investigations of economic conditions and standards of living for the wage earners and white-collar employees of the United States as a whole.

Following 1920, studies were continued on a grand scale. Large national studies, however, were not repeated. In 1920 the Federal Reserve Board published an analysis of the expenditures of 819 families and a number of individuals employed by the bank. It included employees with salaries of less than $5000 yearly. The United States Bureau of Labor Statistics summarized reports for 741 colored families studied in the 1917-1919 investigations. Sadie T. Mossell investigated the standard of living of 100 Negro migrant families in Philadelphia, and Jessica B. Peixotto began a series of investigations of wage earners and professional families around San Francisco. Her particular contribution was a study of the families of professors at the University of California. Ellis L. Kirkpatrick began his investigations of farmers in the United States using for his analysis a system of accounting which attempted to separate, more or less arbitrarily, the farm as a social unit into the household and the productive aspects. C. C. Zimmerman and J. D. Black began a series of investigations of farm families which tried to keep the farm as a social unit in contradistinction to Kirkpatrick's methodology.

Others began a series of investigations of technique, such as accounting methods, the use of schedules, the keeping of records, adult equivalent scales, cost-consumption units, and the like.[17] The Committee on Cost of Medical Care began a number of investigations concerning health expenditures as a factor in living. Elizabeth E. Hoyt and others intensified the study of incomes of academic persons. Murray H. Leiffer turned to the standards of living in the ministry for the Methodist Episcopal Church. The Charity Foundation of Buffalo, New York, again began to study dependent families. Similar investigations of the poor were carried on by Helen I. Clarke for Wisconsin,

[17] E. L. Kirkpatrick, C. G. Woodhouse, F. M. Williams, Charles E. Lively, C. C. Zimmerman, J. D. Black, Walfred A. Anderson, Marianne Muse, Charlotte P. Brooks, Helen Canon, Elizabeth E. Hoyt, Hazel Kyrk, Edgar Sydenstricker, W. I. King, W. F. Ogburn, Hazel Stiebeling, and Edith Hawley.

and by Leila Houghteling and Elizabeth A. Hughes for Chicago. Foundations, private business concerns, agricultural experiment stations, and committees on child labor, on farm tenancy, and on the racial problem began other studies in great detail. The Lynds included family budget investigation in the analysis of Middletown. T. J. Woofter and Dorothy Dickins presented further important analyses of relative conditions of the Negroes. Niles Carpenter studied race and nationality as a factor in economic opportunities in the city of Buffalo. C. V. Noble and C. C. Zimmerman began a series of investigations of town and village families. Wilson Gee and Zimmerman began to make broad but specific rural-urban comparisons. International comparisons were taken up again, particularly by the labor committee of the League of Nations. C. F. Clayton and others of the Bureau of Agricultural Economics carried out studies of conditions for the marginal farmers. Asher Achinstein, James Ford, and others began investigations in which housing was the principal problem. The Le Play studies received their first systematic introduction into the United States through the work of C. C. Zimmerman and M. E. Frampton.

The Development of Theories and of Plans for Future Studies

During this period, of course, economic theory concerning consumption had developed considerably in America. In later chapters, we show how the Marxian theories of consumption were developed by Veblen and the theories of the Austrian School by Simon N. Patten.

In general the chief traits of these theories may be outlined as follows. They show all the divergencies of economic thought elsewhere. The chief characteristics are the five dominant ideas of modern economic philosophy. Adam Smith is represented by ideas of individual economy—the doctrines of *Poor Richard's Almanac*. On the other hand Marxian doctrine, the philosophy of socialism, and equalitarianism claim their share. Most writers show some leaning toward restriction of numbers of consumers—an idea which suggests Malthus. In the analysis of desire and the standard of living, strong doses of Austrian hedonism are to be found, and, finally, the theory of constant linear progress, as measured by the level of individual consumption, assumes a prominent place.

In general, we can see that relatively little has appeared recently which had not been developed and discussed in detail among the earlier economic schools. Ideas revolved but did not grow. The whole subject was handled primarily according to early nineteenth century European theory.

This general confusion and sterility of present philosophy concerning the problems of the standard of living can also be seen in recently proposed investigations of family living in the United States. Any opinion concerning these future investigations is, of course, partly subjective. However, a general background has been given in this and other chapters which at least suggests some objective basis for opinions. We limit ourselves to the discussion of a study proposed in 1929 by a committee of the Social Science Research Council.[18] This study had the following general suggestions concerning objectives.

> The welfare of the people depends ultimately upon two things: first, *how much do people earn?* and second, *how do they spend their money?* The investigation here outlined is concerned chiefly with the second of these two questions. We need to know in detail more about *how incomes are spent,* and *what kind of life incomes can purchase.* We want to know more about the competition between different commodities, desires and values in the daily life of the people. To learn what economic progress has meant for their health and welfare will require a new first-hand investigation.[19]
>
> This investigation is essentially a survey of the manner in which the American people spend their money according to income levels and of the meaning of these expenditures for their health and welfare. It is proposed that an adequate number of families and individuals should be selected at each income level ranging from poverty to $10,000 per year, in representative urban and country communities in the United States. Careful estimates of income and details of expenditures will be obtained from these selected persons and households in metropolitan districts, in small cities of the "middletown" type, in small towns and in country districts.

18 *Consumption According to Incomes,* a report prepared by a Special Committee of the Social Science Research Council, September, 1929.

19 *Ibid.,* p. 6.

> The broad unit for comparison between country and urban communities in the study will be a district, subdivided into three types of urban and one farm area.
>
> In this plan special attention is devoted to an attempt to give objective meaning to the standard of living. It is proposed to bring out as many direct relationships as possible between typical total budgets prevailing at various income levels and the occurrence of specific consumption items significant in the scale of living at these levels. Such information will aid in evaluating the real meaning of any wage or income. In the past much significance has been attached to concepts of "a living wage," "the minimum of subsistence," "the minimum of comfort," and "luxury" levels. Such concepts have been defined arbitrarily and rather loosely. One of the results of this study should be the displacement of these subjective notions by more realistic and descriptive generalizations.
>
> Unique in this study will be the examination of a fairly wide range of incomes, and the emphasis upon a comparison between living habits in the metropolis, in the smaller city and town, and on the farm. It is proposed to include a limited number of childless families and single persons as well as families with dependent children. It is further planned to make a special study of low incomes in several communities in order to discover the frequency of inadequate living among the poorer classes.[20]

The central problem of the study was:

> . . . to discover actual family expenditures by items, according to income classes and by families of different sizes is the specific purpose of this study.[21]

Sub-problems included examining the following topics:

> (a) Family Expenditures According to Income Class.
> (b) Consumption affected by Size of Family.[22]

Secondary problems included examining the budgets for light on the following ideas: the trend in the cost of living, market analysis, wage adjustment, comparison between farm and city, the tariff, physical

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[20] *Ibid.*, p. 7.
[21] *Ibid.*, p. 8.
[22] *Ibid.*, p. 8.

well-being, the use of leisure, budget guides, welfare organization, and numerous specific purposes, such as,

(1) What proportion of the population receives an inadequate annual income? What is the actual distribution of income among the poorer classes in these communities?
(2) How do the living habits and budgets of single persons compare with those of families as shown in the main body of this study?
(3) How do wealthy families distribute expenditures?[23]

This proposed study is open to criticism on several counts. It is evident that the study is one of expenditure—not income. It merely draws pictures of the pleasurable economic sensation in a given social system based upon the assumption that the marginal utility of the dollar is a stable social science unit. The problem proposed is the determination of what the American people obtain for their money and the immediate physical effects of these goods.

Its proposed technique is purely synthetic—having no creative originality of its own. Like a textbook, it has a little of most everything said before and nothing particular which is effectively new and useful. It unjustifiably assumes that the acme of technique has been attained. It assumes that technique is separate from studies in that it consolidates a synthetic method for a particular type of study.

Neither does it appear to suggest any particular relations between the level of income and the level of living other than the sensation in pure response mechanism as shown by Weber and Fechner. This is inherent in the choice of a central problem—the relation of effect of expenditures to the height of the income or expenditure scale.

The non-sensory phases of life are not explored. Living, according to the implications of this manuscript, is a conscious reaction to sensory stimuli. Living is impression—not a total system of impression and expression.

No particular theories are found which suggest that a standard of living is an organic whole including income-making as well as income-spending, sacrifice as well as reward, security as well as stimulus, or

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[23] *Ibid.*, pp. 9-11.

long-time as well as short-time factors. In other words, this study aims to give us one or a series of factual utility charts and not a picture of the total problem. It seems to get away from the reality of living.

It solves the problem, in so far as it approaches living by a collection of measures of particular results of the "machine" and not by a study of its mechanism, its promises for long-time performance, or its methods of operation. There is no provision for case studies of the entire mechanism, as it influences life in all aspects.

In other words, this proposed study is merely an attempt to carry the economic doctrines and assumptions of progress to their extreme conclusion. Little or no thought seems to be given to any rounded methodology or frame of reference.

Such an investigation can be conducted, of course, only under the assumption that life will always flow evenly and without particular guidance in the channels of conspicuous expenditure which developed rapidly in America after the World War. Once this is at all questioned, it becomes evident that more comprehensive and rounded investigations are needed for future America. If, as the survey of Russian studies shows most clearly (but the others almost as well), budget investigations adjust themselves to problems, then this study assumes only one problem for future America—that of the level of sensation from money incomes.

CHAPTER XX

Classical Economic Theory and Consumption

Economic theorists have dealt with systems of living.—Adam Smith held that consumption is the end of production but he did not discuss consumption directly.—He held that consumption would take care of itself.—John Stuart Mill held that production, not consumption, was the key to national wealth.—Lord Lauderdale emphasized consumption and outlined some of its principles.—He held that wants determine the direction which industry takes.—Senior developed this idea of Lauderdale.—He emphasized the love of variety and the love of distinction.—Alfred Marshall made wants and their satisfaction a prominent part of his economics.—His science of wants supplemented his science of efforts.—But efforts are primary to wants.—He modified Hedonism by the use of different words.—His idea of necessities included efficient living.—Economic and social progress means increasing the variety of wants.—His most original contribution is the pointing out of consumers' surplus.—Methods of living are important as they influence the efficiency of the economic system.—Marshall's economics studies both wealth and man.—The classical school in general paid little attention to consumption.—Since human wants were held to be insatiable these would discipline economic man.—The standard of living is found in man and not in his institutions.—However, Marshall did not hold this point of view as rigidly as did Adam Smith and John Stuart Mill.

Now that we have discussed in some detail the phases of systems of living, we may turn to some final conclusions as to their nature. The problems of describing systems of living will be related to that great body of secular theory which the economists have been amassing since the seventeenth century. The main schools of economic thought include the political arithmeticians, the physiocrats, the classical economists, the historical economists, and the Austrians. There have been various other groups, such as the neo-classicists, the later classicists, the institutionalists, and the socialists. For the sake of simplicity, however, all of the classicists may be treated as one group, and the institutionalists, most of whom trace their philosophical background to Hegel through Marx, may be combined with the historical group. The classical school may be considered as one, and the Austrians together with recent utilitarian and psychological theory as another.

For purposes of expediency, many thinkers, such as Bernard de Mandeville, the physiocrats, the political arithmeticians, and the less prominent writers in the various schools will not be discussed. Thus, by limiting our investigation to the major writers and to the general development of theories, we shall see the entire field in clear perspective and lay the emphasis where it is due.

We are anxious to discover the attitude of the economists toward those problems which we have been surveying. What importance do the economists attach to that part of life which deals with obtaining a material standard of living? How do they describe human wants? Are these wants satiable or insatiable, limited or infinitely expansible? What is the order of satisfaction of human wants with particular reference to periods of increasing and of decreasing prosperity? What, according to various economists, should be the limits to the individual's consumption? Are the extremes of conspicuous living to be avoided? How do economists define these extremes? What are the attitudes of economists toward private property, family solidarity, governmental interference during emergencies, social demoralization arising from conspicuous or ostentatious consumption? What is the nature of a system of living? In answering some of these questions, we must refer to the conceptions of the economic theorists of any given school considered as a unit, rather than to the distinctly less important differences between individual economists.

The Classical Economists

The classical school in economics includes such distinguished writers as Adam Smith (the "founder"), David Ricardo, John Stuart Mill, and a host of others. Indeed, some consider Adam Smith the founder of the science of economics inasmuch as he was one of the first to systematize economics. His system is not yet considered wholly antiquated, although it has been subject to considerable revision, addition, and opposition. His ideas were based upon concepts of natural law which have been attacked but not completely overthrown as yet.

The classicists constantly challenged the theories of the physiocrats and their other predecessors and by considerable revision, adapted them to their own theories. In so doing the school acquired vitality and marked flexibility of doctrine. Distinguishing features of the school were the doctrine of free competition (*laissez faire*) and a semblance of the cost theory of value. Its emphasis was on production and distribution. Its theory of production, in contrast to that of the physiocrats which considered land the essential element of production and its product a bounty, involved three factors—land, labor, and capital. The respective shares of the product to be imputed to each of the three formed the problem of distribution. Thus, the scope of their economics comprised three fields—production, distribution, and exchange. Little mention was made of consumption as a separate field of inquiry.

Adam Smith (1723-1790) did not assign a specific rôle to the subject of consumption, but ideas concerning it are scattered throughout his works. He held that consumption is the sole end and purpose of all production, and that the producer should only be considered in so far as it may be necessary in promoting the interests of the consumer. After making this statement, he left the subject and proceeded to deal with labor and the means of increasing wealth. Smith's contribution to the subject of consumption involved a recognition of the place of consumption in economics, a concept of a level of living, and the distinction between necessaries and luxuries involving some understanding of the rôle of conspicuous consumption. On the whole, he implied that making a living was the chief task. Consumption would take care of itself.

The writings of *John Stuart Mill* (1806-1873) exemplify the doctrines of pure classical economics in their most complete expression.[1] Yet, from another point of view, Mill may be said to have been dominated during his later years by thoughts suggested by Saint-Simon and Auguste Comte. Consequently, there are many contradictions between his first and later writings. Although the influence of these continental

[1] See here Hearnshaw, F. J. C., *The Social and Political Ideas of Some Representative Thinkers of the Age of Reaction and Reconstruction*, London, 1932, p. 113 where he says: "Professor Marshall tells us that he was led to study economics by reading the *Political Economy* in 1867, 'when Mill reigned supreme.' As a systematic textbook Mill's *Political Economy* was not superseded till Marshall's own *Principles* appeared in 1890, and it was still necessary to know Mill in the nineties, when the writer read moral science at Cambridge."

thinkers tended to draw Mill away from his firm belief in individualism, it never did actually alienate him from the essential faith of the classical economists. Like them he disavowed any relation between the moralist and political economy; like them he still held that the liberty of the individual was supreme. Thus, although Mill heralded another point of view in economics, his principal works are properly accepted as the culmination of the classical school. He continued the firm belief in the existence of permanent and universal economic laws based upon the fundamental needs of the *homo-economicus.*

Hence, at this apex in classical doctrine, it is of interest to determine the status of consumption and to summarize the chief ideas which had been promoted by it. Mill's outline of the field of economics provides place largely for an implied rather than an actual theory of consumption. More than this, he leaves no lingering doubt for he emphatically says,

> Political economy . . . has nothing to do with the consumption of wealth, further than as the consideration of it is inseparable from that of production, or from that of distribution. We know not of any *laws* of the *consumption* of wealth as the subject of a distinct science: they can be no other than the laws of human enjoyment.[2]

However, this sweeping statement did not release him entirely from a consideration of consumption. By his own admission, he left the way open in so far as "the consideration of it [consumption] is inseparable from that of production or . . . distribution." He pointed out that changes in consumption tend to modify the direction of production and distribution, but that the significance of consumption in this rôle has been greatly over-rated. Thus, he sacrificed the one opportunity of analyzing the effectiveness of consumption and instead, as Haney puts it,

> . . . he struggles and twists and turns in the vain effort to disprove the simple fact that wants form the mainspring of economics and that intensity and variety of consumers' demands act effectively upon production and wages.[3]

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[2] Mill, J. S., *Essays on Some Unsettled Questions,* London, 1844, fn. p. 132; see also Cherbuliez, A. E., *Précis de la science économique,* p. 5.
[3] Haney, L. H., *History of Economic Thought,* New York, 1911, p. 359.

In this connection, Mill's comment was:

> Among the mistakes which were most pernicious in their direct consequences, and tended in the greatest degree to prevent a just conception of the objects of the science . . . was the immense importance attached to consumption.[4]

He opposed the idea that consumption was the key to the enrichment of a country.

> What a country wants to make it richer, is never consumption, but production. . . . There will never . . . be a greater quantity produced, of commodities in general, than there are consumers for. . . . The legislator . . . needs not give himself any concern about consumption.[5]

His essays were written in the early thirties. By the time his *Principles* was written, he appeared a little less dogmatic although he still maintained his general stand in regard to consumption.

The Critics of the Classical Economists

There existed at the same time and following the classical school a group of economists who have been called the critics or dissenters. They disagreed with the fundamental propositions of the classical school, particularly the principle of *laissez faire*. The criticism varied according to many points of view. In general, however, these various groups disapproved of the unreality of the "economic man" as set up by the classicists. Among the critics there appeared a number who contributed in some measure to the subject of consumption. The most important of these were Lauderdale, Sismondi, Hearn, Hermann, Bastiat, and McLeod.

Lord Lauderdale (1759-1830) published in 1804 a book entitled *An Inquiry into the Nature and Origin of Public Wealth* in which he emphasized consumption in dealing with demand, especially in respect to its elastic features. In this connection he observed the alteration in the order of expenditures under conditions of a diminishing or increasing quantity of a commodity. He noted that men's tastes vary

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[4] J. S. Mill's Essays, *Op. cit.*, p. 47.
[5] *Ibid.*, p. 49.

with habit and custom, and that the willingness to forego particular articles of consumption is by no means uniform. Instead man will sacrifice some enjoyments in order to retain others which he thinks are more indispensable.

The subject of parsimony was discussed from the standpoint both of the individual and the whole community. He said:

> Though it appears, therefore, that the wealth of a society can never be increased by a system of continued parsimony, this abstinence from expenditure in consumable commodities, and consequent accumulation may evidently be highly injurious to its progress; for a community may suffer, first, by the creation of a quantity of capital more than is requisite; secondly, a community must at all times suffer by the abstraction of a portion of encouragement to future reproduction.[6]

His analysis of the order in which wants are satisfied and extended was made in "ascertaining the causes of the direction which industry takes." He claimed that:

> . . . though . . . [it] may not be at first sight apparent, yet a little attention to the arrangements and conduct of men in civilized society will, perhaps, authorize the opinion, that it is not wholly impossible to discover what it is that causes that variety of demand for different articles, which is observable not only in different countries, but even in different places in the same country.
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> The first, the universal, and the most ardent desire of man, is to procure what merely constitutes food; the next is most undoubtedly to guard himself from the inclemency of the season. These desires he seems to possess in common with all other animals; and they are perhaps the only feelings, in relation to wealth, that nature directly implants; for, on examination, we shall see reason to think all farther desires, with regard to wealth (which are peculiar to the human species), arise from the circumstances of the possession of wealth, which man alone, of all animals, seems to have the faculty of increasing by his own exertions.
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> We often see the poor man living on coarse bread, made of inferior grain, satisfying his thirst with water, covering himself

[6] Lauderdale, Lord, *An Inquiry Into the Nature and Origin of Public Wealth*, 1804, p. 215.

> with tattered garments, lying on straw, and enjoying, even in that state, contentment and felicity. Increase his wealth, his desires extend themselves, and though, perhaps, it does not add materially to his happiness, he eats bread made of better grain, drinks some sort of liquor prepared by art, covers himself with better clothing, procures a comfortable habitation, and, in proportion as he extends his wealth, he naturally enlarges his desires to views of comfort in his clothing, as well as in other articles.
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> But a demand for what constitutes the luxuries of life, can only exist on the part of those who possess wealth beyond what enables them to acquire the things which the habits of mankind induce them to regard as necessaries.[7]

He extended his analysis to the diet and showed that ordinarily when wealth permitted the diet comprised both animal and vegetable foods. If wealth did not permit a superabundance of animal food, it was desirable that the meat be as fatty as possible since it would then go furthest and act as a seasoning in combinations with vegetables. Higher up in the scale of opulence, however, such meat would not be in demand as it would not satisfy the desire for refined delicacies. These ideas on animal and vegetable food in the diet were developed later by many investigators of the family budget.

He also perceived the psychological significance of riches in consumption.

> The things for which riches dictate a demand are articles scarce and rare, calculated to display splendour, and excite admiration.[8]

This also was a faint anticipation of the theory of conspicuous consumption popularized at a much later period.

Briefly, Lauderdale's contributions carried on the older ideas and added something to an understanding of: (1) elasticity in consumption, (2) some of the disadvantages of parsimony, (3) the order in which wants are satisfied and extended, and (4) the influence of income on the psychology of consumption.

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[7] *Ibid.*, 1819, pp. 307-308.
[8] *Ibid.*, p. 321.

The Later Classical Economists

Faith in the main classical views by no means crumbled under the onslaughts of the critics. The writers in the group of later classical economists were greatly influenced, however, in one way or another by the critics. They showed some originality of their own and even anticipated to a certain degree later schools of thought, particularly the utilitarian.

W. N. Senior (1790-1864) maintained that the limits of economics were the production and distribution of wealth. Happiness was wholly outside the field of economics according to his way of thinking. The limits which he prescribed, however, were not so rigid as to cause him to neglect consumption. Making wealth the focal point in political economy permitted him a wide range of investigation as long as it did not take him into extraneous fields. Consideration of the subject of consumption was justified because:

> The wealth of a country will much depend on the question, whether the tastes of its inhabitants lead them to prefer objects of slow or rapid destruction.
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> It will depend, however, much more on their preference of productive or unproductive consumption.[9]

He classified consumption commodities as necessaries, decencies, and luxuries. *Necessaries* were "those things, the use of which is requisite to keep a given individual in the health and strength to his going through his habitual occupations." This was a distinct departure from looking at necessaries as simply those things that maintain existence. *Decencies* were "those things which a given individual must use in order to preserve his existing rank in society." *Luxuries* were everything else or "that portion of his consumption . . . not essential to . . . health and strength, or to the preservation of . . . existing rank. . . ."[10] These concepts of health, strength, and social rank have persisted in consumption economics since the time of Senior. He avoided rigidity in the definition of these concepts by stating that ideas concerning them differ between individuals, places, and times.

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[9] Senior, W. N., *Political Economy*, London, 1872, p. 54.
[10] *Ibid.*, p. 36.

In his analysis of values Senior considered two principles of human behavior that bear directly on the subject of consumption. These had to do with the love of variety and the love of distinction.

> The mere necessaries of life are few and simple. . . . But no man is satisfied with so limited a range of enjoyment. His first object is to vary his food; but this desire, though urgent at first, is more easily satisfied than any other, except perhaps that of dress. Our ancestors, long after they had indulged in considerable luxury in other respects, seemed to have been contented with a very uniform though grossly abundant diet. . . .
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> The next desire is variety of dress; a taste which has this peculiarity, that, though it is one of the first symptoms that a people is emerging from the brutishness of the lowest savage life, it quickly reaches its highest point, and, in the subsequent progress of refinement, in one sex at least, diminishes until even the highest ranks assume an almost quaker-like simplicity.
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> Last comes the desire to build, to ornament, and to furnish, tastes which are absolutely insatiable where they exist, and seem to increase with every improvement in civilization. The comforts and conveniences that we now expect in an ordinary lodging are more than were enjoyed by people of opulence a century ago; and even a century ago a respectable tradesman would have been satisfied if his bedroom had been no better furnished than that of Henry VIII, which contained, we are told, only a bed, a cupboard of plate, a joint-stool, a pair of andirons, and a small mirror. And yet Henry was among the richest and most magnificent sovereigns of his time.[11]
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> It is obvious . . . that our desires do not aim so much at quantity as at diversity. Not only are there limits to the pleasure which commodities of any . . . class can afford, but the pleasure diminishes in a rapidly increasing ratio long before these limits are reached.
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> But strong as is the desire for variety, it is weak compared with the desire for distinction: a feeling which, if we consider its universality and its constancy, that it affects all men and at all times, that it comes with us from the cradle, and never leaves us till we

[11] Senior was probably misinformed on the simplicity of the tastes of Henry VIII. See for instance, the more epicurean description in Long, J. C., *Lord Jeffery Amherst*, New York, 1933, p. 11.

> go into the grave, may be pronounced to be the most powerful of human passions.
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> The most obvious source of distinction is the possession of superior wealth. It is the one which excites most of the admiration of the bulk of mankind, and the only one which they feel capable of attaining. To seem more rich, . . . to keep up a better appearance, than those within their own sphere of comparison, is, with almost all men who are placed beyond the fear of actual want, the ruling principle of conduct. For this object they undergo toil which no pain or pleasure addressed to the senses would lead them to encounter; into which no slave could be lashed or bribed. But this object is attained by appearances, and, indeed, cannot be attained by anything else. . . . The only mode by which wealth can be exhibited is, by the apparent possession of some object of desire which is limited in supply.[12]

So we find Senior, an avowed classicist, demanding a narrowed scope for political economy, yet curiously anticipating the Austrians, Veblen, and Patten.

The Neo-Classical School

During the period of the seventies and early eighties the older classical doctrines were viewed with some disfavor. The "subjective" principles of the Austrians constituted a notable attack at the "objective" foundations of the classical doctrines. The historical school criticised its abstract absolutism. During this time there were no strong defenders of the old school. Fawcett and Cairnes were probably the most prominent of those who adhered to the older doctrines and who turned deaf ears to the new and untried. During this time there was no real contribution to the subject of consumption by the adherents of the classical school.

The late eighties mark the advent of what may be called the neo-classical school with Alfred Marshall as its outstanding exponent. He rescued the worthwhile fundamentals of the classical theorists, gleaned considerable from the Austrians, welded them together, made significant contributions of his own, injected a humanitarian interest, and

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[12] Senior, W. N., *Political Economy*, London, 1872, pp. 11-12.

launched the most complete system of economics that had hitherto been known. This neo-classical doctrine still holds sway, but not without the competition of other schools, such as the mathematical, the psychological,[13] the institutional, and the like.

Alfred Marshall (1842-1924) devoted the main part of his *Principles of Economics* (1916), first published in 1890, to Wants and Their Satisfaction, Agents of Production, and Distribution of the National Income. He identified consumption with demand and admits the general neglect of this subject by economists. This neglect was attributed to the general attitude that the nature of consumption was of such an individual and private matter that common sense and experience are a better guide in the conduct of such affairs than subtle economic analyses. Several factors presumably changed the attitude of economists toward this subject: first, the belief that over-emphasis on cost of production had been detrimental in the determination of exchange value; second, that mathematics had promoted a greater exactitude in habits of thought; and, third, wealth had increased and attention was directed to ascertaining its effect upon man. The result was that consumption was recognized as having a significant place in economic theory. Marshall would not admit that the theory of consumption is basic to all economic theory as did Jevons and others, but he held that the science of wants supplemented the science of efforts and *vice versa*, and that either was incomplete without the other. But in the last analysis, if one must be given primacy, the theory of activities would precede that of wants.

> For much that is of chief interest in the science of wants, is borrowed from the science of efforts and activities. . . . But if either, more than the other, may claim to be the interpreter of the history of man, whether on the economic side or any other, it is in the science of activities and not that of wants.[14]

Marshall points out that there has been confusion in thinking regarding the order of precedence of wants and efforts. He says:

> . . . although it is man's wants in the earliest stages of his development that give rise to his activities, yet afterwards each new

[13] See Chapter XXII for the meaning of the use of this term.
[14] Marshall, A., *Principles of Economics*, 1916, p. 90.

> step upwards is to be regarded as the development of new activities giving rise to new wants, rather than new wants giving rise to new activities.[15]
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> . . . the higher study of consumption must come after, and not before, the main body of economic analysis; and, though it may have its beginning within the proper domain of economics, it cannot find its conclusion there, but must extend far beyond.[16]

Marshall adhered to a modified form of hedonism. In order to avoid the controversial implications in the word "pleasure," he suggested the term "satisfaction." He was inclined to use the words "benefit and injury" in place of "pleasure and pain." The economist can measure these only indirectly, that is, through their manifestations. ". . . the economist studies mental states rather through their manifestations than in themselves." [17]

Marshall conceived of certain broad levels of consumption permeating the social structure. He employed the terms "standard of life" and "standard of comfort." The standard of life was defined as the "standard of activities adjusted to wants." This has something of Utopian implications. It pre-supposes a rationalization of behavior to the extent that the consumption of things that are unwholesome physically or morally will be avoided. It assumes the correlation of intelligence and energy. It includes only those activities that are "good" for one, assumes a high level of efficiency, and is thoroughly idealistic.

The standard of comfort has to do more or less with artificial wants, and of these the grosser may predominate. As compared with that of the standard of life this is fundamentally a materialistic concept. However, it is not necessarily opposed to the first concept. Marshall, using somewhat illusive concepts, maintained that:

> . . . every broad improvement in the standard of comfort is likely to bring with it a better manner of living, and to open the way to newer and higher activities; while people who have hitherto had neither the necessaries nor the decencies of life, can hardly fail

[15] *Ibid.*, p. 89.
[16] *Ibid.*, pp. 90-91. See also T. Parsons, "Wants and Activities in Marshall," *Quarterly Journal of Economics* 46 (1): 101-140, November, 1931.
[17] *Ibid.*, p. 16.

> to get some increase of vitality and energy from an increase of comfort, however, gross or material the view which they may take of it.[18]

In connection with the concepts, Marshall distinguished between necessaries, comforts, and luxuries. The first include those things required to meet wants that must be satisfied, while the last two cover those things that satisfy wants of a less urgent character. There are no hard and fast lines separating these categories. They vary between different social classes, places, and times. Necessaries that are habitual and call forth some sacrifice for their continued consumption have been referred to as "conventional necessaries." Marshall emphasizes the fact that necessaries properly so-called constitute a broader category than that assigned by the earlier economists, for it includes not only the things required to maintain the population but also those things necessary to keep it on a level of full efficiency.

Closely related to this subject is the controversy concerned with productive and unproductive consumption. Marshall warns that these are terms to be used with exceeding care. If productive consumption is intended to denote only that consumption which is attended by the increase of wealth, such an implication must be made plain at the outset. In a larger sense, all consumption is productive which confers wholesome benefits, whether it contributes to the production of material wealth or not. In its more restricted meaning, productive consumption constitutes the things consumed by productive workers, conventional necessaries included. Alcohol and tobacco properly fall in the class of conventional necessaries. Marshall maintains that the inclusion of harmful things, even though conventional necessaries of productive workers, contradicts the definition in terms of welfare. His final judgment is that they do not properly belong in the category of productive consumption. On the other hand, certain things commonly considered superfluities sometimes take the place of necessaries. In that case, they are classifiable as productive consumption only when they are consumed by producers. Stinting on necessaries is in reality a wasteful procedure though it is often done in the spirit of economy.

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18 *Ibid.*, p. 690.

Income represents the fund of resources by means of which the necessaries, comforts, and luxuries of life may be procured. Marshall said that it is very important but at the same time very difficult to ascertain the proportions in which the different classes of society distribute their incomes for the three classes of goods. There is always a choice involved because there are sometimes many goods which may satisfy the same want, or many uses which compete for the same thing, or present uses versus future uses. People would constantly be in a dilemma were it not for the tendency of marginal utilities to be equalized. When there is a conflict between present and future uses, certain allowances must be made, such as the uncertainty of distant sources of pleasure and the pleasures of expectation. Underlying such estimates, there is, of course, the assumption that the person expects to be as rich in the future as in the present, and also that his capacity to derive benefit remains unchanged. Distribution of income to provide for future wants is a measure of prudence as is likewise the keeping of accounts for the purpose of avoiding impulsive expenditures.

Certain characteristics mark the progress of men. Foremost among these is the increase in the variety of wants. This is evidenced by the rise in conventional wants. Other characteristics are the desire for greater choice, the increased subtlety of taste, and the desire for display and distinction. Greater choice permits change and this comes to be desired for its own sake. Subtlety of taste is seen in the tendency to select better qualities. In the higher scale of progress subtlety is expressed in the desire for excellence for its own sake. Refined tastes that are easily satiated supplant the desire for quantity and vanity.

As wealth increases, the form of consumption correspondingly implies cognizance of that fact. The desire for display and distinction will play an important rôle, and will be seen in the costliness and variety of the things consumed. Even the primary wants of food and drink will afford a means of display, while dress indulges the passion even to a greater extent. Consumption with a view to display is sometimes to be deplored for it is often a misuse of wealth and is likely to be unwholesome. In this connection, Marshall notes an interesting tendency toward increased display at work. "There is a constant increase both in that variety and expensiveness which custom requires as a minimum, and in that which it tolerates as a maximum, . . ." [19]

Consumers' demand is the ultimate regulator of all demand. Certain forces at work play a vital rôle in determining what the demand of consumers will be. The first and most fundamental is that of the law of satiety. This states that each separate want ultimately reaches a point of complete satisfaction after which the utility of the good may change into a disutility. This is one case of the law of diminishing returns, that is, the utility of each additional increment decreases, assuming no significant time-interval to elapse between the consumption of the various units. The marginal unit is the last unit added and therefore contributes the least amount of satisfaction.[20]

All wants are not equally important in the competition for recognition. This is evident when utility is related to price. It is then that the consumer exercises a choice which is expressed in the changing quantities of a good that will be taken with given changes in price. It was pointed out previously that utility diminishes as quantity increases, but this change may be slow or rapid. If it is slow the quantity will not change greatly with a rise in price but will be increased considerably with a fall in price. If the rate of the decrease of utility is rapid, then a fall in price will cause only a slight increase in the quantity taken, and a rise in price will curtail consumption considerably. The demand is said to be inelastic when the quantity taken changes slightly with a given change in prices; it is elastic when the change in quantity is great. Demand for absolute necessaries is inelastic; for other goods it is more or less elastic depending on circumstances. The general law of the variation of elasticity of demand is comparable only within certain

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[19] *Ibid.*, p. 87. Originally I interpreted this to mean something different from a linear theory of increasing consumption with the progress of civilization. However, in this case the interpretation is wrong. Marshall has the capacity to leave his real ideas indeterminate.

[20] This statement has been criticized: "The sentence is at the best very careless, and would raise the hair of most students of Marshallian economics." I recognize that at any time one has possession of a number of identical goods they all assume the same utility because each is exchangeable with the "nth" added. Marshall says, "The marginal utility of a thing to anyone diminishes with every increase in the amount of it he already has." (*Principles of Economics*, London, 1916, p. 93.) In a note on that same page, "We may say that the *return* of pleasure which a person gets from each additional *dose* of a commodity diminishes till at last a margin is reached at which it is no longer worth his while to acquire any more of it."

limits and that only within the same social class. To compare responsiveness of the poor and the rich would naturally lead to confusion; the marginal utility of the same amount of money varies considerably between the lower and upper economic extremes. Marshall says that the variations in one class may suggest in a very general way the nature of variations in another class.

Marshall's most original contribution to the theory of consumption is the definition of consumers' surplus as the gain of satisfaction that occurs in the purchase of certain units of a commodity. Economically, it is measured by the difference between the price actually paid and that which would have been paid rather than go without the good. The worth of the marginal unit determines the price for all the units. The satisfaction derived from the first units exceeds that of the last unit. If only the first unit were obtainable, it naturally follows that, since its utility is greater, one would be willing to pay more for that one unit than for succeeding units. Marshall's classic example is that of tea. People would be induced to pay considerable for just one pound of tea, but the satisfaction to be derived from a second pound would not induce them to buy at the same price as the first pound. However, if the price of tea drops to a certain point, two pounds will be purchased at the lower price and accordingly a surplus of satisfaction is realized on the first pound. This principle is more or less abstract except in the realm of customary price. One may ascertain fairly well the different quantities an individual would be willing to buy assuming different prices that are not greatly divergent from those which he is accustomed to pay. Outside of this realm behavior is highly conjectural.

Marshall's treatment of consumption emphasized the fact that an adequate mode of living is a significant instrument in maintaining the efficiency of workers in the present. He likewise recognized that it has far-reaching effects on future generations. Thus, his theory of consumption was based upon more than economics proper. His definition of economics, as both a study of wealth and a study of *man*, enabled him to expand his studies without going out of his field. He advocated simplicity in living, the cultivation of appreciation of the beautiful, work for the enjoyment involved, etc., all of which make for happiness. He saw no true benefit in the growing complexity of domestic equipment. He said:

> The world would go much better if everyone would buy fewer and simpler things, and would take the trouble in selecting them for their real beauty.[21]

Well-being is thus intimately connected with the use of income which is "one of the more important of those applications of economic science to the art of living."

Marshall was a strong advocate of "socialized" or group-factor consumption. It permits economy in the use of resources; it eliminates the manifestation of personal vanity and envy.

> So long as wealth is applied to provide for every family the necessaries of life and culture, and an abundance of the higher forms of enjoyment for collective use, so long the pursuit of wealth is a noble aim; and the pleasures which it brings are likely to increase with the growth of those higher activities it is used to promote.[22]

Other neo-classicists [23] repeated, with varying emphasis, the main contentions of the earlier economists.

Summary and Analysis

We can now see that, in general, the classical and neo-classical economists paid little formal attention to a discussion of the problem of the standard of living except as this was involved in the general assumption of their school that "making a living" was the most important activity in the life of man. The internal mechanisms were given little consideration because it was assumed that under the régime of *laissez faire* the economic system could take care of itself. These theorists were chiefly interested in promoting, in a world which had broken away from the rigidities of the feudal system, the idea that the new order of things would be guided by the principle of free competition to the ultimate advantage of members of the whole social system. While a few incidental thoughts were given to some of the problems other than this, in the main their concept of *homo-economicus* answered all of the questions. They paid no attention, relatively, to

[21] *Ibid.*, p. 137.
[22] *Ibid.*, fn. p. 137.
[23] A. W. Flux, A. C. Pigou, R. G. Hawtrey, and Charles Gide.

family solidarity, to the influence of religious and magical beliefs in the economic system, to austerity in the use of wealth, to charity, to differentials in price according to ability to pay, or to the problems of peace and order. They believed that through competition, private property, and the legality of contracts the social system would automatically take care of the other problems. They believed that human wants were insatiable [24] once the social system was broken loose from its man-made trade barriers, hindrances to free competition, and the like. Theirs was the pure doctrine of economic individualism.

There were no upper or lower limits to the individual standard of living because the producer was permitted to consume all and only that which he produced. Conspicuous consumption improved economic conditions for the workers and led to "progress" in the economic system. Even the consumption of alcoholic drinks was not condemned by Malthus because if the grain used were free for food, the rapid increase in population would soon more than consume the resultant grain so that the lower limit of the standard of living would still be starvation with less pleasure for those who did live.

This group of thinkers generally held that although extremes in the standard of living were disastrous to the efficiency of the individual they were "natural" and to be expected. The fundamental principle was a self-regulating struggle for existence among men. It was important that each should get what he produced. The establishment and continuance of this system were considered a paramount necessity. All other problems would take care of themselves. In case of impending starvation, the individual must find his own help. Ostentation would automatically resolve itself into carelessness which would reduce the productivity of the individual and make future ostentation impossible. The standard of living should vary according to productivity and not according to class or distinction. The material phase of life is the important one. Moral beliefs, at the most, only hinder the development of the material standard of living because such convictions soften the hearts of men and prevent them from producing and consuming

[24] Of course this takes the aggregate of human wants and not any single one. They differed on the question of any *single* want, most holding that single basic wants at least were satiable.

to their full economic capacity. The economic system of value was of highest importance because the secular life should guide and direct the social, non-economic life. The classical theorists laid the basis for the theory of "cultural lag." They furnished much of the background to the later movements which sought to put into practice Rousseau's doctrine that the non-economic phases of life are but chains which prevent man from attaining his most desirable goals and should hence be abrogated.

The neo-classicists, while apparently maintaining the rigid ideas concerning the self-sufficiency of *homo-economicus*, at the same time abrogate this extreme position, first, by an apology, and second, by a definite turn in their logic. As pointed out, Marshall provided definitely for consumption in economics in his dual analysis of economics as both a science of *wants* and of *activities*. In the second place, whereas J. S. Mill clung rigidly to the idea that the economic man would find his own social system developing naturally through the science of wealth, Marshall meets the situation by giving economics a dual definition as a science of wealth, on the one hand, and a science of man, on the other. Thus, he is apologizing for the rigidity of classical economic theory and is trying to indicate that the reason that *homo-economicus* builds his own efficient social system is because the acquisition of wealth disciplines the character of man. Here and elsewhere in his writings, Marshall shows a frank recognition of the fact that the character of man needs disciplining.

In general, however, the classical school finds the standard or level of living in *man* and not in his *collective representations*. Thus, their theories are economic, not sociological. They do not give an organic but rather an individualistic analysis of systems of living.

CHAPTER XXI

Institutional and Historical Theory

The historical school proposed inductive methods as a substitute for the natural law of the classicists.—Each age has its own political economy.—Absolute laws are the common characteristics of these different economies.—Roscher held that production and consumption were different views of the same phenomenon.—General over-production was held to be impossible.—Crises were due to maladjustments.—In an urban society luxury has many favorable consequences.—In a disintegrating nation or a feudal economy, luxury consumption has unfavorable consequences.—Roscher's treatment of consumption was cyclical whereas Schmoller emphasized more the stage theory of development.—Sombart turned further from the cyclical theories of Roscher.—Max Weber pointed out economic differences in societies of need as contrasted with those with a motive of profit.—The institutionalists added the class struggle to the natural law of the classicists and the inductive method of the historical school.—This class struggle was placed in a framework of social change which led to the theories of economic determinism and cultural lag.—Veblen gave the institutionalists their most developed theory of consumption.—His work can be characterized by the following five terms: exploit, predatory, pecuniary, reputability, and conspicuous consumption.—The historical school differed from the classical more in method than in results.—Both schools succumbed to evolutionary optimism.

The last chapter described the manner in which classical economics, with its highly abstract, evolutionistic, and positivistic doctrines concerning the "natural" harmony of society,[1] diverged from concrete reality during the eighteenth and nineteenth centuries and dominated thinking about the standard of living in most of western Europe. At the time of this movement there was another approach which, although it studied society with an entirely different point of view, eventually came to similarly fallacious conclusions. This started as the school of historical economics which not only furnished a doctrine theoretically different from economic classicism but, by cross-fertilization with that school, laid the intellectual basis for the Marxian movement. In this

[1] The *laissez faire* conception assumes an ultimate harmony of social behavior. The competitive struggle between men led to "discipline," increased production, and economic or social "progress" (increased economic rationalization).

chapter, will be presented the chief characteristics of this branch of thought as far as it has led to an understanding of our present problems in the standard of living.

The Historical School

The members of the historical school criticized the classical doctrines primarily because of the methods used in deriving economic laws. They proposed an inductive historical method in place of abstract deductions in order to avoid the "one-sided interpretations" given to economics by the physiocrats, mercantilists, and especially by Adam Smith and his followers. The historical school discarded the conception of an abstract "economic man" subject only to one motive as well as the attitude of *laissez faire* and economic freedom from governmental restriction. The economic historians viewed any given society as a longitudinal section of an ongoing historical process. Hence, the records of the past were considered of inestimable value in forming a basis for generalizations. They believed that no set of generalizations based on observations confined to present day phenomena could be of enduring validity, but that each people and each age has its own political economy. Since concrete economic conditions are subject to significant variations, each economy (or "economic society") has its own economic "laws." Fundamental principles could be discovered by studying all peoples and all civilizations, particularly those which had run their full course.

The followers of the historical school who wished to set up "absolute theories," such as Karl Knies (1821-1898) who was one of the earliest and most determined defenders of the school, understood their problem to mean "the unconditioned application of scientific principles to all times, countries, and nations with similar validity." [2] Wilhelm Roscher, who was one of the more moderate exponents of the historical approach, distinguished between (a) what is (what has been and how it has developed) and (b) what should be. He rejects the latter entirely as a method of economic study. The "what is" (in its static and dynamic aspects) can only be obtained by the historical method. He says:

[2] Knies, K., *Die politische Oekonomie vom geschichtlichen Standpunkte,* Leipzig, 1930, p. 24.

> We [the historical school] reject, in theory, the working out of ideals [what should be]. What we seek is the simple description; first, of the economic nature and the desires of a people; secondly, of the laws and institutions set up to satisfy man's desires; and finally, of the consequences. Thus, we have at one and the same time the anatomy as well as the physiology of an economic system.[3]

Roscher distrusted all those who would reform existing institutions on the basis of abstract reason instead of recognizing that what is happening is the embodiment of "historical reason." This attitude was in vogue prior to the rise of the historical economists, having been initiated by Kant, Schlegel, and Hegel, who expressed the romantic religious rationalism, and philosophical reaction to the "positive evolutionists." Of these three, particular attention is often paid to Hegel, because of his intellectual relation to the Marxian movement.

In addition to Roscher and Knies, there were many other important contributors to this school of thought.[4] Many of these writers presented evolutionary philosophy under the guise of historical economics, whereas others diluted their works with some of the postulates of the classical school.

Wilhelm Roscher (1817-1894), to whom is commonly accorded the honor of founding the historical school, had been trained in classical doctrine. In his *Die Grundlagen der Nationalökonomie* (Stuttgart, 1854), he defined consumption as the "abolition of or doing away with an utility without any regard to the question whether another higher utility takes its place. . . ."[5] In a narrower sense, it is the destruction or decreasing of values. Under otherwise similar conditions, the degree of consumption for every good is conditioned by the character of the people. Thus, for example, the cleanliness and orderliness of the Dutch have an important influence upon the durability of their production and consumption goods. In every higher stage of culture the consumption of goods tends to become ever more specialized, a process

[3] Roscher, W., *Die Grundlagen der Nationalökonomie*, Stuttgart, 1879, Ch. 3.
[4] Adolf Wagner, Bruno Hildebrand, Lujo Brentano, Karl Bücher, Gustav Schmoller, Wilhelm Lexis, Kuno Frankenstein, Werner Sombart, and Max Weber.
[5] Roscher, Wilhelm, *Principles of Political Economy*, tr. by J. Lalor, Chicago, 1882, Vol. II, p. 183.

which is closely related to the division of labor. Here is involved the principle of consumption-division (differentiation and specialization). In contrast to this is the principle of consumption-unification. There are many goods which can be used, successively or simultaneously, to satisfy more than one consumer or more than one desire.[6] Roscher then proceeds to discuss the influence of change of style or custom on consumption.

The most important problem in all industrial production centers around the means for inducing consumption. "Only where the demands and desires grow, is there an increase in production." A population which is self-sufficient on a family basis, for example, has little reason for a complex productive organization. Thus, it is the more highly developed cultures which are the most urbanized and which have a more highly specialized production. In this connection, the author refers to the budget studies of Le Play and Ducpétiaux.

Thus, it is necessary for every successful economy to maintain equal development in production and consumption. A growing economy, however, requires production to remain at least one stage in advance of consumption. Over-production or under-consumption leads to maladjustments and crises. Most theorists, Roscher asserts, deem over-production impossible, for demand and supply are simply two aspects of the same phenomenon. As long as some persons do not have a sufficiency of food and clothing (*i.e.*, of necessaries), general over-production is, in one sense, impossible. Commercial crises occur from maladjustments in a complex system and are not due to general over-production or under-consumption.

Waste is less undesirable, ethically speaking, than greed, but it is more harmful to a national economy. Waste destroys goods which once were, or would have been, capital. Waste simultaneously increases the demand for goods and their prices. Thus, the consumers must suffer. In addition, the capital of the wasteful individual may become exhausted and suddenly there is a decrease in demand and a crisis in production. "He who buys the surplus will usually have to sell the necessaries." The act of saving, when the discontinued consumption

[6] *Ibid.*, pp. 184-186.

was for productive purposes (capital in use), leads to general difficulties for now a considerable part of the demands cannot be satisfied. The simple art of saving capital has its limitations for enriching the people.

Luxury, according to Roscher, is a relative term. Every individual and class, and every population and age call those things "luxuries" which they can do without. Every higher culture has an increase in the number and intensity of desires that are satisfied. Nevertheless, there is a limit beyond which the new or more intense desires lead, not to a higher culture, but to an undesirable type of consumption. Furthermore, those goods which are most desirable and valuable are usually the ones which become luxuries. In historical times, the use of luxuries was confined to the upper class and consisted of only a few goods. At present, luxury includes more goods and a greater range of desires. Likewise, the consumption of luxuries pervades a greater part of the population. This process first became evident in the church and the city. Under such conditions probably occurred the beginning of music, painting, and the other arts. Luxury usually includes those goods which have a real, "healthy," and decorative value rather than useless objects. This striving is usually characterized as the desire for "comfort." Often it is associated with frugality as well as a return to a more ruralized life, since the definition of luxury is provided by the particular social *milieu*.

Roscher claimed that the history of most countries can be divided into two periods, each characterized by a certain kind of luxury:

(1) That of feudal society or of royal aristocracy.
(2) That of the periods of urban development.

Luxury, in this latter period, is to be found throughout all classes and includes most of the goods demanded for living. The extent of its development can be measured by the number of non-essential but desired goods which are consumed.

If the consumption of luxuries is evenly dispersed throughout a population, a fairly equal distribution of the national wealth is indicated. In this case, luxuries are mostly shipped from different areas and different countries, making it almost impossible for one country to surpass another in building up its economic system. This, of course, involves the necessary interdependence of national economics. If the consumption of luxuries is erratic and undesirable, a more unequal distribution of wealth is indicated.

Roscher claimed that the favorable consequences which many thinkers attribute to the growth of luxury are evident only in the second period. Luxury provides an impetus to the entire production organization of an economy. Every justifiable and sensible luxury becomes a sort of reserve fund for periods of need and distress.

In the case of disintegrating nations, such as the Roman Empire in its years of decline, luxury consumption is unwise, improper, and very costly. According to Roscher, in fact, it is this very element of costliness which encourages conspicuous consumption, for the ability to spend large sums is indicative of the wealth and power of the consumer. The special fields in which luxury has always flourished are clothing, banquets, and funerals. Among most nations, the greatest luxury policy begins at the time of transition from the first to the second periods of luxury, at which time we have a growth of the middle class at the expense of the royal aristocracy. The upper classes become "jealous" and retaliate by stressing social stratification and class differences. Laws governing the consumption of various types of goods are devised to strengthen the stability of the social organization. In Italy it was Frederich II; in Aragon, Jago I; in England, Edward III; and in France, Phillip IV; who were the first important law-givers with respect to luxury. Phillip IV devised clothing and table ordinances.

Thus, Roscher's treatment of consumption clearly shows that the theories used by the historians were only different varieties of the classical economic doctrines. For, in spite of the fact that Roscher set forth ideals of economic development which were not limited to material welfare, these ideals were so circumscribed by "materialistic" considerations, as to be, in effect, no different from those of the classical theorists. Moreover, Roscher was less dogmatically opposed to the methodology of the classical school than were most of his colleagues, for he admitted the legitimacy, even the necessity, of a substantial amount of abstraction and deduction in economics.

Gustav Schmoller (1838-1917), pointed out that, in the stage of household economy, the self-sufficient family produced all that it consumed. The next stage, that of the city-country interdependence, consisted of specialization under city domination. Production, in such local areas, was closely adjusted to consumption and barter was the mode of exchange. But difficulties arose when an individual, in addition to producing his quota, tended towards self-sufficiency by producing other needed goods. These difficulties increased in the third stage when production became more roundabout and when money transactions replaced barter.

> During the nineteenth century the world economy and the exchange techniques have separated consumption and production much more than ever before.[7]

Schmoller held that today it is necessary for the individual to make provisions for the future. But estimating future consumption is difficult, not only because of the individual character of consumption and the influence of change in style, but also because of the continual change of social, political, and international relations. The many fluctuations of production and consumption cannot possibly be dealt with by a centralized control of production. Such attempts are less successful than decentralized and private control, such as in the case of the small entrepreneur.

With respect to consumption, Schmoller considers the following:

> (1) A picture of the historical, national, and concrete demand in its larger aspects and changes.
> (2) An analysis of demand on the basis of income statistics and household budgets of later times.
> (3) A sketch of the smaller fluctuations of demand.

He gives a rather detailed picture of the nature and changes in the diet of various nations. He concludes that:

> . . . civilized people, despite important fluctuations in the important articles of diet, had a similar grain, meat, milk, and legume diet during the last 6000 years. What has changed significantly is the preparation and increased use of finer nourishment and the increased consumption of beverages. Not alone quality but taste

[7] Schmoller, G., *Grundriss der allgemeinen Volkswirtschaftslehre*, Leipzig, 1900-04, Part III, p. 470.

> and diversity of diet were considered. The civilized man can only eat when he has an appetite.[8]

The diet is conditioned by "natural" conditions: internal production and trade, on the one hand, and custom and well-being on the other. Out of these two opposing elements arises an equilibrium which becomes stabilized in the customs, habits, and living conditions of a people. This tends to have an element of permanency. The higher the civilization the more expanded becomes the demand for better houses, more rooms, better furniture, and, lastly, greater comfort and more luxury. Clothing also becomes more important.

> The demand [or consumption] for the individuals and a population is determined by the income. . . . The amount of income is a measuring stick of the total demand; the distribution of the income on the basis of social classes influences the strength of demand for the necessary and superfluous goods.[9]

In the budget for the individual household, showing the distribution of the income for the most important needs, we have an adequate measure with which to study the importance and rank of, and the allowance for, all the different needs.

> The poorer a family or a nation, the greater the demand or proportion spent for nourishment. The poor must expend 50 per cent to 60 per cent, even 70 per cent for food. With increasing well-being the absolute amount spent for food doubles itself and even increases five-fold, since meat and more refined foods are more costly than flour and potatoes. But the percentage of the quota for nourishment decreases to 40, 30, and still less. The richer the people, the lower the percentage spent for food because the better diet is only substituted in part by luxuries. . . . The gradual changes, be they an increase or a decrease of welfare, fixate themselves in customs and habits. All stimuli and all feelings adapt themselves to the technical industrial possibilities of satisfying desires. This makes for a stable and permanent standard of living. It is more permanent, the more civilized and the richer

[8] *Ibid.*, p. 133.
[9] *Ibid.*, p. 137.

> man is. It is more permanent for the essential necessities of consumption than for the other higher desires which change easily.[10]

Although the standard of living is something relatively permanent, there are short-time (daily, weekly, or yearly) fluctuations. Some of these result from changes in incomes, but they are chiefly effected by changing economic conditions and other widespread social fluctuations.

Werner Sombart (1863-   ) stresses the "spirit" as the moving force of economic and social development. Fundamentally, his work on *Capitalism* goes back to German idealism and its conception of the "life of the spirit." Sombart "in a sense represents the extreme swing back again toward Hegel." While retaining the matter-spirit alternative, Sombart has discarded the peculiar evolutionary form, the dialectic of Hegel.[11] On the other hand, he swings toward the Marxian doctrine of cultural determinism; each economic system exerts a psychological compulsion toward certain modes of behavior. In his *Luxus und Kapitalismus,* he attempts:

> . . . to show that the change which European societies have gone through since the Crusades has brought on a change in the relationship between the species (races, generations, families) so that, as the result of this change, the entire way of life of the leading classes has been newly orientated and that this new orientation has exerted a decided influence upon the building up of the modern industrial system.[12]

By means of historical analysis, he traces the development of the *Hof,* the *Bürgerliche Reichtum,* the *neue Adel,* the *Grossstadt,* and the effective acceptance of the "principle of illegitimacy in love" and "chivalry." He showed how these required a new orientation in the economic system, especially from the point of view of consumption. "There developed with the [rising status] of women [especially those of the upper classes] the intrigues and galantry and the resultant luxury" of the age. During the early capitalistic epoch, the goal of a rich man was to be accepted by the nobility or gentry. The consumption of luxuries

[10] *Ibid.,* pp. 142-143.

[11] See Parsons, Talcott, "Capitalism in Recent German Literature," *Journal of Political Economy* 36 (16) : 641-661, December. 1928.

[12] Sombart, W., *Luxus und Kapitalismus,* München und Leipzig, 1922, Introd., p. 6.

was one of the most obvious ways to accomplish this. Boundless acquisition becomes compulsory within the norms of the capitalistic system.

Sombart argues that this gave considerable impetus to the development of capitalism. Cities became the main centers of consumption. The social acceptance of "free love," which developed in reaction to the teachings of the Church, gave rise to factual concubinage resulting in luxury and conspicuous consumption. Sombart defined luxury as "the use of that which goes beyond the point of necessity." It is purely a relative concept. "In the period beginning with the close of the Middle Ages, Luxury reigned supreme and reached its highest development at the end of the 18th century." He attempts to show that foreign trade developed chiefly because of the demand for luxuries. He concludes by saying that "luxury which itself was the legitimate child of the illegitimate lure, created or gave rise to capitalism." [13]

In another work,[14] Sombart attempts to show that both the real income of the laborer and economic productivity doubled during the nineteenth century. Therefore, the laboring class should have obtained the same proportion of social production in 1914 that it did 100 years before. He discusses the influence of changes in style on consumption, pointing out that in the early periods many consumption goods were of a more durable character than today. Clothing was handed down from generation to generation. Today there is more substitution in satisfying desires and, at the same time, a tendency toward standardization in consumption, which might be called a *Bureaukratisierung* of consumption. He touches upon the importance of transportation and trade in satisfying the consumption desires in a capitalistic society. The *Eigenwirtschaft* or non-capitalist system was a direct production-consumption organization. Under capitalism, a wide gap between consumption and production has resulted. In this connection he discusses the importance of "consumers' associations" for regaining some of the advantages of the *Eigenwirtschaft*.

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[13] *Ibid.*, p. 206.

[14] Sombart, W., *Das Wirtschaftsleben im Zeitalter des Hochkapitalismus*, 2 vols., Leipzig, 1927.

In his *Modern Capitalism,* he adopts the three-fold classification of economic processes: production, distribution, and consumption. He states that the *Bedarfsdeckungsprinzip* (the principle governing the satisfaction of demand) remains the regulating principle of economic activity.[15] The word consumption appears again and again as he traces the history of society from the village through the feudal period and the building of cities up to the present industrial organization.

Max Weber (1864-1920) was in several respects affiliated with, and in others opposed to, the historical school. In his opinion, the proper content of political economy is the determination of the political controls necessary to sustain values of social justice (in the production and distribution of goods) in the economic system. He differed bluntly with the historical school in denying that these norms or values can be derived from the economic system itself. Yet, in emphasizing the importance of the concrete historical context as influencing man's economic and social behavior generally, he reverts to one of the essential methodological premises of the historical school. Weber did criticize the metaphysical assumptions of such economists as Knies and Roscher, indicating that they were uncritically accepting an outmoded Hegelian logic.[16] In these essays, Weber emphasized the fact that the retention of these metaphysical postulates precluded the possibility of a truly empirical science of economics. Weber thus diverged sharply from the Hegelian tradition which had so markedly influenced many of his contemporaries. He was greatly indebted to Windelband and Rickert (especially the latter), in his attempt to avoid an inapplicable natural science approach, on the one hand, and the organismic preconceptions of the Hegelians, on the other.

In his construction of ideal types, Weber introduced the conception of probability, rather than absolute "law," into economics. In any given economy characterized by certain social relationships and particular (implicit or explicit) objectives, behavior, if rational, can only

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[15] Sombart, W., *Der Moderne Kapitalismus,* Leipzig, 1902, Vol. I, pp. 62 ff.

[16] Weber, Max, *Gesammelte Aufsätze zur Wissenschaftslehre,* Tübingen, 1925, pp. 42-150. Although Weber did not discuss consumption directly, his concept of Puritanical abstinence as one of the principal elements of capitalism applies to consumption even though it may not be *the cause* of capitalism.

proceed in one fashion. In other words, the probability of such "predicated" action actually occurring depends upon the degree of rationality within the system. The ideal types provide points of reference from which deviations of actual behavior can be measured.

Economic action is primarily motivated rationally and purposively.[17] Purposive action, as a means for attaining economic aims, is economic rationalism. For Weber, economic activity may be the result of either need or profit. These may be purposefully or traditionally orientated. In general, it might be said that the first type, providing for needs only, is usually found in the *Gemeinschaft* type of organization. (He uses *Gemeinschaft* in the same sense as F. Tönnies. It is also similar to Durkheim's mechanistic type of organization. In general his *Gemeinschaft* vs. *Gesellschaft* types are related to Maine's *status* vs. *contract* concepts.) For Weber, the major process of western society has been a movement in the direction of the *Gesellschaft* type of organization, implying that there is a greater tendency to seek gain or profit.

Weber rarely uses the concept "consumption." However, he does say that "all natural economy [without money exchange] is orientated in its innermost being by consumption [*Bedarfsdeckung*]," [18] and uses the term again when classifying types of cities and discussing the location of industries. He is chiefly interested in the production process and the behavior of people. Probably his stand in the *Protestant Ethic* will best explain his position concerning the impact of social values upon economic activity.[19]

As Parsons has said:

> Its [capitalism] central point is the ethical obligation to earn more and more money, at the same time avoiding all spontaneous enjoyment of life as positively wicked. It involves a highly rationalized disciplining of one's whole life in the interest of this economic activity, which is thought of as an end in itself. . . . It is not . . . acquisition alone which is at the bottom of the thing, but acquisition is in turn the particular expression of another

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[17] Weber, M., III. "Wirtschaft und Gesellschaft," *Grundriss der Sozialökonomik*, Tübingen, 1925, 1 Halbband, p. 35.
[18] *Ibid.*, p. 54.
[19] Weber, M., *The Protestant Ethic*, tr. by Talcott Parsons, New York, 1930.

ideal, that of virtue and proficiency in one's "calling" or profession. It is the idea of duty in a calling which is the real kernel of capitalistic ethics.[20]

The Institutionalists

One of the theses of the institutionalists holds that the evolution of human civilization is largely due to the development of the tools by which man made his living. From classical economics they adopted the idea of the *homo-economicus* and the struggle for existence, and to these added a third: the constant tendency for the masses to be exploited by the upper classes. Their idea of the greatest good was a condition in which there existed an equalitarian standard of living brought about through the state ownership of property, or, at least, through governmental control. This would eliminate private property which is one of the major institutions enabling the capitalists to exploit the workers.

Their general theory of culture change ordinarily postulates four types of movement. These are classified according to their different sections in the total stream of human culture. These are namely, (1) tools or machines—technology, (2) economic institutions for using these tools or machines in production, such as private property, types of business units, and other crystallized "habits of thought" dealing directly with making a living, (3) social institutions which include all non-productive organizations in life, such as the home, the church, the school, the village, and the political organization, and (4) habits of thought and belief. The institutionalists tend to adopt a "technological interpretation of history." According to the institutionalists, the evolution of tools resulted in new forms of economic organization which in turn required new forms of social organization. These first three elements of social change finally forced adaptations in the habits of thought and belief. Thus, the change from hand to steam power required the development of the factory system instead of the domestic unit of production. Towns and cities replaced villages and isolated homes and slowly affected all other social institutions. Changes in these social institutions influenced the habits and beliefs of the people

[20] Parsons, T., "Capitalism in Germany," *Journal of Political Economy*, Vol. 37, No. 1, p. 41, 1929.

in respect to their conceptions of themselves, and their obligations to employers and to each other. The institutionalists maintain that one manner of making a living is associated with private property, the patriarchal family, war, slavery, a low and undignified position for women, and habits of thought and belief upholding these practices. Another type (toward which they think society is tending) consists of large scale production, the disappearance of private property through state ownership, the abolition of slavery and the lowly position of women, the substitution of a community system for rearing the children, the eradication of all belief in supernaturalism connected with historical religions and churches, and changes in the beliefs and habits of thought from the individual to the community. The Marxists—from whom the institutionalists derived many of their premises—claim that the coming of the machine would have made this "new era" inevitable had it not been for the lag in economic and social institutions and in habits of thought. They are willing to take "direct action" to abolish many existing institutions. As it is, they seek to "educate" the worker to change his views and so to promote the "class struggle" with the consequent elimination of private property, the contemporary form of the family, and religious institutions which are enslaving the masses.

Institutions are defined as "habits of thought" or the "accepted scheme of life" at a given time. The scheme of life bears a direct relation to economic circumstances. The latter change continually; consequently, habits of thought must likewise change. Habits of thought are inherited from preceding generations and as such are suitable only to past conditions. As a result, institutions tend to lag behind the requirements of the present. Forces are always at work selecting and adapting habits of thought to suit present needs, discarding others, and preparing for new ones. The process thereby becomes evolutionary. In order to understand the present, one must project his inquiry into the past and follow the unfolding process. Since the institutions and behavior under investigation concern humans, psychology is an important tool in the analysis. External circumstances act as stimuli, the institutions constitute the social response. The cultural lag hypothesis, an idea of great popularity at present, is an offshoot of this Marxist philosophy.

The institutionalists and Marxists had one thing more in common with classical economics: they paid little direct attention to the standard of living or to the economics of consumption except by implication. It was Veblen who, among institutionalists, finally considered this subject most comprehensively.[21]

Thorstein Veblen (1857-1929) maintained that in order to start economics on the right track, it must first of all embody a dynamic concept of growth and change, *i.e.* a theory of social evolution. Economics, being a science of human behavior, must take into account the forces that develop and modify man. These are the institutional elements which have been inherited and have continued unchanged. The orthodox economists abstracted economic processes from the concretely environing institutions.[22] Thus, acknowledged, institutions were put to one side as unimportant in "the initial phases" of economic theory. Veblen, however, held that institutions are important in explaining cause and effect relations. To ignore them is to remove the foundations of the structure of economic theory. The lag which prevails in the institutional fabric hardly permits man to exhibit that rational behavior which the orthodox economists attribute to him. Hence, the unreality of the so-called economic man. Veblen believed that the prevailing systems of analysis comprehended only a static condition of economic relations. His judgment of the adequacy of these systems differs from others because he views the whole field from a different perspective. The classical economists gave a cross-section point of view, and Veblen attempts to give the longitudinal or evolutionary section.

It is advisable to consider briefly Veblen's fundamental premises prior to a discussion of his analysis of consumption. First, he holds, that the instinctive nature of man is fairly constant. It has not changed significantly since the beginning of time. Secondly, human institutions are subject to continual change. Changes in human behavior result from the changing institutional patterns. The result is a highly dynamic

[21] Veblen was chosen for analysis because his theory of consumption carries the implications of the institutionalist school to their ultimate logical end. Other well-known American institutionalists, such as John R. Commons and R. G. Tugwell, are particularly concerned with production and distribution.

[22] Classical economics advisedly ignored institutional influences as being of only secondary importance. Hence, it was maintained, such influences need not be considered in the initial approximations.

state which the economist, if he is to understand economic behavior, must take into account. The instincts which are of prime importance for economic activity are the "instinct of workmanship," the "parental bent," and the "bent of idle curiosity." Man inherently takes a pride in his creative abilities. This pride has been the factor underlying progress, the motivating force in civilization which brought man from "the brute stage to the human plane." The instinct of workmanship has much in common with the "parental bent." The latter implies not only the "mere proclivity to the achievement of children" but also involves a wider attitude of a sort of parental solicitude for mankind in general. It is seen in the solicitude for welfare in the present and the future, a desire for the "common good."

Granting the fundamental and permanent character of the instinct of workmanship, its evolutionary aspects are to be seen in the workmanship of technology. Technology is an accumulated body of knowledge concerning the efficient means of attaining given practical ends, being ever subject to revision and addition. Certain contaminations of the instincts are discernible and these carry over into the field of workmanship and thereby affect its efficiency. Among a primitive people this contamination is found in the rule of the elders; in a latter stage of civilization in the "ideas of self-aggrandisement and the canons of invidious emulation."

The gist of all this is embodied in Veblen's contention that the orthodox economists were wrong in their appraisal of man. Man is not entirely adverse to labor. Instinctively he welcomes it. Moreover, he is not an utterly rational creature.

Veblen's theory of consumption is found in his *Theory of the Leisure Class.*[23] It has already been noted that earlier economists toyed with the ideas of conspicuous consumption, vanity and the desire for emulation, and vicarious consumption, from 50 to 75 years before Veblen. But in every case these were more or less random notions not based upon

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[23] A critic suggests that "The words 'invidious' and 'honorific' appear too many times throughout these pages. The use of other words or phrases would relieve the monotony of repetition and make the concepts clearer."

"Exploit," "predatory," "pecuniary," "reputability," and "conspicuous" are similar Veblenisms used *ad nauseum* in an attempt to paraphrase his ideas in his own terminology and spirit.

comprehensive analysis. Veblen elaborates these into a system of thought which is cogent and significant.

Veblen considers the leisure class as the core of the theory of consumption. The leisure class initiates modes of consumption, other classes imitate. With that premise, he finds it necessary to explain the origin of the leisure class, its progress and its power. Accordingly, he takes us far afield to study the history of primitive and "barbarian" culture. It is during the transition from savagery to barbarism or from a peaceable to a war-like habit of life that the institution of the leisure class first emerges. The predatory culture discriminates between employments, *i.e.* between exploit and everyday occupations or drudgery. The first are considered *worthy,* the second, *unworthy.* This difference between exploit and drudgery is an invidious distinction. The desire for emulation is fundamental. Exploit is worthy because it reflects the power of the exploiter. In the peaceable primitive stage of savagery, the instinct of workmanship found its outlet in the usefulness of the person to the group; in the barbarian culture, in exploit which emphasized the invidious comparison of persons. Exploit becomes the "honorific" act and is divorced from the drudgery of the daily occupations. Those who perform the worthy acts will find themselves employed only intermittently. There will be leisure time at their disposal and work will become irksome. Leisure is the mark of their rank. Ownership emerges with leisure and is, therefore, an added mark of rank. The predatory culture sanctions the spirit that "to the victor belongs the spoils." In this way the ownership of women, animals, and things became an institution. Another distinguishing feature of the emergence of the leisure class is found between men and women. The acts of exploit fall to the men and they, therefore, represent the leisure class; women do the drudgery and constitute the non-leisure class.

With the replacement of the predatory culture by one of organized industry, the form and character of exploit undergoes a change. Accumulated wealth assumes a dominant rôle. Those who have wealth have power, and this power spends itself in more subtle ways than by plundering the barbarous cultures. Desire for wealth has no relation to the physical needs of living. Only among classes where subsistence is on a precarious level does the need for subsistence or physical comfort act as an incentive to accumulation. In all other cases it is the invidious distinction attached to wealth that supplies the motive for its accumulation. Wealth itself is honorific, but as this institution develops, subtle distinctions appear. Foremost among these is the greater honor attached to wealth that is inherited than to that acquired by a person's own efforts.

The importance attached to wealth both through the instincts and institutions is so profound that it furnishes the focal point in Veblen's theory of the standard of living. The concept of a standard of living is fundamentally a pecuniary one. The minimum physical needs assume only a minor significance in the activity of living. The conventional standards of wealth which point to reputability are those which engross men's time and thought. The desire for emulation which these standards permit are insatiable. All forms of comfort and decency are shaped to serve their ends. The instinct of workmanship consequently becomes measured by pecuniary achievement. If wealth alone could satisfy this absorbing passion of humans it would seem that men would be most frugal and industrious in order that the process of accumulation might continue unabated and that the concepts of *conspicuous consumption* and *conspicuous leisure* would be contradictory to the motive of accumulation. But wealth arouses esteem only as others know about it. A public demonstration of wealth is possible only by the conspicuous consumption of time and goods. Such consumption will take the necessary forms to afford evidence of the pecuniary ability of the individual. Among the lower pecuniary classes leisure may be absent from the standard of consumption. They will direct all of their resources to the conspicuous consumption of goods as the psychological returns are thereby greater than if they apportioned their resources between goods and leisure. Higher in the pecuniary scale the advantage of leisure becomes operative. The important requirements are that it be non-productive and conspicuous. It is fulfilled in various ways, *i.e.* adoption of "manners," refined tastes, decorum, and scholarly and artistic pursuits. One sign of leisure is having many servants. As the immaterial aspects of the conspicuous consumption develop we find the appearance of a class inheriting gentility without wealth. In this case the continuity of wealth has been broken between generations but the inheritance of gentility goes on and serves as a mark of reputability without the counterpart of wealth.

Conspicuous consumption involves waste. It is waste in the sense that one consumes more than one needs, or waste in that the canons of taste are guided by a code of expensiveness rather than by fundamental attributes of beauty and utility. In short, wastefulness means that the item in question does not serve the well-being of human life. It rather implies a misdirection of effort or expenditure. The requirements of ostentation and conspicuousness are so pernicious that they often stoop to sheer ugliness to attain their goal. Dress is one of the most obvious forms of display. The dictates of fashion determine what we shall consider beautiful, but such sensibilities are comparatively unstable and change readily with the vogue. Whatever the intrinsic qualities, they must conform to the canon of conspicuous waste in order to satisfy the requirements of reputability and honorific consumption. In order to achieve this, dress must emphasize the leisure status of the wearer. Length, cumbersome lines, the quality of material, and color of the garments must indicate that the wearer does not indulge in heavy or dirty work. Other articles of consumption must follow the same precepts of conspicuous waste, expensiveness, and the like.

As the accumulation of wealth proceeds, conspicuous consumption of goods and time by the individual will not suffice to demonstrate the amount of wealth. Accordingly, servants and courtiers will be employed for the immediate purpose of ostentation and display, and the ulterior aim of demonstration of pecuniary power. The class with less leisure, those of gentle birth, may become affiliated with the wealthy group as court attendants and other positions of similar dignity, and thereby derive the means of a leisure life. Among those of moderate means, vicarious consumption will be carried on by the wife and children, and in the lower ranks, by the wife alone. In all cases, the source from which they draw their resources must be evident. With servants, this is accomplished by means of insignia, uniforms, and the like. With members of the family, it is evident through the name they bear.

The choice between conspicuous consumption of goods or time will depend on circumstances. The aim of both is reputability and in any case that course will be pursued which expedites this end. In communities where people are well-known leisure suffices. But with increasing concentration of population and diversity of interests the conspicuous consumption of goods forms the most successful means of display. This is the typical situation in urban life as compared with rural districts.

This brief outline summarizes Veblen's theory of consumption. It centers around man's desire for emulation. With the "progress" of society this fundamental phenomenon has assumed a most complex character. Economically, it is manifested by the "ability to pay." This permeates the standard of living to such an extent that Veblen finds it appropriate to refer to it always as a *pecuniary* standard of living. He defines standard of living as the "habitual scale and method of responding to given stimuli." Standards are set by the leisure class and are transmitted down the economic scale with certain modifications. Each group takes its pattern from the class above it. The great mass of the people expend more to *keep up* with the conventional standard than to *excel it*. Standards are exceedingly flexible. Advance comes readily but retrogression is difficult. This occurs because people's ideal of consumption is always higher than what they actually enjoy. Recession breaks a habit whereas advance is only a part of the "process of unfolding activity." Reluctance to retrench is not equally great for all things. Necessaries comprise the most habitual consumption of all individuals and are the most imperative. Above these retrenchments follow no fixed order. It depends on individual temperament. With some people *visible consumption* assumes a greater importance than with others. The regard for "decencies" is accordingly high and the more obscure elements of comfort and maintenance bear the brunt of retrenchment.

Veblen's treatise has been concerned with the origin of standards, the ways in which they have reached their present state and with the forces of change. He emphasizes the external influences coupled with the imitative propensities of man. He has been criticized for oversimplifying facts, particularly in regard to the early phases of human development. Likewise, he so simplified institutions and their influence that he impairs their effect and interaction on human development. He constructed an "economic man" who bears many semblances of unreality. Perhaps he underrated individuality. Some of his terms, such as *well-being,* are ambiguous. In general, his treatise is interesting not only for the unique attitudes which it expresses but also because it stresses certain features in the realm of consumption which have been largely neglected—namely, the dominance of one consuming class in setting the pattern of consumption behavior, and the emulating tendency of the great mass of people. We do not find in his presentation formal statements of laws of variety, harmony, cost, grouping, or negative utility. The questions which give rise to these laws in Austrian theory are explained in Veblen's theory on the basis of instinctive and institutional elements and by such concepts as "pecuniary emulation," "invidious distinction," and "conspicuous waste."

Fundamentally, Veblen has really developed the consumption phase of Marxian economics. The weaknesses of his theory are also those of the Marxian school.

Conclusions

The first general observation to be made is that the historical school, in some respects, is similar to the classical school. This is shown in its conception of a trend toward a "progressive" ideal because this trend appears to be defined in the range and consumption of economic goods. The *laissez faire* spirit of continuous economic rationalization is similar to the Hegelian drive because the economists generally identify production and consumption as merely different views of the same process. This arose naturally, not only out of Hegelianism but also out of the endeavors of some of the historians for "absolute" (universally valid) theories. The classicists also, without such elaborate claims, thought they were setting up "absolute" theories concerning the economic nature of man. The historians criticized this point of view and held that, instead of paying exclusive attention to broad conclusions similar to the physical laws of natural science, there was "room for another study more closely akin to biology, namely, a detailed description and a historical explanation of the constitution of the economic life of each nation." [24] However, in reality, the work of the historical school, which

[24] Gide, C. and Rist, C., *History of Economic Doctrines,* tr. from the 1913 ed. by R. Richards, London, p. 401.

should have served as a check on the over-emphasis of the classical doctrines, fell into its own logical errors and reached somewhat similar positivistic conclusions.

The institutionalists tried to differ from the classical abstractions. The historical economists sought from the days of Adam Müller through Werner Sombart to find in the economic wants of man a spirit which controlled production activities and directed the course of history. However much they may have turned to fields other than the economic wants of man and found somewhat different sources of this *spirit,* the economic desires remained as the main motivating factor. While it is true that they pointed out a distinct regionalism of the desires for different peoples at different times, this does not overthrow the fundamental similarity between the Hegelianism of the historical school and the "trend toward economic rationalization" of the classical school.

On the other hand, the historians differed in the position which they took as to the variety of interests which dominate the life of a civilized man. At times this became almost identical with the "cultural lag" theory as may be illustrated by Sombart's study of *Luxury and Capitalism.* Nevertheless, it never reached the pure internationalism idealized in the spirit of classical economics. Even in a garbled fashion they also kept before themselves the idea that man had interests to a State and to a non-economic spirit. Even though we may disagree with Max Weber's analysis of the relations between capitalism and Calvinism, we must recognize an underlying conception which makes man more of a human animal than is to be found in classicism even of the Marshallian type. We find ample recognition of a non-economic factor in the life of man.

Veblen's description applies to individualistic or urban periods and the individualistic classes of other more "organic" periods (in Durkheim's terminology). Veblen deals with a "fashion" age and with the "fashion" classes. "Conspicuous consumption and leisure," excluding the peasant who so adjusts his rhythm of life as to be integrated with opportunities for leisure, are characteristic of those fashionable and individualistic periods where the "flowers" of civilization can outstrip themselves in exotic license.

Veblen may be credited with perceiving the irrationality of consumption. He noted the possibility of an accumulation of consumable goods of such dimensions that the ordinary moral checks on wasteful living are thrown to the background as "old-fashioned" ideas. He perceived that the "comfort" standard of life reaches "discomfort" when circumstances permit great economic expansion. Thus, he saw more clearly than the classical economists and the Austrians that there are limits to psychic enjoyment, points at which the weariness of consumption cramps the productive technique. This is shown, in reference to individuals, in the old adage "from wheelbarrow to wheelbarrow in three generations." In the life of a society, such cycles, if they exist, are much more complicated.

These faint glimmerings of a principle of limits in social movements, these slight recognitions of social factors in the standard of living were overwhelmed, however, in the evolutionary optimism of the nineteenth and early twentieth centuries. Classicists, historians, and socialists alike came to view the standard of living as one primarily to be measured by its height of economic sense impressions. What mattered was economic goods. Little or no attention was paid to non-sensory desires, to the mores, or to the long-time, non-epicurean happiness of man.

CHAPTER XXII

Austrian Hedonism and Consumption

Psychological economics exists in fact if not in name.—Hedonism pictures society as regulated by the desire for pleasure and the avoidance of pain.—The preëminent concern is with consumption.—The cornerstone of Menger's system was the last utility that satisfies a want.—Wieser called the Hedonic system "economic management."—Böhm-Bawerk differentiated between different *kinds* of wants and different *degrees* of wants for the same good.—His system encompassed "degree of want," "marginal utility," and "harmonious satisfaction." —Patten gave consumption economics its greatest development.—Pleasure-pain psychology marked out the path of progress.—Pleasure-pain was also the motive power of progress.—Absolute utilities afford life but positive utilities guide living.—Economic choice modifies natural choice by the pains of production.—Strong appetites characterize primitive man but weak appetites belong to civilization.—Progressive men move toward weak and varied appetites.—The law of necessity.—The law of variety.—The law of harmony.—The law of cost.—The law of grouping.—The law of negative utility.—Civilization depends upon controlling and guiding men with strong appetites.—Modern consumption theory emphasizes progress as did the Austrians.—The objectivists measure progress by the goods consumed and the subjectivists by the satisfactions attained.—Modern civilization is based upon this system of thought.

Other important theoretical movements in the field of consumption can be grouped together broadly as hedonistic or psychological-sensation theory.[1] These include the works of the Austrian economists, the studies of sensation, and the mathematical demand-supply curve studies. The Austrian movement is primarily connected with sensationalism (utilitarianism) in theory, and the demand curves partly represent

[1] A critic suggests, "The author should reassure himself of the existence of a 'psychological school of economics.' I think that there is no such school, although all economic theory has an underpinning of psychological assumptions."

A thing may be other than that which it calls itself. On the other hand, it cannot call itself a thing and thereby make it so. See my essay on "The Psychological Factors Associated With Budgetary Behavior," *Research in Social Psychology of Rural Life*, Social Science Research Council, *Bulletin No. 17*, 1933, pp. 36-43. William McDougall holds the same point of view in regard to the Austrians. See his "Pareto as a Psychologist," *Journal of Social Philosophy*, October, 1935, p. 38.

measures of the sensation received by the masses from certain quantities of goods. This chapter is devoted solely to an analysis of Austrian theory.

Austrian Theory

In the last quarter of the nineteenth century evolved a system of economics which departed in many ways from the prevailing explanations of the classical economists. This has been called the Austrian school. Although its ideas were by no means entirely new or original, the leaders of this school succeeded in welding ideas that were subjective in character into a system to explain *all phases* of economic behavior. Thus, an emphasis on the subjective aspect of human wants and on the utilities that minister to the satisfaction of these wants differentiated their system from that of the classical economists. The psychological approach was essential and mathematical devices were used generously in the presentation of the theory.

The Austrians have been called hedonistic because their principles emphasize a pleasure-pain psychology. Well-being is identified with a maximum of pleasure and a minimum of pain. In this light the Austrian theory is preëminently concerned with the consumer rather than with the producer. But neither this type of subjective approach nor the hedonistic assumptions were original with the Austrians since these elements were incorporated in the theories of many of the classical economists. The difference between the schools might almost be termed simply a difference in degree of emphasis.

Jeremy Bentham (1748-1832), Thomas C. Banfield (dates unknown),[2] Hermann Gossen (1810-1858), Richard Jennings (middle of 19th century),[3] W. S. Jevons (1835-1882),[4] and Leon Walras (1834-1910) were closely related to the school. Of these Gossen and Jevons stand out. Gossen was wholly unknown to Jevons at the time the latter formulated his theories, but Jevons hailed him as the one who

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[2] Banfield, T. C., *The Organization of Industry*, London, 1848, 2nd ed., pp. 11-12.
[3] Jennings, R., *Natural Elements of Political Economy*, London, 1855, pp. 73, 83.
[4] Jevons, W. S., *Theory of Political Economy*, London, 1911, p. 23: "The Austrian Economists," *Annals of the American Academy*, Vol. 1, No. 3, p. 365, January, 1891; and *Principles of Economics*, London, 1905, p. 36.

had completely anticipated his own theory. His principal work *Entwickelung der Gesetze des menschlicken Verkehrs* was published in 1854.

Karl Menger (1840-1921), the generally acknowledged founder of the Austrian school, employed a subjective analysis in his explanation of economic behavior. This psychological approach was not original with him, but he refined the thinking in this field and widened the application of some of the ideas. He succeeded thereby in building up a system of economics that formed a marked contrast to that of the classical economists. His essential theory of consumption holds that wants constitute a fundamental phenomenon of human life and their satisfaction depends on that property of goods known as utility. The satisfactions are pleasurable and will usually be sought even at the cost of some pain. Utilities are not constant but tend to diminish as quantities increase. The last utility that affords satisfaction of a want is significant economically and forms a corner-stone of the theoretical structure of the science. His chief work appeared in the same year as that of Jevons, 1871.

Frederick von Wieser (1851-1926) maintained that consumption (as a problem of choice) has a wider scope than that of economics proper. "Choice is guided by the rules of morality, a sense of beauty, consideration of hygiene or good taste." Economically it is a problem of management in that it is controlled by a consideration of the available means. He therefore deemed it advisable, in order to avoid confusion, to use the term "economic management" rather than "consumption." Economic management is

> . . . charged with the economic direction of consumption . . . this involves securing the most important satisfactions with the means available and barring the less important ones. Economic management is also charged with the duty of preventing the loss of economic goods through deterioration or in any other manner. Therefore, such goods must be suitably stored and protected. The personal services which are required for this management, must also be administered economically.[5]

[5] Wieser, F. von, *Social Economics,* New York, 1927, p. 45.

Furthermore, von Wieser uses a term, "level of household expenditure," which connotes a general condition of life. In this connection he analyzes budget behavior as follows:

> The money income of the richest man is usually not sufficient to cover every outlay that he might desire. Acting economically . . . so as to secure . . . the greatest possible enjoyment, we shall distribute our expenditures so as to "make it go as far as possible," from the satisfaction of the most urgent wants down to the most insignificant. The larger the income is, the further it will go, and the longer it will be before we will break off our satisfaction. But the *Grösste an Genuss* [greatest possible enjoyment] could not be reached if the separate branches of expenditure were not adequately weighed against each other. Nowhere must the boundary-line be overstepped, which is fixed by the general circumstances of our wealth. Every overstepping in one branch will have to be paid for in another, which other, as represented by a higher degree on the scale of wants, will impose a sacrifice greater than the enjoyment got from it. To this extent it is quite possible to speak of a "level of household expenditure," of a general condition of life prescribed for every household by the peculiar amount of its demand and the peculiar amount of its means, and necessitating strict adherence to it in all its branches.[6]

Eugen von Böhm-Bawerk (1851-1914) in his work, the *Positive Theory of Capital,* 1888, deals with man and his wants. Hedonism leads him to define the human goal of happiness as embodied in all pleasant conditions. Specifically, happiness accompanies the satisfaction of wants, the means of satisfaction being found in goods (either material or spiritual).

Well-being furnishes the criterion of the importance of the things which satisfy wants. Böhm-Bawerk points out that needless confusion has attended the promulgation of this principle. Classical economists found themselves in a dilemma when confronted by the fact that things which contributed directly to well-being usually had a smaller value attached to them than things which only gratified a whim, for example, the old familiar contrast between the value of a loaf of bread

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[6] Wieser, F. von, *Natural Value,* London, 1893, pp. 14-15.

and diamonds. "The highest utility accompanied by the smallest value is a strange paradox." Böhm-Bawerk, however, points out that the ingenious device used by the classical economists to bridge the contradiction, that is, the distinction between "value in use" and "value in exchange," was a misunderstanding of the underlying phenomena of wants. He maintained that the explanation lay in the distinction between two different scales, the scale of *kinds* of wants and the scale of *degrees* of wants. Certain *kinds* of wants must be satisfied on pain of death, but these phenomena should not be confused with the gradations of feeling that exist in the satisfaction of one kind of want. Value depends on the gradation of concrete wants rather than on the gradation of *kinds* of wants.

> This much is clear, then that the value we ascribe to goods has nothing to do with the graduation of kinds of want, but only with the graduation of concrete wants.[7]

It is the marginal utility of a good satisfying a particular want which determines the value of that good. Böhm-Bawerk stressed the importance of marginal utility when he said: " . . . the doctrine of marginal utility is not only the keystone of the theory of value, but, as affording the explanation of all economical transactions, it is the keystone of all economic theory." [8]

The difference between the concepts of *kinds* and *degrees* of wants is shown in the following table which was devised by Menger.[9]

KINDS OF WANTS

I	II	III	IV	V	VI	VII	VIII	IX	X
10									
9	9								
8	8	8							
7	7	7	7						
6	6	6	6	6					
5	5	5	5	5	5				
4	4	4	4	4	4	4			
3	3	3	3	3	3	3	3		
2	2	2	2	2	2	2	2	2	
1	1	1	1	1	1	1	1	1	1
0	0	0	0	0	0	0	0	0	0

[7] Böhm-Bawerk, E. von, *Positive Theory of Capital*, New York, 1923, p. 143.
[8] Böhm-Bawerk, E. von, *Ibid.*, p. 149.
[9] From Menger's *Grundsatze der Volkwirthschaftslehre*, p. 93.

Altering this diagram slightly to emphasize the importance of the two aspects of consumption we get this type of picture: [10]

Degree of Want	Kinds of Want			
	I. Food	II. Clothing	III. Lodging	IV. Smoking
First......	Necessary for life			
Second....	Necessary for life	1st suit necessary		
Third.....	Agreeable	2nd suit convenient	1 room	
Fourth....	Less keenly agreeable	3rd suit desirable	2 room	4 pipes a day
Fifth......	Still less agreeable	4th not unacceptable	3 room	8 pipes a day
Sixth......	Satiety	5th satiety	4 satiety	Satiety

Böhm-Bawerk also elaborated the subject of complementary goods and their utilities as previously expounded by Menger, as well as the relation of present to future wants. Underlying all consumption is the principle of "harmonious satisfaction." It is manifest in the competition of wants at various times or in the competition between the various satisfactions that one good is capable of providing. The practical application of this principle is found in the distributed uses of income. People are not given to exact calculations; hence, neither harmony nor the most advantageous arrangement of consumption are always attained.

The Followers of the Austrians

The followers of the Austrian school adopted the main tenets of its philosophy and method, but did not necessarily keep the school intact. They served rather to stimulate, in various degrees, the subjective approach to the study of economic behavior. Many who might be classed in this group were partial adherents of other schools, especially the neo-classical, the mathematical, and the psychological. Many names might be mentioned in connection with this group, such as J. B. Clark, E. B. Andrews, F. A. Fetter, P. H. Wicksteed, Simon N. Patten, and Irving Fisher.[11]

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[10] Arrangement by J. Bonar, "The Austrian Economists," *Quarterly Journal of Economics* 3(1):1-31, October, 1888.

[11] For the limited purposes of this discussion it will suffice to deal with the theories of Patten, since he was outstanding in the field of consumption. The others are omitted for lack of space.

Simon N. Patten (1852-1922), among all economists, was one of the most original and systematic thinkers about consumption. His conception of economics was that of a broad foundation for "human progress and betterment." He termed himself an "economic pluralist" in contrast to J. B. Clark whom he denoted as an "economic monist." ". . . I have started from some fundamental contrast and have tried to deduce from each term principles that seem to oppose each other. In my way of thinking static and dynamic are equally fundamental and neither can be derived from the other. In economic discussion we must, therefore, distinguish clearly between dynamic and static principles, and expect that the laws deduced from the one will oppose those derived from the other."[12] He recognized this dualism in all phases of social life.

Patten believed that the theory of consumption and the subjective approach formed a better basis for the theory of value and distribution than that of cost of production. Economics is fundamentally a science of change and "progress." Consequently, the only valid theory underlying social phenomena must be dynamic. He scorned the statics of the older economists who assume a simplified life and hence arrive at a mechanical analysis that is applicable only to a limited extent. He granted that certain phenomena of human nature do not change; "we inherit about the same nature our fathers had," but environmental changes and each modification of the environment react on man so that "a new standard of life is formed through which the feelings and mental characteristics of men are changed." "Social progress" is continuous, for changes in race psychology bring about a new economic environment which modifies the standard of living through changes in consumption, and "the new standard acts upon the race psychology and creates motives in production." Hence, we have an endless chain or series of "progressive movements" that proceed steadily without finding equilibrium.

Patten believed that the "mechanism of progress" is best seen through consumption, particularly in the standard of life. He used

12 Patten, Simon N., *The Reconstruction of Economic Theory*, Supplement to the Annals of the American Academy of Political and Social Science, November, 1912, p. 5.

the term *standard of life* as a concept of satisfactions and harmonious utilities. In a simple or primitive state satisfactions depend upon sensation; in a more advanced state satisfactions accompany harmonious associations of complements of goods. Hence, the higher the standard, the more harmonious the groups of utilities. One cannot measure the standard by the utilities of isolated commodities but rather in terms of combinations or groups. An isolated commodity may have the power to give satisfaction and pleasure but as a part of a group of commodities it may yield dissatisfaction. Consequently, a good consumer would reject such a commodity in order that the total utility of the group might be great and harmonious.

Absolute and positive utilities are distinguished. The first afford only the satisfaction of mere living and usually there are no substitutes, *i.e.* air and water. If life were composed of the absolute utilities only there would be no theory of consumption for they can neither be "increased, diminished or compared." But the positive utilities are the satisfactions involved above the level of mere living. They characterize the content of life in the form of comforts or luxuries. Choice is generally possible due to the availability of substitutes. It is with these that a theory of consumption is concerned.

Consumption being concerned with the laws of choice and the resulting pleasures, it is necessary to distinguish between two orders of choice. The first is the *natural* order that is influenced purely by physiological conditions of pleasure. The second is the *economic* order or the natural order modified by the cost or pain of production. Since the labor of production is not always in proportion to the utility derived, these two orders of choice cannot be identical. In a moderately complex society the economic order of choice prevails. The natural order is of academic interest only.

With these two fundamental concepts in mind: (1) the difference between absolute and positive utilities, and (2) the distinction between the natural and the economic order of choice, Patten set about to demonstrate a theory of consumption and its relation to "progress." His essay on "The Consumption of Wealth" (1889) contends that laws of consumption are not only the laws of enjoyment; the pains of production must also be taken into account. Production constantly modifies consumption and consumption in turn influences production. Desires are not a fixed phenomenon but exhibit a continuity of change, the nature of which must be discovered in order to comprehend laws of consumption. Ideas, customs, traditions, etc. operate to change the course of consumption. In this part of his analysis, Patten shows a tendency to adopt, in a modified way, the institutional type of analysis. He is also inclined to the historical approach in tracing the "progress" of man from the primitive stages.

In a primitive society the absolute utilities predominate. Consumption is simple, costly, and inharmonious. With progress, pleasures are intensified, positive utilities gain prominence, and consumption becomes more varied, cheap, and harmonious. This is a natural result of increased productive power. The subject of food furnishes abundant evidence of the laws underlying consumption in general. We find that this one element of consumption is a most extraordinary example of dynamics in economics. In primitive times the foods furnished by nature were few in variety, the supply alternating in abundance or scarcity. Man's appetite was strong to the extent that he not only satisfied his present needs but he also stored additional nutrients in the form of tissue and fat to be drawn on by the system in times of a deficient food supply. Consequently, a strong appetite was necessary in an environment marked by irregular food supply.

In the next stage of progress, where the food supply becomes more regular and more varied, the intake of food is more in keeping with the present bodily needs and the utilities derived are more positive. The quantity of food taken will be affected by environmental factors, for example, the nature of occupation and climate. It is likely that the amount of food required will be diminished, not only because of the stability of supply, but also due to the fact that labor will be less arduous, and the development of more adequate clothing and facilities for shelter will reduce the heat requirement to be derived from food. Besides the environmental factor the effects of variety and of differences in nutritive value of food must be considered. Meat, for instance, contains more nutrients for its bulk than do vegetable foods and the intake of food must be adjusted accordingly, or else a change from a vegetable diet to one of meat is likely to be accompanied by consumption in excess of needs. Variety revives appetite and the various foods supplement each other so that harmony is increased and there is less waste. The result is that with a more varied diet one actually needs less food than before. Because variety tends to revive appetite and yet tends to lessen requirements it would appear that man is constantly faced with a dilemma. Periods of transition are no doubt marked by maladjustments but ultimately the situation is corrected by a weakening of the appetite, *i.e.* by intense enjoyment and rapid satiation. Briefly the causes that tend to reduce the strength of appetite are:

> (1) A regular food supply.
> (2) Lessening of muscular exertion by use of machinery, etc.
> (3) More adequate shelter and clothing.
> (4) A more economical use of food in its supplementary aspects.
> (5) A greater degree of art and skill in the preparation of food for immediate consumption.

The selection of food will not depend merely upon the amount and variety available or upon the intensity of the pleasures derived. The pains of production must be taken into account and balanced against the pleasures derived. In other words, it is a matter of the economic order of consumption. The order of intensities of desires taken by themselves, is likely to be very different from the order that results after allowance is made for the pains of attaining them.

From the foregoing analysis certain laws of consumption were derived which he considered the fundamental bases to a theory of consumption. These laws were:

> *First. The Law of Necessity.* Every group of goods forming the total consumption of a person must contain all the elements needed to sustain life and to secure present bodily necessities. There must be enough food to satisfy hunger with enough clothing and shelter to afford protection from the variations in climate. No matter how great a sum of satisfactions is sacrificed, these absolute utilities must be secured. The misery and poverty that most persons endure in primitive societies is the result of this law of necessity, since it compels them to make up their consumption from a group of articles from which they get little satisfaction.

Second. The Law of Variety. As soon as the necessaries of life are secure, a new law of consumption asserts itself. An increasing consumption of any one commodity reduces the utility of each increment until a point of satiety is reached. To avoid the reduction of the marginal utility of a commodity, other commodities satisfying the same want are substituted in its place. The change from one commodity to another also revives and increases the satisfaction of consumption, and in this way an increase in the number of commodities consumed is accompanied by some increase in the marginal utility of each commodity.

Third. The Law of Harmony. The utility of a commodity depends on the group of commodities with which it is consumed. The consumption of some articles is harmonious, and hence the sum of their utilities when they are consumed together is greater than the sum would be if they were consumed apart. The utility of butter and bread is much greater than the sum of the utilities that would result from their separate use. Salt, by itself, is disagreeable; yet, as an ingredient with many kinds of food, it adds greatly to their enjoyment. On the other hand, many commodities are joined together in natural groups, and each person tries to get a harmonious combination, eliminating from his consumption as many of the discordant elements as possible. From this law it follows that the total utility of a group of commodities will be greater than the sum of the separate utilities, if the combination is harmonious, and less, if it is discordant.

Fourth. The Law of Cost. If men lived in a world when they could supply their wants without work, the order of their consumption would be vastly different from the present order. All articles whose cost exceeds their utility, are now cut out of the consumption of each individual. Because of their cost a large part of the commodities produced never, or at least, but rarely, comes into the consumption of the average man. Articles that are consumed are not estimated according to their total utility, but only by the surplus of utility above cost.

Fifth. The Law of Grouping. Under the conditions in which primitive races live, but few articles give intense pleasure in consumption. The consumer strives, therefore, to get into his diet as much as possible of these pleasure-giving commodities. He will limit his use of other articles to the amount needed to supply the absolute utilities not secured by the first class of commodities,

> Suppose wheat to be the pleasure-giving article, and the other articles to be cabbage, turnips and beets, articles that support life, but give little or no pleasure; he will eat as much bread as he can get, and then satiate himself with cabbage and other vegetables. . . .
>
> *Sixth. The Law of Negative Utility.* Certain absolute utilities are at the same time negative utilities. The medicine we take is usually unpleasant. It is an absolute utility, and at the same time is a negative utility because it reduces the sum of positive happiness. Many articles which give pleasure for the moment, or at least no pain, later are the source of suffering. . . . Negative utilities are thus the painful results which follow from careless actions or from actions prompted by present necessities. Usually these negative utilities are the effects of past acts, but their presence causes the consumer to deviate widely from his natural choice in consumption. . . . Negative utilities thus disarrange the consumption of most persons, greatly reducing the sum of positive utilities. [13]

These are the primary laws of consumption. Patten noted that certain causes operate to obscure the working of these laws. History seems to indicate that the races which survived were those with strong appetites, those which, according to this analysis, are lower in the scale of progress, and that the men who were leaders were those with vigorous and strong passions. Patten, however, shows that this paradox is easily explained through an understanding of the condition and environment of earlier peoples. The people of primitive times were naturally indolent. Survival was contingent on industry and industry depended on the creation of wants strong enough to induce people to work long and steadily. Consequently, while strong appetites go with industry in the early stages of progress, they lose their force when the point is reached where long arduous work ceases to increase productive power.

Migrations from outside countries or from rural to urban areas, taxation, and extended use of cheap labor in the large-scale machine era of production are the principal forces obscuring the operation of the true laws of consumption. As in the case of the primitive society, such labor has its advantages in the willingness to work and to econo-

[13] Patten, S. N., *Essays in Economic Theory,* New York, 1924, pp. 55-57.

mize resources. Strong appetites coupled with unsatisfied wants are an effective combination. Finally, a limit is reached whereby strong appetites, instead of being a source of strength, become an element of weakness. The time devoted to work may be excessive and may thereby weaken the physical structure. Overwork increases the cost of production in relation to the pleasures to be derived in consumption. This is contrary to the "formula for progress" which requires that the costs or pains be reduced relatively.

Once these influences have run their course and the fundamental laws of consumption operate, the weak appetites will prevail and more varied consumption becomes the rule. But how will new wants make their appearance? Patten shows that in primitive societies the main force is that connected with the need of providing for the future. Welfare is at the root of it. As this incentive becomes established, habits of regular work replace those of indolence and the pain is lessened psychologically. Unequal distribution of wealth is also a means of creating new wants. The difference of social rank is a powerful stimulus to active search for new things that gratify the desire for emulation. Environment also is a factor. It is natural for people to get as much pleasure as possible out of their surroundings as long as the cost does not increase more rapidly than the pleasures.

According to Patten's theory the class that will succeed in displacing others will be the one whose consumption is of the sort that stimulates "progress," *i.e.* weak appetites accompanying the desire for a varied consumption, as long as these stimulate men to be efficient producers. He showed that classes with a cheap consumption tend, for a time, to put those with a dear consumption at a disadvantage because they are ready to meet high rents since their surplus revenue is relatively greater in their standard of living. But their advantage will not be passed on to the following generation. Their children will show the impact of outside environment and will become "dearer men" in the ensuing competition. Consumption, as it is good, has the ability to develop labor power; as it is poor, it destroys labor power.

Patten occasionally indulged in moralizing. Moral restraint plays an important rôle in directing the passions. He admits the separate aspects of moral and economic problems, yet he maintains that they converge in a most fundamental way. Love of country and home is involved in welfare. He suggests love of humanity as the chief motive for betterment rather than the necessity for social progress. A theory of consumption need not be confined solely to the material aspects of living. At least it is "defective if it assumes that men work only for material commodities." He deplores the "school of economists who have created an economic man desiring only material wealth." [14] This error is due to a misunderstanding of human nature. The love of material wealth is but one of the many human motives and would not top the list if they could be ranked. Religion and education occupy an important place in the whole scheme of living. They help to suppress discordant elements and in themselves contribute definite pleasures. Politics is another field where vital human desires create vast potentialities for harmonizing many varied interests. Harmony is the keynote of Patten's theory. It is effected through the complementary relation of things and persons. The end of consumption and the goal of life is to attain such relations. Its final result is the hard-working, weak-appetited, puritanical man, somewhat similar to the Marshallian ideal.

Conclusions

In the past fifteen years, and more particularly the last eight or ten, the economic literature has been characterized by whole treatises devoted to the subject of consumption. The influence of the Austrians, of Patten, and of Veblen is noticeable in all of these works, but the color and originality of the earlier writers is missing. All of these and the earlier theories have two main characteristics in common. The first of these is a feeling of optimism in regard to the amount of goods which it is possible for the consumer to secure. This is shown by the constant use of the word "progress" by practically all. If they do not use the word "progress" they imply its existence by such statements as that of Thomas C. Banfield that "the satisfaction of every real want in the scale creates a desire of higher character." [15] Similar views may be attributed to Carver in his concept of a "rational standard

[14] Patten, S. N., *The Consumption of Wealth,* Univ. of Penn. Pol. Econ. and Public Law Series, No. 4, Philadelphia, 1889, p. 37.

[15] Marshall, A., *Principles of Economics,* 7th ed., London, 1916, p. 90, fn. 1.

of living," Bullock in his theory that the cultural needs are practically illimitable, Ely in his ideas of welfare and social justice, the Austrians by their utilitarianism and hedonism, and the modern Americans not only because of the above characteristics but also from their devotion to the Engelian type of analysis. A possible exception is to be found in the conservatism of Taussig who states that "plain living and high thinking are not incompatible."

The second characteristic of most of these theorists is that they attempt to measure this progress either according to objective or subjective principles. The objectivists attempt to measure the progress by the Engelian type of analysis in which the proportion of the income used for certain types of basic goods is contrasted with the proportions used for others of a more elastic nature. The subjectivists, on the other hand, measure progress in a variety scale of wants measured chiefly by the elasticity of consumption. Progress is counted by the grades of wants that are satisfied. These two ideas amount essentially to the same thing, the objectivist looking at the good and the subjectivist at the satisfaction.

As we pointed out in our analysis of the classical school, there was a similar drive toward progress inherent in their concept of human nature. They held that man was naturally good, and if left alone he would eventually bring about the greatest economic rationalization. While they measure progress by production, their results finally bring us to the same point of view. The pessimism of the Malthusian writers was counter-balanced by a theory of rational checks to population which would permit an ever-increasing ratio of goods to population to mark out the path of progress.

Similarly, the historical and institutionalist schools, with their Hegelian drives towards the great "State" or toward the Marxist "new era," imply the same idea. Thus, the economists, while they differ in approach and in emphasis, have given us fundamentally a single line of thought with two propositions: (1) that economic man in one way or another can continuously improve his material conditions, and (2) that the major drive in this movement is the pleasure which the masses secure from a constantly increasing and widening scale of consumption. This in essence, is also the spirit of economic and secular thought in the western world since the Renaissance. While there have been exceptions appearing outside of economics, such as Le Playism and Spenglerism, these have been the dominant ideas at least up until the beginning of the twentieth century.[16]

[16] We have indicated that a number of the thinkers, particularly Alfred Marshall, F. W. Taussig, and a few others, have been more cautious in their beliefs and have pointed out that there were limits to these drives. It might also be indicated that Pareto's theory of the limits of social phenomena, and the works of A. Lawrence Lowell and P. A. Sorokin appeared at about the same time.

CHAPTER XXIII

Mathematical Hedonism and Consumption

The mathematical hedonists imply that the problems of a standard of living are encompassed primarily by a number of sensation-response curves.—Even their longest studies of consumption have limited historical perspectives.—They emphasize external factors in causation and hold that the hedonic man is constant in time.—One group emphasizes demand curves.—They differentiate these price-quantity curves according to their forms of elasticity.—These curves of economic wants assume that the non-material standard of living is dependent upon the material.—They do not recognize that goods are only a part of the values of life.—Such studies have only a limited value in comprehending the totality of the standard of living.—The results have not advanced greatly beyond empirical observation.—A second group of mathematical hedonists have applied Pearsonian correlation methods to budget analyses.—While these studies show some originality, fundamentally they represent the development of technique more than of understanding.—They have reëmphasized previous conclusions reached by simpler methods and have contributed a few novel ideas.—However, the involved technique tends to push aside thoughtful analyses of the problems of living.—Too often the studies lead to the assumption that social change follows only linear processes.—The third group are those who study social trends by compiling data concerning secular movements in consumption.—The difficulty is that these studies tend to limit their perspective to periods in which abundant data are available. —The tendency is to write history from observations in the periods where the greatest amount of material is recorded.—With this limited perspective, unreal theories, such as the Marxist doctrines of social change, can be introduced without great danger of conflict.—An illustration is the assumption that man will have the same reaction to different volumes of stimulation from consumers' goods.—The ramifications of human culture defy too close enclosure within the brackets of mathematical equations.

The material standard of living was also emphasized by another group of investigators who approached the subject mainly from the mathematical and statistical points of view. These thinkers so concentrate their attention on the material (or the economic) standard of living that they seem to ignore the other phases of life almost completely. However, it is clear, by implication, and sometimes by direct statement, that most of them have definite convictions concerning the course of the non-economic phases of living. Some of them maintain, with Alfred Marshall, that the development of the *homo-economicus* leads to such discipline that those who consume (or wish to consume) more goods will strive so to mold their desires as to secure more economic resources permanently as well as temporarily. Upon this conviction is based the dictum that the non-material desires, whether adaptive or not, will be forced to adjust to the economic desires. Others believe that the economic desires require no disciplining and consequently the non-economic culture is purely an adaptation through which man receives his rewards for having "played the game" of life.

Another currently accepted view holds that, in the division of scientific labor, the sole task of the economist is the study of the economic behavior of man, whether it is self-disciplining or not. These writers insist that economics comprises Weber-Fechner charts of human behavior rather than a congeries of complicated, and often conflicting, principles. They often neglect to adapt their statistical tools for use in man's general quest for knowledge about himself. But in spite of the ease with which these investigators ignore the problems of the non-economic behavior of man or simply classify them as correlates of economic behavior, they do imply definite theories which must be taken into consideration.

This group of investigators also attempts to deal only with "measurable facts" implying that these alone are subject to the logico-experimental and Pearsonian methods of analysis. They imply that science deals only with such facts and with such methods. They define science by a form of methodology and by a certain type of data rather than according to the needs, the frame of mind, and the inquisitiveness of man.

Another characteristic is the limited historical background of their studies. This leads to the assumption that the particular era under study is unique in itself or that its trends can be extrapolated indefinitely. Some go further and seem to handle the problem of change logically by attaching fantastic evolutionary hypotheses to their studies. These investigators imply that the general trends found in their data indicate a gradual and continuous improvement in the condition of man. Thus, they measure "improvement" by the changes in their data for the limited time under study and predict a similar unfolding of human character in the future. Others imply that, regardless of the past, all will be different now.

Finally, these mathematical hedonists generally imply that the problems of life unfold chiefly under the guidance of transeunt causation (the impact of external factors upon the social system in question). The hedonistic man is a constant. No allowance is made for immanent changes in the nature of man or for changes in the social structure which seem to afford different responses to the same stimuli when applied at different times or at different levels of sensation.[1]

These investigators may be classified into three groups according to the nature of their technique and results. The first of these picture the morphology of the demand, supply, consumption, market, or material standard of living of a country by a number of demand curves. These curves have relations which always involve price (either actual or hypothetical), on the one hand, and amounts taken (either actual or hypothetical), on the other. It must be made clear at the outset that we are not analyzing the curves in themselves nor attempting to find the value of such in understanding general economic systems. We are dealing with their more fundamental aspects in so far as they are supposed to contribute to a general understanding of anything more than a static aspect of the material standard of living at a particular time in a given area or country.

The second group comprises those who use the Pearsonian and allied methods of relating one variable to another with the avowed attempt of understanding or interpreting the standard of living. They seek to discover, for instance, the "exact" relation between size of family or amount of income and the amount or proportion spent for food. Their precise technique, not their ideas or basic method, is new. Consequently, it is necessary to survey the results and implications of their studies to see if this has led to discoveries about man's life.

The third group in the mathematical approach, those who study "social trends," represent an emphasis rather than a school. They emphasize objectivism and the logico-experimental method particularly.

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1 See K. Breysig, *Vom geschichtlichen Werden*, Vol. III, "Der Weg der Menschheit," Stuttgart und Berlin, 1928.

This group arose in the early twentieth century partly due to the general influence of the rapidity of social changes then going on. It is clear that some of their doctrines are built around Marxist theories of the trends of culture.

All of the fundamental ideas dealing with the mathematical approach to this problem are to be found in the works of Sir William Petty, Gregory King, Richard Dunning, Daniel Defoe, Joseph Massie, and Arthur Young. Many similar works of that time are no longer available to us. By the middle of the eighteenth century Arthur Young had even introduced the concept of partial and multiple correlation analysis in attempting to construct a consumers' adult equivalent scale. He wanted to eliminate the influence of size of family in studying the relations between income and expenditure. This scale was definitely useful and even identical in substance to some used during the twentieth century.

In the last half of the eighteenth and in the nineteenth centuries many further examples of the development of these ideas can be found in the works of the French mathematicians and scientists, such as A. Lavoisier and J. L. Lagrange, the Christian socialists, such as A. de Villeneuve-Bargement, and M. Villermé, as well as persons like Edouard Ducpétiaux, Ernst Engel and others associated with the International Statistical Institute. These scholars, not to mention many others, in 1791, 1796, 1834, 1840, 1850, and 1856 made studies of their particular countries involving most, if not all, of the basic ideas to be found in later statistical analyses. However, the actual use of Pearsonian and allied methods of rigid correlation analysis, "higher" mathematics, and curve fitting in this field has become widespread but recently.

The Demand Curves [2]

Representative and fairly recent studies on demand curves include some of the works of many of the statistical and mathematical econo-

[2] A reviewer objects as follows: "The author is criticising the statistical work of Schultz, Warren, and others who have sought to construct statistical demand curves for various commodities. As the author correctly points out, 'These (curves) indicate the amounts which, under the conditions of the study, are bought at certain prices per unit.' This does not say that these demand curves for individual commodities have

mists.[3] In these works demand curves are computed for important economic articles. These indicate the amounts which, under the conditions of the study, are bought at certain prices per unit. These curves were first based upon theoretical analyses of various products or types of products and later upon market reports of sales at different prices. Finally, an attempt was made to secure such curves from family budget data, and Frisch and Gilboy have even used "personal estimates" of what would happen to expenditures under hypothetical conditions of change in incomes.[4]

The works which fall within the field of curve fitting may be classified into two types. The first of these are works which attempt to divide commodities into those with elastic and those with inelastic demand curves. Commodities with an elastic demand are those which

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anything to do with standards of living and consumption in general, which is the field of the author's work. *These studies are made with a view to elaborating the neo-classical theory of market value and are not designed by their authors to show anything about standards of living.* Consideration of them is therefore irrelevant to the matter in hand. Statistical demand curves can be shown to have a direct connection with standards of living by one process only. That is by quoting Schultz *et al* to that effect. And even supposing the criticism of the statistical demand curves constructed by Schultz, Leontief, *et al* to be relevant to this work, the author does not need to take up pages to do so. Quote or cite Gilboy in the *Quarterly Journal of Economics* for August, 1930, to show the weakness of demand curves, and then use the space for more relevant material."

I am not criticizing the demand curves for what they try to do but for the implications they have for standards of living. I am criticizing underlying assumptions. I feel that this is important because sooner or later the underlying assumptions become the dominant factors in social policy. Witness the Agricultural Adjustment Act with its concept of "parity." Here you have a clear case where the following assumptions lead to a social policy:

Demand curves are sufficient measures of standards of living.

"Parity" in demand curves means "parity" in standards of living.

"Parity" in prices means "parity" in incomes which in turn means "parity" in standards of living.

Hence "parity" in demand curves via "parity" prices is a desirable social objective.

I do not endorse either the "parity" prices chosen by the A. A. A. nor the above logic. Hence I want to show the reader how much involved statistics and non-realistic social policy is often built about simple and erroneous ideas.

[3] A. Cournot, Alfred Marshall, Henry L. Moore, A. C. Pigou, A. Tschajanow, A. B. and H. Farquahr, R. Benini, M. Lenoir, H. A. Young, Vilfredo Pareto, Ragnar Frisch, Irving Fisher, R. Roy, Jacob Marschak, J. D. Black, G. F. Warren, F. A. Pearson, W. Leontief, Henry Schultz, Holbrook Working, E. J. Working, E. W. Gilboy, Corrado Gini, G. del Vecchio.

[4] See a summary by H. Schultz, *Weltwirtschaftliches Archiv* 37 (1): 29-38, January, 1933; E. W. Gilboy, "Demand Curves in Theory and Practice," *Quarterly Journal of Economics*, August, 1930; "The Leontief and Schultz Methods of Deriving Demand Curves," *Quarterly Journal of Economics*, February, 1931; "Demand Curves by Personal Estimates," *Quarterly Journal of Economics*, February, 1932; and G. F. Warren and F. A. Pearson, "Interrelationships of Price and Supply," Cornell Agricultural Experiment Station, *Bulletin 466*, March, 1928.

show, for the period under consideration, a considerable change in the number of goods produced or purchased after small changes in price. Commodities with an inelastic demand show considerable change in price with little or negligible influence upon demand, consumption, or market transactions. This phase of the study of curve-fitting is an attempt to classify commodities according to the types of curves connected with each.

The second type of work in the field of curve fitting is represented by attempts to find stable and ever-present curves of demand to be used in analyzing the relation between production or supply and price. This is an attempt to generalize the typical curves found for each commodity as representing relations which hold under other conditions and which may be used to estimate the behavior of the market or the standard of living. Both types of investigation have been the objects of a great deal of study.

The effective demand for any commodity shows that the commodity possesses utility, that is, the power to satisfy a particular want. There are various classes of wants ranging from primary or existence wants to secondary or luxury wants. In any case, the utility of successive increments of a good, such as food, is not constant, but diminishes as the point of satisfaction is approached. But the rate at which utility diminishes depends on the good and the type of want which it satisfies. Consequently, the price which a person is willing to pay for a unit of the good and the total quantity that he will take is based on the intensity of desire and the rate of diminishing utility. The character of this behavior determines the elasticity of demand. Demand is inelastic if the quantities taken remain relatively constant while the prices change. Conversely, demand is elastic if the quantities taken change significantly with small changes in price. The following curves are graphic demonstrations.

Figure I depicts the behavior when a given change in price is accompanied by a proportional change in the quantity taken. Figure II shows a wide range in price but a restricted range in the quantity taken. Figure III shows a small range in price in relation to the range in quantity taken.

Elasticity is measured by the ratio in quantity to change in price. For example, when a change of one per cent in the price of a commodity is accompanied by a change of one per cent in the quantity taken it is described as having unit elasticity or the elasticity is said to be one. If a one per cent change in price is accompanied by one-half of one per cent change in quantity, the elasticity is said to be one-half and the demand is described as inelastic. On the other hand, a one per cent price change and a two per cent quantity change represents an elasticity of two and a demand that is elastic.

CURVES IN ELASTICITY OF DEMAND

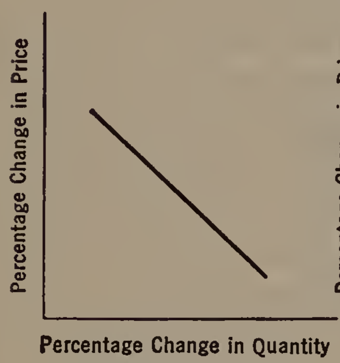

FIGURE I
Unit Elasticity

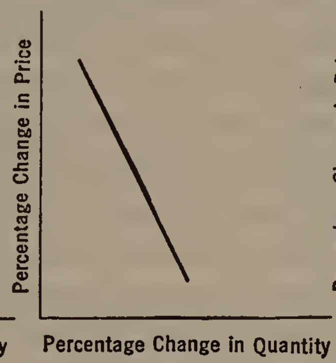

FIGURE II
Less than Unit Elasticity

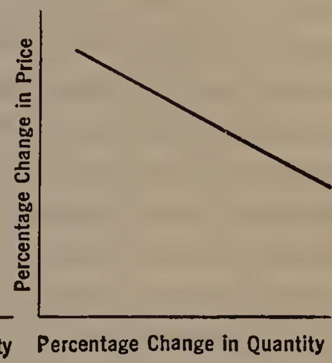

FIGURE III
Greater than Unit Elasticity

The second type of work is represented by attempts to find stable curves of demand which could be used as data in the analysis of relations between production or supply and price. Work in this field is illustrated by price prediction studies. Formulas and curves are set up for predicting price on the basis of predicted supply and price levels. Some investigators call the curves "supply-price" rather than "demand curves." Warren and Pearson compiled 221 studies of farm products which show how price varies from normal when production changes from normal by given percentages.[5]

There are also two other general types of curves—the static curve which shows the prices that would be paid for different quantities of a good at any particular time and the dynamic demand curve (supply-price) which shows the changes in price which have been associated with fluctuations in supply and changes in other economic conditions.

[5] *Op. cit.*, Table 129.

These two different types of curves are not the same although they approximate each other.

There are many other varieties of curves made with different formulas and with varying assumptions. However, those we have described comprise the more important.[6] Our fundamental problem is to determine what they reveal about the consumers' standard of living. This may be schematically presented.

It is evident that these are curves of *economic* wants. Any assumptions concerning the other phases of a system of living must be based on theories concerning the relations between the economic and the non-economic phases of life, such as are indicated in the introduction to this chapter. Many such assumptions have been made but, as we show elsewhere, they do not all have the validity often attributed to them by the mathematical school. For instance, the assumption is made that an increase in demand for a particular good or for a certain type of good means an improvement in the standard of living. In a material sense this may be true because the individual who formerly could afford only a small quantity of that type of goods can now afford more. It is recognized, however, that from the moral point of view the increase in demand may be for a destructive good, such as a drug or a bomb. The theoretical economists have avoided such implications by arranging the desires of man from what appears to be the least helpful, morally evaluated, to those which are most helpful. Relative elasticities constitute the chief means of differentiating these types of goods since it is assumed that when the basic desires are satisfied man will automatically know what is next best for him to consume. Since economists think man knows what is best (morally), they generally take those goods of greater elasticity and give them a welfare connotation. Man does it. Hence it is right. The folkways become mores.

In criticism it should be pointed out in this connection that many of the harmful things of life are dispersed throughout the whole scale of human wants. In Le Play's terminology, man may or may not possess the social virtues generally considered necessary for a strong social system at practically all levels of living. While there seems to be some connection between the material and other phases of life, it is

[6]Marschak, Jacob, *Elastizitat der Nachfrage*, Tübingen, 1931, Chap. III; and Schultz, H., "The Shifting Demand for Selected Agricultural Commodities, 1875-1929," *Journal of Farm Economics*, April, 1932.

difficult to say that any particular level of material existence combines both phases in the best manner unless that level includes all the antecedent conditions, both material and non-material, necessary to the fullest expression of human life. He must preserve his "culture" as well as express his "personality."

The next characteristic of the demand curves, from our point of view, is that they measure only material standards of living at a particular time and largely with relation to stated incomes. For instance, important variations in incomes do not produce the same order in choice of goods which might be expected from the "predictive" demand curves plotted before the variation in income. For illustration, we may consider charts typical of consumers' demand in America for 1929 and show that, generally, at a given level a man bought a yacht, at another an automobile, and at another a house. This does not mean, however, that in 1933 the same economic levels will show the same types of behavior as in 1929, even if corrections are made for relative changes in price. A consumer who purchased an expensive automobile in 1929 might have used the same amount of money in 1933 for a house. The demand curves for 1929 are not those of 1934. They explain consumers' behavior in their choice of goods only under the conditions of "isolated reaction" (using the words of Marschak) or under the same general 1929 conditions when the curves were set up.

This means that parallel movements of all prices (or the reverse movement of incomes) does not insure that consumers' choices under the new conditions can be predicted from the curves set up under the old conditions. That is, if the prices of one product moves up or down under the same general conditions as those existing when the curves were derived, increases or decreases in demand may be predicted to some extent from these curves. The same rule may apply to a small body of consumers when their purchasing power makes only limited changes one way or another. Great changes in the demand curve must be made when the economic level of the mass of consumers changes. Further fundamental changes must be made when the incomes of even a few make drastic changes up or down. This has already been pointed out in many studies.[7] These changes in the charts of demand are, of

[7] See Zimmerman, C. C., "The Family Budget as a Tool for Sociological Analysis," *The American Journal of Sociology*, May, 1928.

course, greater under some conditions than under others. Drastic "corrections" have to be made when the incomes of a wealthy people (such as western civilization of the early twentieth century) move 20% in either direction, in spite of the fact that these changes cannot be called "pauperizing" or "enriching" when compared with the consuming power of the great millions of the world population of this period. To understand this, one should study an Austrian utility chart such as that in Chap. II, p. 30.[8]

According to this theoretical table of the order of satisfaction of personal wants, a family with one unit of income would buy only food; with three units, two of food and one of clothing; with six units, three of food, two of clothing, and one of shelter; and with forty-five units, all listed in the table.[9] It is the contention here that this table and others like it have meaning only for changes in values of specific goods (isolated reaction) and has no important meaning for noticeable changes in all prices (income changes). Proofs of this are given in other chapters which show that *goods are a part of life values, and no great life value is ever entirely extinct or ever completely satisfied.* On the basis of this, it may be claimed that people above the immediate starvation level somehow work out a social system partially satisfying all their important desires. Consequently, the "parallel" curves tell us nothing about behavior for a peasant with less than twenty-one units of income (sufficient to buy one item of all the above goods according to the demand scales of Tschajanow). Between twenty-one units of income and the saturation point, they tell us something depending upon the smallness of the fluctuations of incomes upon the effective range of price variations (of a few or many commodities).

This statement may be illustrated by a specific case based upon peasant conditions in the village of Ta Yang in the Siamese part of the Malay peninsula where cash incomes in 1930 ranged from 27 to 690 ticals (then 44 cents in United States gold).[10] It is evident that the

[8] See Tschajanow, A., *Die Lehre von der bäuerlichen Wirtschaft*, Berlin, 1923, Chap. 5. The use of this type of scheme was widely invoked by the Austrians, particularly Karl Menger and Eugen von Böhm-Bawerk. See Smart's translation of Böhm-Bawerk's *Positive Theory of Capital*, p. 144.

[9] See table on page 30. Capital goods have been eliminated from the discussion.

[10] From unpublished Siamese data. See Zimmerman, C. C., *Siam: Rural Economic Survey 1930-31*, Bangkok, 1931.

family with an income of 690 ticals would have sufficient to satisfy all the desires listed on Tschajanow's table of demands. However, the family with an income of 27 ticals, according to a similar table of demand, could satisfy only one or two of the theoretical desires. However, if we examine carefully the actual behavior of these cases we find that they both participate in the entire standard of living of the people of the village (every item in the chart of desires which could be drawn up), the one in a luxurious and the other in an exceedingly simple manner. The low-income families spend their money largely to satisfy desires of an individualistic nature, and participate in the social system supported, to a considerable extent, by the economic surplus of the more well-to-do families. A decline in incomes does not mean the extinction of the fundamental types of desires but rather differences in methods of satisfying them.

Thus, demand curves measure economic utility, assuming relatively static conditions. As such they have predictive value in a limited range of time and space. In a dynamic state or under catastrophic conditions their predictive value is almost nil. This is largely self-evident. Conditions of war, famine, public calamities, and social disturbances generally, vitiate all these measures except as they measure the basic wants of man and refer to his most elementary conditions.

Finally, "national programs" and "international comparisons" based upon these demand curves have very little predictive or cognitive value. Neither do they always show a great deal of common sense. International comparisons of these curves reveal nothing of importance concerning the relative standards of living of two widely different peoples. The Asiatic peasant with a yearly income of $25 or $50 in United States gold per family has a more satisfactory life than an American with a similar income.[11] The same applies to the comparisons of western countries, such as those by Edward Young or the more recent ones

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[11] See Nitti, Francesco S., "The Food and Labour-Power of Nations," *The Economic Journal,* March, 1896, pp. 30-63; Richardson, J. H., "International Comparison of Real Wages," *Journal of the Royal Statistical Society* 93 (Part 3): 398-423, 1930; Staehle, Hans, *Ein Verfahren zur Ermittlung gleichwertiger Einkommen in verschiedenen Ländern,* a lecture delivered at Lausanne, pp. 436-446, 1931. This method involves the principle of "link-comparison" whereby conditions in areas A and B are compared, then B and C and so on until finally it is possible to compare area X with area A despite the fact that differences in customs and habits of consumption in the two areas prevent any direct comparison.

inspired by the budgetary study of the Detroit Ford worker made by the United States Bureau of Labor Statistics. It is true, in many cases, that the people consume different amounts of the same thing, but it is not known which of the two groups is better off or whether either group would be satisfied with the goods or money standard of the other. For the same articles, comparisons of consumption may be made when differential prices are eliminated. We cannot deny all value to such comparisons but it appears that their cognitive value for the standard of living is to a considerable degree over-estimated.

The limitations of this type of study may be shown if we take as an example one of the most systematic, del Vecchio's study of the relation between income and consumption.[12] His analysis is based on statistics gathered from the publications of Le Play, Ducpétiaux, and Engel, and from forty to fifty other studies of family budgets. His purpose is the study of the practical application of Engel's law, the derivation of formulas for the logarithmic law of food consumption, and the establishment of a general theory of relations between income and expenditure. His food law holds that "the percentage of expenditures or incomes used for food decreases as the logarithm of the total expenditure or income increases."[13] The predicted logarithmic expenditures are compared with the actual amounts for groups and, except for the low income groups, agree rather closely for the studies considered. He attempts to justify the use of total expenditure in place of income on the ground that the logarithmic law of relations expressed above applies equally well to either. This law "is independent of the composition of the family." There occurs a lower value of theoretical consumption in comparison with the actual amounts for the lowest income class. This indicates that the increase of consumption between the first and second class is less than the increase of the logarithm of increase.

> It is probable that food costs in the poorer classes should be extended in proportion to the increase of income, and should not follow the increase corresponding to the increase of the logarithm of the income. . . . It is a common error in the family budget for

[12] del Vecchio, Gustavo, *Relazioni fra entrata e consumo*, Rome, 1912. This is also discussed in Chap. III.

[13] *Ibid.*, p. 12.

> the income to appear less than it really is, and the expenditure higher. . . . The actual measure of the consumption of the first class is less than that obtained from statistics and greater than that obtained by a single logarithmic formula.[14]

More than fifty studies are summarized in order to compare the elasticity of food consumption. The formula of elasticity is obtained by relating the increase of food costs to the logarithm of income increase and dividing this by the average consumption for the group under consideration. The elasticities of food expenditures, according to this formula, vary from 0.95 for a study of peasants on the Island of Jutland in 1897 to 3.66 for a group of laborers in American factories in 1891. It was found that, among the many factors influencing the elasticity of food expense, income was very important. The higher incomes showed a less elastic food budget. Furthermore, increase in size of family decreased the elasticity of the food budget. The inclusion of expense for lodging, clothing, alcohol, tea, coffee, and chocolate in the same type of logarithmic analysis shows that, with greater indices of elasticity, their behavior approximates the same law. All of the conclusions are valid only for limited social classes and professions and do not generally apply to the lowest income groups. The results are compared with the Bernouillian hypothesis (the advantage or the sacrifice resulting from the acquisition or loss of patrimony increases or decreases in arithmetical ratio while the patrimony increases or decreases in geometrical ratio); with the Weber-Fechner "law" (sensation increases or diminishes in arithmetical ratio while stimulus increases or diminishes in geometrical ratio); and with Gini's theory (consumpton increases or diminishes in arithmetical ratio while prices increase or diminish in geometrical ratio). The conclusion is reached that both the logarithmic hypothesis and Gini's theory correspond to the Weber-Fechner principle. The variation in consumption increases with income and with the size of the family. It is less for food than for lodging, less for lodging than for alcohol, and less for alcohol than for clothing. Consumption is to be explained by psychological laws and not by physiological data.

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[14] *Ibid.*, pp. 97-102.

This study by del Vecchio indicates that in applying the formula for the logarithmic law of expenditures to different groups, they require substitutions of new values because *each group has its own basic values.* In addition, it shows that even the law itself does not apply to great variations within the same group such as those found in the lower income range. None of these studies included a reasonably high income group since they were all of laboring families.

We see from the analyses of the logarithmic hypotheses of Bernouilli, Weber-Fechner, Gini, and del Vecchio that these curves only represent tendencies toward the development of standards of living and, as such, have not greatly advanced beyond empirical observations. They are invalidated by the different circumstances of group life and by any great variations among or within social classes.

Correlation Studies of Family Budgets

The next group has attempted to study the standard of living by the application of Pearsonian correlation methods to the family budget.[15]

The purposes of these studies have been numerous. Ogburn sought to generalize on the basis of the United States official data concerning a few cities and from the data on a number of families by developing formulas for regression lines of expenditure upon income, size of family, and the like. He also attempted to determine the relations between certain types of expenditures when variations due to size of family and size of income were eliminated as far as possible by the use of partial correlation analysis. Bennison modeled his study after Ogburn's, except that he did not find the relations after the influence of size of family and size of income had been removed. All of the others limited their analysis to two major problems: first, they tried by the use of partial and multiple correlation to get a clearer and more exact picture of the structure of the family budget than could be obtained by the ordinary methods of tabular or cross-tabular analysis; and secondly, they tried to "explain" various types of expenditures by relating their variations to changes in incomes or in other types of expenditures. The

[15] A fuller discussion of this phase of the problem is to be found in a study by C. C. Zimmerman, "Mathematical Correlation in the Household Budget," *Sociologus* 8 (2) : 145-166, June, 1932. For much of the data the reader is referred to this study.

assumption was that variations in certain types of expenditures indicated variations in the level of living. These investigators were interested in ascertaining the reasons for some families living "better" than others, so they attempted to relate some expenditures to others or to incomes and even to extra-budgetary factors, such as education, distance from town (in the case of the isolated family farm), form of land tenure, and other factors.

For purposes of discussion, these studies may be divided into two groups, those which concern various urban families,[16] and those which apply chiefly to farm families.[17]

A summary of the urban studies suggests the following: (1) increasing size of family with income constant has about the same influence upon expenditures in an urban and capitalistic society as has decreasing income with family constant. Another variation of this same principle is that decreasing size of family or increasing income with the same size of family has a similar influence. From this, however, one is not justified in concluding that fluctuations in size of family have the same influence upon *total* standards of living (material and nonmaterial) as inverse fluctuations in income. However, this latter statement is in criticism of, and is not proved by, the analyses of these studies.

(2) Once a fairly adequate level of nutrition is reached, increasing incomes, or decreasing size of families with the same incomes are associated in both cases with declining proportions of expenditures for food. However, the actual amount spent for food increases. The number of calories per adult purchased and probably ingested increases in amount. However, the number of calories ingested per adult does not increase as rapidly as expenditures per adult for the simple reason that the higher income classes buy more expensive forms of food and secure fewer calories for each unit of currency.

(3) The proportion of the expenditures for a group of unspecified items (generally classified as "advancement") tends so to increase as to absorb the proportion of the income which is set free by declining

[16] By W. F. Ogburn, J. J. Bennison, and Jessica Peixotto.

[17] By E. L. Kirkpatrick, W. A. Anderson, C. E. Lively, Helen Canon, and C. C. Zimmerman. Marianne Muse has since made a somewhat similar study. See her Vermont Agricultural Experiment Station, *Bulletin 340*, 1932.

or practically stable percentages devoted to other things. This conclusion should be maintained with considerable caution. In the first place, the use of the term "advancement" is subjective and evaluative and includes both ethical and sentimental implications. Factually, two things have been measured: (a) the proportions spent for consumers' goods with an elastic demand, such as those for advancement which are more elastic than the necessities; and (b) the increase in random behavior and in the proportions of the budget utilized for goods of a variable nature. As pointed out earlier, elastic expenditures, although called "advancement," may be either "moral or immoral." [18]

(4) The middle range of elastic expenditures, those arranged in a scale of elasticity between food and the categories variously designated as "all other," "miscellaneous," "personal," or "advancement," fluctuates from study to study. Some of these fluctuations seem to be due to special circumstances in particular communities and in particular families. Another factor in these fluctuations seems to be the peculiar nature of the expenditures themselves. Many of these items not only satisfy a higher proportion of the necessities of existence but also contain opportunities for a good deal of conspicuous consumption and luxury. Since they are in the middle of the scale, one should expect to find them fluctuating both ways. A third factor seems to be the fact that *the complete behavior of these variables has not been described in changing from a minimum to a maximum material standard of living.* Consequently, studies of groups with varying levels of living present different pictures for the fluctuations in the trends of these expenditures. The whole problem of the fluctuation of these middle groups of expenditures deserves more careful study and a more precise formulation. The data for their complete formulation exist but have not been adequately utilized up to this time.

The farm family studies began in America through the investigations of E. L. Kirkpatrick. In his studies he uses the actual amount of money spent plus imputed values (such as rental of houses) as a measure of the standards of living. Consequently, his major correla-

[18] See also Ducpétiaux, Ed., *Budgets économiques des classes ouvriers en belgiques,* Brussels, 1855.

tions are *between the ability to spend as shown by the amount of money which the farmer had and the actual amounts which he spent each year.* Furthermore, the reason his correlations are no higher seems to be because they did not include *all* the factors ordinarily listed as expenditures in a society with capitalistic mores. Somewhat similar work has been done by the Russian Zemstvo statisticians.

W. A. Anderson, C. E. Lively, Helen Canon, and C. C. Zimmerman also carried correlation analysis of farm family living into great detail. W. A. Anderson analyzed thirteen factors and attempted to explain the variations of each by gross, net, and multiple correlation with each of the other twelve factors. He studied cash expenditures for food and fuel, the home production of food and fuel, clothing, household, personal, advancement (education, religion, recreation, etc.), and automobile, all by the same method and with somewhat similar results.

If it be assumed that Anderson's results are not biased by spurious correlation and inter-correlation (a criticism made by Lively), the following general conclusions can be drawn. First, there are distinct differences between the material standards of living of the farm owners and the farm tenants, although this may be due almost entirely to differences in their income.[19] Secondly, there seem to be material differences between the standards of living of farm owners and tenants which may have arisen because the owners use much of their incomes to secure title to and improve their farms and land holdings.[20] However, the author does not make this or the other points clear. He combines the farm production expense, the interest on borrowed money, and the farm investments and savings in one undifferentiated variable.

Third, the relation of the size of the farm family itself to the *expenditures* of the family was not as great as that found in urban conditions. In only two cases did the "size of family" have important relations with expenditures. These were in the value of the home production of food and fuel and cost of clothing. Size of family was related to about 7% of the variation of clothing expense for owners and 11% for tenants. For city families, he shows that the size of family has

[19] Income for owners (gross cash) was $2505 and for tenants $895. See *Bulletin No. 269*, North Carolina Experiment Station, Raleigh.

[20] Also emphasized in *Bulletin No. 269* without the use of the correlation analysis.

an important influence upon increasing the food expenditures, decreasing the amounts available for rent, and increasing the deficits among city families. Thus, there appears a real economic basis for the division of labor between the city and the country in the problem of production and utilization of human beings.

The fourth conclusion from Anderson's work is that the percentage used for food declined with income. However, food played a minor variant rôle in the farm family budget in comparison with the expense for the control and ownership of land and "landed" capital.[21] The "future-present" type of competition was more important than the food-luxury antithesis.

Lively's chief problem was prediction of the total expenses for farm family living. Many of the other problems handled by Anderson by correlation coefficients were solved by Lively through the use of cross-tabulation. He approached the problem in a more cautious manner than Anderson and eliminated much of the spurious correlation and inter-correlation to be found in Anderson's and Kirkpatrick's studies.[22] In general, his results bear out the essence of all of Anderson's coefficients as just discussed.

Analyses by Helen Canon and Zimmerman gave conclusions in many respects identical to the other studies. However, this whole analysis, in the opinion of the author, did not add enough to what could be proved by other forms of analysis or what was already known by farm family budgets so the results were not published.

This summary covers the most important correlation studies published. The distinction of correlation from other methods of analysis is evidently slight. To a limited extent, they have been a step toward a more analytical approach to standards of living. Instead of merely setting up "standard budgets" with total costs somewhat in excess of the prevailing wages and incomes as has been the practice in the great

[21] This same theory concerning the investment competition in the farm family budgets is set forth systematically in Chap. XIII.

[22] Lively, C. E., "Some Relationships of the Variable, Cash Expenditure for Farm Family Living," Ohio Agricultural Experiment Station, *Mimeographed Bulletin No. 36*, April, 1931, p. 18. Lively correlated the combined relation of money income, schooling, possession of household conveniences, and index of organizational relations with cash expenditure for living. You have here *free* income, education, style of living, and mobility related to a type of expenditure.

majority of budget studies, the analysis has turned toward a more comprehensive inquiry into the configurations of the family budget under specified conditions and has attempted to explain these configurations by relating them to other factors. However, such an analysis demands considerable qualifications.

To a marked extent, the analysis has been merely a repetition of previous practices but using a more involved technique. Investigators of the family budget had already demonstrated that size of family and size of income had important influences upon the distribution of the budget long before the practice of using these as variables in a correlation problem began. By the selection of families, by the use of families within the same income groups, by cross-tabulation, and by the use of the adult equivalent scale as a dividing factor, most of the findings and conclusions reached by the statisticians were known before. As a result, a large part of the statistical analysis has merely resulted in making the old-time analysis more expensive and less understandable to the great majority of persons concerned.

The technique was so involved that investigators, in most cases, did not note the general conclusions which they were developing nor did they relate their studies to the conclusions developed by others. Furthermore, the investigators became so concerned with the technique of analysis of contemporary budgets that they failed to appreciate the historical relation of their studies to the trends of the times. They became correlation auto-intoxicated. Correlation coefficients were built up by spurious technique, much of which was unanalyzed.

Finally, the emphasis upon the statistical analysis seems to have led to an "over-objectifying" and to a standardization of studies so that other methods which led to an understanding of the intangibilities of family living and to an appreciation of some of the importance of the social structure were neglected. Nearly everything which could not be measured in quantities was omitted from consideration. The statistical method, by its quantitative measures of living, can analyze (but does not ordinarily) some characteristics of families with low income and high moral, spiritual, or religious standards of living. Ordinarily it does not allow for persons who belong to few organizations, spend little for random items included under advancement, or stay at home, and yet are "good citizens." However, this is not a criticism of the statistical method but of the use made of that method and of its use isolated from other forms of reasoning and analysis. In spite of these criticisms, however, the statistical method of mathematical correlation has been of some aid through its study of variations between two factors when others have remained constant.

The results obtained by this method are of two types—first, a verification of previous conclusions, and secondly, new and original conclusions. These studies do show that many factors often attributed to "causal" relations in standards of living at least have no quantitative relations with the size or the distribution of the budget. Either that, or their importance has been over-estimated in popular opinion. For instance, Lively in his Ohio study eliminated many factors, such as the schooling of the children, the amount of reading matter, and the time spent in reading by the farm family, as significant variables in the amount of money spent for living. Furthermore, in the variables which he did keep as independent factors in his final problem concerning cash expenditures for living per adult male, the multiple-correlation coefficient was not appreciably greater than the gross relation between cash receipts and cash expenditures. Lively was also able to show that many of the high coefficients obtained by Anderson were partly influenced by inter-correlations among the independent variables. On the whole, all of these correlation studies tend to deflate the general belief concerning the significance of form of land tenure (tenancy) upon the material standards of living of American farm people. They show rather that many influences ordinarily attributed to land tenure in his part of America are due to differences in spendable income or affect primarily the non-income phases of standard of living.

On the positive side, the studies, within the context of the present-day development of analysis, show that the size of income and size of family are *still the important objective factors* in the distribution of the family budget. The contribution of these studies to an understanding of the influence of income and family size has been along the lines of showing their fundamental importance. That is, they tend to show that the statistical importance of these two factors is not only greater than that of all other factors combined but also that these "all other" factors are numerous, fluctuating, individually unimportant, and varying with the personal tastes of the individual and the fads and fashions of the time.

In the particular field of rural-urban comparisons, the correlation studies emphasize that size of family in the rural districts is by no means as important a factor in the material standards of living as it is in the cities. In other words, they generally show that a regression line of expenditures upon the size of a city family (with income constant) approaches closely to the angle of a regression line of expenditure upon income size of family constant. The lines are not identical but more similar for cities than for rural districts. This is a part of the difference which size of family has upon levels or standards of living in the city as compared to the country.[23]

A second conclusion which the correlation studies emphasize in the fields of rural-urban differences on the expenditure side of standard of living is the influence of the desire for land upon conspicuous consumption in the country districts. This principle was earlier set forth without the use of correlation coefficients. The results of these studies show that for farm families this factor is *uniquely important* and deserves to be classified with income and size of family as a statistical influence which has a significant bearing upon conspicuous consumption in the family budget. Studies by Carl Dawson of the Canadian pioneer families and by Zimmerman for forty Siamese villages found the same relative intensity and behavior of this factor.[24]

Finally, on the positive side, these correlation studies introduce the possibility of studying many phases of the level or standard of living in a more refined way than is possible by the use of cross-tabulation.

The value of carrying these analyses further depends to some extent upon the validity of the partial correlation method itself. This validity has not been established. Such techniques, with their ostensible ac-

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[23] In the city smaller families are tantamount to higher incomes and *vice versa*. Smaller families with given incomes can spend more per capita which is economically about the same as higher incomes with the same family. The point of argument is whether reduced families have the same influence (economically) upon expenditures as increased income. In the city the results are more the same (increased incomes or reduced families) than in the country.

[24] See Dawson, C. A., "The Settlement of the Peace River Country," Vol. VI of *Canadian Frontiers of Settlement*, Toronto, 1934; and Zimmerman, C. C., *Siam: Rural Economic Survey*, 1930-31, Bangkok, 1931.

curacy and precision, attract much of the increased research energy now going into studies of family living which use traditional methods. As a result, they detract attention from the much needed historical and "logical" analyses of the whole problem of standards of living. Further, they do not stimulate the investigators to penetrate deeply into the non-material and non-quantitative standard of living. They induce the investigator, often unconsciously, to fall into the fallacy of assuming that *a linear direction of social change or of social progress* is the only alternative to present conditions of living. These last three defects—the lack of historical perspective, the lack of investigation and formulation of theories concerning the non-quantitative phases of living, and the almost naive and unwitting subscription to a linear direction of social change—are the greatest weaknesses of the statistical method in this field. They involve the same fallacious assumptions as are present in curve fitting and are therefore similarly limited in their contributions to an understanding of how we live.

Trends in Consumption

Under this heading may be properly discussed those studies of living which pay particular attention to secular movements in consumption. Such studies may cover a period of centuries as that by d'Avenel; a quarter of a century as did David H. Wells in 1889; or only seven years as did the *President's Conference on Economic Changes* in 1929. Such investigations as these are partly related in principle to evolutionary and stage theories in history, although, of course, the study of a short trend does not necessarily imply any theory for longer periods. In the general field of such studies are thousands of computations of index numbers and trends. This analysis is principally limited to a few outstanding studies, particularly those which find a greater volume of change in the nature of consumption from one time to another and in which it is argued, on the basis of this change, that living is "improved" or that the process is continually progressive or that the presentation of the data on trends automatically makes it "understood."

Of these studies the most important from our point of view is the investigation by d'Avenel which deals with the level of material life from about 1200 A.D. to 1914.[25] D'Avenel indicates that any particular level of consumption of goods, once the level of starvation is passed, is one of imaginative or psychic enjoyment. Peoples who have more to eat do not eat less. On the contrary, modern nations have twice as much to eat (1914) as compared to 1200 A.D. and yet they have no superfluity. Since 1200, the rich have saved more money and have greater investments whereas the poor have more to eat. "The table of the rich has changed in price and the poor has changed in nature."

In the field of nourishment, d'Avenel indicates that often the same names (such as bread) have served throughout centuries for foods of very different nature. Wheat flour, for instance, was unknown throughout certain parts of France until the end of the eighteenth century, at which time it was a palace luxury. The same changes have applied to meat and other foods. The state in which fish have been consumed and the social categories of the population consuming them have changed radically. Even the word "pullet" does not have the same meaning now. There have been a large number of new foods produced for mass consumption.

In a similar manner, table service, cooking, lodging, gardens, rentals, and servants, have changed in nature so that any exact comparison is impossible. The "good house" of the Middle Ages was one which gave protection without regard to comfort, sanitation, or other equipment. Now the "good house" is judged by these other criteria.

D'Avenel closes his study, carried on for many years, with the following general conclusions:

> Former expenditures have disappeared, diminished or increased, sometimes in quantity and sometimes in price. One cannot define luxury in itself because it exists only by *rapport* with other objects, with the *milieu* and with the circumstances. A piece of cheese was a great luxury in Paris at the end of the siege of 1871. Luxuries and utilities change throughout the centuries. Pearls were used by the middle class in the 14th century, costing from 60-70

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[25] See d'Avenel, Vicomte Georges, *Le nivellement des jouissances,* Paris, 1913. His original investigations are in *Histoire économique de la propriété, des salaires, des denrées,* 7 vols., Paris, 1894-1926. See also his *Decouvertes d'histoire sociale, 1200-1910,* Paris, 1910; *Paysans et ouvriers depuis sept cents ans,* Paris, 1899; and *Les riches depuis sept cents ans,* Paris, 1909.

> francs according to their size. Tapestries which cost from 200,000 to 300,000 francs in 1914 sold for 400-500 francs in 1850. For all the social classes, the nature of the diverse needs has varied very much, and at the same time, their respective importance in the budget has been modified by a thousand influences. One can say in many cases that the ancient "luxury" of the rich was then a "need" and that the new (1914) needs of the people are the luxuries. These new "needs" are the former luxuries of the rich and even luxuries which the former rich did not have.[26]

D'Avenel's study shows that any particular group considers what it consumes as the "right" thing to consume. The facts indicate changes in consumption and even a greater volume of consumption among the poorer classes now than in the Middle Ages. However, we are not obliged to conclude from this that groups continually make progress toward "better" standards of living (greater consumption of goods), or that this is a continuous historical trend which ranges from before the Middle Ages to beyond 1914 or 2014.[27] We are not obliged to agree with d'Avenel that the only effective benefactors of humanity are the entrepreneurs or "entraineurs of labor" rather than the other social classes. On the contrary, this material growth in consumption may be the very factor to make the continued maintenance of a particular level of life doubtful. Thorold Roger's study, already quoted in this work, shows that all of these criticisms must be given some weight.

The range of d'Avenel's study is enormous compared with that of *Recent Economic Changes* and *Recent Social Trends,* issued by President Hoover's Commissions in 1929 and 1933. D'Avenel's study enables us to see the later ones in proper perspective.

The chief characteristic of these two latter studies seems to be that they pay particular attention to "facts" rather than to "theories."

[26] *Ibid.,* pp. 302-319.

[27] Roscher did not reach this conclusion. He did find that the French in the thirteenth century had three kinds of cabbage; in the sixteenth, six; in 1651, twelve; and in 1877, fifty. Data for the same type of increase was shown for sorrel, lettuce, melons, pears, grapes, salads, and peas. However, in the classical period Pliny knew of 80 kinds of wine as contrasted to 47 in the thirteenth century France. The ancient Greeks had only one garment but in the later classical period consumption expanded until they knew 72 kinds of bread alone. Roscher does not follow these evolutionary ideas. See Roscher, W., *Principles of Political Economy,* Chicago, 1882, tr. by J. J. Lalor, p. 185 and the whole of Book IV.

G. Schmoller's position was about the same as Roscher's.

However, in spite of their apparent inconclusiveness, they do imply various theories concerning the improvement of the standards of living. Leo Wolman, who wrote the sections on consumption and the standards of living for the report on economic changes, implies in his introduction that he adheres to a theory of "economic progress" in which greater consumption furnishes "the source of mechanism of still further improvement." This goes back to one of the old theories of economics that the way for the laborer to improve himself is for him first to raise his standard of living.[28] In his report Wolman shows that education expenditures in the United States increased from $782,000,000, in 1913-1914 to $2,700,000,000, in 1925-26. Free public social service increased from $859,000,000 in 1915 to $2,861,000,000 in 1926. For the various items in the budget, some expenditures have decreased and others have increased in adjustment to the newer conditions of life. However, on the whole, he believes that "progress" has been made and points with alarm to the fact that "40 per cent of the total farm population had apparently not improved their standards of living in the period under review." [29]

The study of *Recent Social Trends* is equally lacking in direct conclusions concerning the standard of living, other than a summary of aspects of the factual situation. However, the underlying philosophy of this study is the well-known reinterpretation of Marxian cultural dynamics made by Ogburn in his book, *Social Change.* According to the Marxian theory, changes come first in the tools and this is followed by changes in economic organization and social organization until finally man's ideas adapt themselves. Between each form or behavior there is supposed to be a "social lag." Economic organization lags behind the tools, social organization behind the economic organization, and ideas behind the social organization. Ogburn and others have simplified this idea into two components—a material culture which forges ahead of a non-material (adaptive) culture. In addition, Ogburn has given par-

28 This is a part of the "spend for prosperity" idea which was popular at that time and has been of some interest since.

29 In this, of course, Wolman was wrong. Even the remote people of the Tennessee Valley improved their living during this time. See Wheeler, L. R., "A Study of the Remote Mountain People of the Tennessee Valley," *Journal of the Tennessee Academy of Science,* Vol. IX, January, 1935.

ticular emphasis to a sort of theory of history based upon a linear or curvilinear trend in the development of inventions.[30]

The study of *Recent Social Trends* can be understood only in the light of these earlier evolutionary (or cumulative growth) theories held by Ogburn. He believes that the mass of invention has become so weighty and so cumulative that it is driving everything else before it. Consequently, the Saturnalian orgy of consumers' goods in the twentieth century means a "new era." He believes that the actual character of life has changed, not because of any particular factor but because the technical process of life has gained such momentum. The cumulative nature of this process has created social maladjustment.

Although in other places[31] a note of doubt is raised concerning the ability of the social structure to bear the strain of this struggle, the general implication in this report is that "the way out" is to be found through adjustments in the "adaptive culture."

We do not quarrel with the facts contained in these documents. In general, however, it must be pointed out that their conclusions, as far as inductive proof is concerned, are limited to the economic phases of living. Even though they may discuss art, spiritual life, fashions, and the like, their data apply generally to things which are related to the market place and hence are more largely a part of the material culture. A second characteristic concerns the limitations of time considered. The more detailed studies cover only a few years which inevitably enables them to take a period in which the changes in standard of living, as far as material goods are concerned, can be in any direction. Since these studies are usually made by devotees of some scheme of social or economic rationalization the period may show trends of "improvement." Man is always looking for the "silver lining" even though this be in another world.

The less detailed studies cover longer periods in which the very lack of complete description, the centering of interest upon one phase of life (inventions, for instance), or the ignoring of actualities of history (the stage and evolutionary theories) enables the investigator to skip fantastically from one Hegelian plateau to another and to derive or prove

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[30] See Ogburn, W. F., *Social Change*, New York, 1922, Preface, Part II on "Social Evolution" and Part III, particularly sections 1, 5-6.

[31] *Recent Social Trends*, p. xxxv.

an idea of continuous progress in the economic standard of living. The prevalence of such beliefs at this time makes it extremely difficult for one to brave the tides of fashion and look at present civilization from another point of view.

The studies which have been examined do not prove these basic assumptions but rather measure a formal series of conditions which are so selected and presented that they accord the picture which the investigators believed beforehand to be in existence. We must look at these first hypotheses as well as at the data which are gathered in proof.

The first assumption is that the totality of the standard of living, for all practical purposes, is centered in the goods which men make or purchase. This is, of course, one of the basic assumptions of most of our economic writings and must meet the same criticisms. Since the arguments have already been given in earlier chapters they need not be repeated here.

The next important assumption of the students of social trends concerns the nature of man in his ordinary social conditions. One need not enter the eternal controversy of nature versus nurture or state the exact characteristics which belong to the "original nature" of man. It is sufficient to indicate that these investigators assume that man will fundamentally behave the same under a small and great volume of stimulation. According to hypotheses which may be read into Ogburn's earlier work, man will tend to increase his inventions in 1934 the same as he did a thousand years earlier. The chief difference is to be found in the rate and not in the direction of inventions. Thus, increasing the volume of sensation from inventions, according to Ogburn's cumulative culture theory, does not mean that man's fundamental attitude towards the necessity for more invention will change. He may attempt to apply them to new fields and so on, but he still wants, and according to Ogburn, is even more capable of adding to his supply of inventions.[32] In the same way d'Avenel or the writers in *Recent Social Trends* apparently found nothing in the increased stimulation at the end of the period of their trends which would do other than tend to promote the same general direction of interest. Man has twice as much now as he

[32] See Merton, R. K., "Fluctuations in the Rate of Industrial Invention," *Quarterly Journal of Economics*, 1935 (XLIX), pp. 454-473.

had in the thirteenth century and yet he is still unsatisfied and wants more, according to d'Avenel.[33] Social and economic conditions in America since 1900 have flourished, according to the writers in *Recent Social Trends,* and, with a few adjustments, even greater efflorescence is to be expected in the future. Thus, one of their basic assumptions is that the volume of sensation from a particular type of life is of no particular importance in leading to changes in the course of that life. The worm may see the light of the sun and be induced to climb the tree and eat of the leaves. In so doing, he changes his character and eventually ends up in the soil at the base of the tree. The individual man may pass from childhood to adulthood and thence to senescence, each period being associated with fundamental changes in his desires, but the course of history, according to the "social trenders," is always an unfolding toward a human paradise.

There are other implications and criticisms which may be made of this type of work with particular reference to its cognitive value regarding the standard of living but these are sufficient. Like the demand curves and correlation coefficients their value seems over-estimated.

Conclusions

This chapter has not attempted to survey the whole field of quantitative methods in the study of systems of living. On the contrary, it has merely attempted to deal with three approaches through which investigators have thought they could solve the whole problem by statistics. It may be contended that objective data or statistics are extremely valuable and necessary to any approach to this problem. On the other hand, the ramifications of human culture defy a too close enclosure within the brackets of equations. Statistics and mathematics in themselves are an aid to thinking. One may agree with August Comte that "The . . . error . . . is the pretension of some geometers to render social investigations positive by subjecting them to a fanciful mathematical theory of change." [34]

[33] For other data see Roscher on Consumption in Volume II of *Political Economy,* Chicago, 1882. Roscher and Schmoller hold to a more rapid increase in consumption. In 1700, according to Roscher, only 33 per cent of the people ate white bread as contrasted with 60 per cent in 1839. See Roscher, *Ibid.,* p. 234.

[34] See Comte, A., *Positive Philosophy,* London, 1896, Vol. III, p. 267.

An understanding of the standard of living of the people is fundamentally a matter of judgment which must be based upon a knowledge of history and human nature and of contemporary social conditions as well as upon mathematical curves, correlation figures, or data on trends in consumption.

The chief difference between the statistical planners and the classical economists is to be found in the fact that the statisticians carry to extremes the assumptions of classical economics concerning the nature of the material standard of living. In the same manner, they take the marginal utilitarianism and the psychic demand curves of the Austrians and carry these ideas to extremes. In the field of measurement of demand they substitute "measured fact" for curves which the Austrians thought of only as "tendencies." In this manner they emphasize the viewpoints of the economists to such an extent that even some of the economists are unwilling to go the whole way with them.

They also exaggerate the analysis of the historical school of economists. The statistical planners not only imply that history has meaning for present conditions but they actually select (by implication) a linear or a curvilinear trend of history and make this *the* historical process.

The material standard of living becomes to them the important and leading factor in the totality of standards of living whereas the other factors play either an adaptive or a hindering rôle (social lag). Thus, from all points of view the statisticians represent extremists. Whether or not they have carried their ideas to a point where they no longer possess their original utility depends upon the point of view, on the one hand, and upon the nature of the social processes, on the other. If one believes that the factors in human life are fundamentally related, he will think that the statistical studies have carried their ideas past the point where they have great utility. On the other hand, if the real nature of the social processes is such that no one line of development or trend of emphasis can continue indefinitely in the same direction without changing the relations between stimulus and response, then the statistical studies have erred in their over-enthusiasm concerning the possibilities for the development of the material standard of living. If an increased volume of stimuli continues *ad infinitum* to bring forth the same general type of response, the statistical theorists may be right. If, in the world of reality, continual increases in material well-being either lead eventually to a decline in the desire for things or to a demoralization of the people so that they cannot increase their production, then we must regard their theories as over-enthusiastic.

CHAPTER XXIV

The Nature of a System of Living

Review of relations of consumption and society.—The acts which constitute a system of living are integrated about dominant characteristics.—One of these is individualism or atomism which includes conspicuous expenditure and sensationalism.—Another is security with greater social solidarity and more emphasis on service expenditures.—Individualism sometimes means *laissez faire*, uniqueness, and non-coöperativeness.—Here, however, it is used in a sense of atomism, social mobility, contractual relations, *Gesellschaft* and the consequences of the division of labor, commercialization, and urbanization.—The present standard of living in the United States is individualistic.—It over-emphasizes the material standard of living.—Life secures its justification primarily from sensational pleasure.—Birth rates are low and suicide rates are high.—Family life is under-emphasized.—The individual lives for his own hedonic pleasure.—The historical sense of the people is declining rapidly.—Individualism, with its sensationalism and conspicuous expenditure, is particularly characteristic of the cities but it is spreading rapidly to the country districts.—The future of our standard of living depends upon three factors: the relations between immanent and transeunt causation in social change, the relations between absolutism versus relativism in the desires which constitute our standard of living, and the ease of reversibility of given social processes.—All we know with absolute surety is that a given sensational standard of living involves vested interests which will resist change.—However, it is probable that immanent changes within our society and the endangering of the absolute values in our system of living may force us away from sensationalism.

In general, what is the nature of a system of living? This was the opening question. Is a system of living an integrated whole or only a series of separate acts mechanically joined together? Can the material aspects be separated from the other phases of life? Can man prosper materially for any length of time unless the social structure remains strong? Can the material components of systems of living be compared successfully if the other components diverge widely? What proportion of attention does man accord his various desires? In what way is personality related to man's capacity for satisfying his desires? Can the stimulus of expenditures be applied continuously and result in the same response? These problems are discussed in anthropological, religious, philosophical, and economic writings.

We have tried to describe many phases of different systems of living so that a clearer understanding of them, and hence of our own, might be achieved. In approaching the subject, a classification of the fields of economic desire was made on the basis of objective materials from family budget studies. These desire-maps from family budget studies have forced the chief measures of systems of living. It was concluded from this survey of family budget materials that items with similar rhythms of production, purchase, and consumption could be grouped. Five fields of human desire were set forth for examination: food, shelter, clothing, sundry expenditures, and savings.

Subsequently, an analysis was made of the laws of consumption which had been used to describe systems of living. These laws of consumption were divided into three groups: the utility, the Engelian, and the Le Playist hypotheses. The utility hypotheses deal with demand and supply curves, with the conception of increasing and diminishing utility,[1] and with the concept of marginal utility. The Engelian hypotheses indicate that a law of progress can be found by studying the fields of desire as expressed in family budgets. For instance, it is claimed that this progress can be measured by computing the proportions of expenditure used for sundry forms of desire as opposed to those for food, shelter, and clothing. Finally, the Le Playist hypotheses attempt to measure the relations between the social structure (family, community, social class) and methods for satisfying desires in a system of living. It was concluded that nearly all of these hypotheses (excluding some of the Le Play type) had a materialistic bias and neglected the non-material facts and consequences in a system of living. Further, most of the studies have done little but repeat apparent generalizations.

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[1] I have been criticized for putting "increasing and diminishing" in the same sentence. I conceive utilities as "returns" and hold that if in economics "increasing and diminishing" returns can be used together, so also the same may be applied to utilities. This may be unorthodox but it seems to me to be a valid use. See Marshall, A., *Principles of Economics*, 7th ed., London, 1916, pp. 318 *et passim.*

Few critical analyses of the complex relations in a system of living have been given. The non-sensory characteristics of living have not been discussed in any great detail. In other words, much of the field of consumption and its social implications is practically virgin territory. Each field of desire was analyzed in the light of facts. We need not repeat the conclusions reached. The results, however, lead to some more general principles.

For at least three centuries western thinking has been directed toward increasing the level of economic sensation for the masses of the people. Our success in raising this level is to be noted from the fact that in 1914 most of the progressive and westernized societies had at least twice as much to consume on an average as they did in 1814. Our difficulties since that time have arisen at least in part because we tried by unwise methods to increase that standard of living still further, on the one hand, and because we had forgotten the necessity for security, on the other. Since 1914 many nations, with a high level of consumption, have been acting in an hysterical fashion. Many movements have been initiated to increase the level of economic sensation of a given part of the population which has resulted in a decrease in the level of all classes. Numerous attempts have also been made to increase security which have led to or toward its decrease. Some of these decreases in the standard of living are already manifest and others are still to be faced. Whether we shall face these further decreases without grave internal dissolution and dissension and general temporary impoverishment is a question which no one can definitely answer. A considerable part of the answer lies in the intelligence of our leaders and in the understanding which they have of the nature of systems of living.

A system of living is an involved organization of acts, thought, and belief including not only the capacity of the individual to produce the things he needs but also the capacity of institutions, such as the family, the community, the religious authorities, the government, and industry, to keep order and to discipline the individual into the pathways of production. The materials which compose a man's living come from his daily activities and are directed by the knowledge gained from centuries of painful mistakes. The social organizations and institutions attempt to guarantee that the daily activities of the individual will protect him not only now but in the future. The social organization attempts to preserve habits of industry. It guarantees with as much certainty as possible that if an individual does not consume his income today he can use the surplus when he is old or make secure the livelihood of his heirs. Consequently, three types of acts are essential to the long-time development of the system of living: the individual productivity of today; the provision that some of today's productivity will be saved and will be available tomorrow; and the ability of the social institutions which discipline man, such as the family, the church, the state, and the other organizations which inculcate the mores, to integrate the system so that the individual can work and produce or can live from his or others' savings tomorrow.

In our present attempts to build up and to guarantee a high level of economic sensation for all classes we have frequently tended to weaken our social institutions. We have kept up a constant barrage against the family system, religious institutions, and government. The family must be broken up in order that we may have more to consume as individuals. Mores and religious institutions are challenged because they are supposed to enslave the masses. Governments must be broken up because they are the tools of the entrenched order. New classes with new ideas must be pushed into power. These new classes must use the governments as agencies to break up the industrial structure. The farmer must adopt "business" principles, restrict production, destroy food, and rearrange geographic division of labor in order to attain "parity" prices.

The unemployed must be paid such a high level of relief that they are not stimulated to reorganize themselves into independent self-sustaining units. No one must suffer or be forced to adjust. If international trade is hampered, we must hamper it further. If there are too many in our cities, we must prevent the migration to the land. Such are some of our contemporary paradoxes of behavior.

The inevitable suffering inherent in such reorganization, due to the movements of the nineteenth century, is being met with palliatives but not remedies. Statesmanship of a virile type is needed. If it does not come soon, we must suffer even more intensely.

Dominant Characteristics of Systems of Living

The acts which constitute a system of living are generally integrated about some dominant characteristic. Each single group of acts, such as food, clothing, and housing, is pervaded by the values of the whole social system. Food becomes an act to sustain life, which involves recreation, social security, religion, family solidarity, and individualism. The dominant feature of the whole system of living begins to govern each part. If it is a system integrated about individualism, each separate act reflects an individualistic bias. Clothing assumes a changing fashion rôle. Housing begins to manifest individualism, the members of the household have more physical privacy in working, sleeping, and eating. If the system emphasizes social solidarity, all the acts of living begin to be tinged with meanings of solidarity. Groups eat together, wear similar clothing, and use more rooms in common. These dominant features include the outstanding typological characteristics in a system of living, such as sensationalism, security, individualism, solidarity, conspicuous expenditure, and service expenditure. There is some tendency for the dominant features of sensationalism, individualism, and conspicuous expenditure to integrate. On the other hand, security, solidarity, and service expenditure tend to support each other.

In any country there are always social classes which emphasize each type. The upper classes, the urban groups, and the speculators ordinarily emphasize sensationalism, individualism, and conspicuous expenditure. The lower classes, the rural groups, and the conservatives emphasize security, solidarity, and service expenditure.

Societies seem to change constantly. At one time one set of ideas is emphasized and at another time others. It is the interchange between these dominant features which furnishes many of the short- and long-time rhythms in the social process which characterize social change.

The word *individualism* needs definition. It is one which has many shades of meaning.[2] Individualism is often taken to mean the opposite

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[2] A critic suggests "the author assumes but does not prove that individualism is a growing force in the United States today and has been so in the immediate past. Most people would hold that to be a gross error of fact. The very interesting and challenging conclusions in the chapter do not depend entirely on the validity of this notion about the growth of individualism. I suggest that the author demonstrate more fully the existence of such growing individualism, or cut out all references to any increase of individualism. He will thus make his position less vulnerable."

of governmental interference in private life. It is not used in that sense here. If it were, obviously the United States has been becoming rapidly anti-individualistic during the past century. "In 1860 the average [American] family of five paid less than $25 taxation, but by 1930 this amount had grown to approximately $420." [3] Governmental bureaucracy has grown in the same way. Both movements have increased rapidly since 1930. Similar changes have taken place in other western countries up to 1930.

Individualism is sometimes taken to mean the willingness of the individual to be unique and antithetical to the trends of the times. However, we do not use the word individualism in that sense here. If we did the later statements would be wrong because, during the past century at least, the trends have been away from isolation toward standardization, totalitarianism, one-price systems, fashion movements, and regimentation in general.

Individualism is sometimes used in the sense of an unwillingness or inability to coöperate. We do not use it in that sense here, and, if we did, our further statements concerning the present individualistic society would be wrong. The past century at least has been one of increasingly large-scale coöperation. The individual coöperates more with his community and with the larger units of his government than he did formerly. Nations are trying to coöperate internationally. The corporation, the holding company, the international society, the concept of nationalism versus localism—all of these mean greater coöperation and co-working of individuals in larger units. We are not discussing the motives for this coöperation (whether voluntary or forced) but rather the fact that large-scale coöperation among individuals is greater now than it was a century ago.

Individualism is used here in a different sense. It is used in the sense of atomism. The individual has become more of an atom in the sense that he can and does dissociate himself more readily from one group, particularly the family and local groups, and reorganize himself more readily into other groups, chiefly large ones, than he has done before. The individual is no longer mostly a member of a family or a

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[3] See Zimmerman, C. C. and Frampton, M. E., *Family and Society*, New York, 1935, p. 21.

locality but is at the continued beck and call of a large number of special groups. The family no longer works together in a specific community over a long period of years and determines a large proportion of the behavior of its members from birth through marriage to death. Instead the units are broken up by the division of labor so that each individual has more of a life of his own. The constant mobility breaks up the community relations so that the sense of fixity and of established values is continually broken. The individual no longer gets his *status* almost entirely from the family but has more of a *status* or "natural right" inherent in himself. Marriage is more of a contract than a permanent union of husband and wife. The child is no longer completely under the domination of its parents. The state and the community have more direct jurisdiction over the child than during the nineteenth century. The age of consent has risen, but at the say-so of the state rather than the family. Once a person becomes an adult (a bundle of rights ranging from moral responsibility in crime through the private determination of sex privileges to full citizenship), his contractual rights are much freer and fuller than they formerly were (as far as the family and the local community are concerned).

In other words, individualism is used here in the sense that Maine uses the concept "contract," Durkheim "organic solidarity through the division of labor," Tönnies *"Gesellschaft"* as opposed to *"Gemeinschaft,"* and Sorokin "atomism" as opposed to "familism." For the purpose of this thesis, it is held that between 1830 and 1930 the movements in our society were away from the status concepts of 1830 toward the contract obligations (or a different view of status) of 1930. It is held that in this same period our society moved more from *Gemeinschaft to Gesellschaft,* more from mechanical solidarity toward organic solidarity, and more from familism toward atomism. All of this is inherent in the greater urbanization, commercialization, and higher social mobility of our present time.

Obviously *individualism,* like *order,* depends upon the frame of reference. If our frame of reference is the small group and the family, we are becoming more individualistic. If it is the large group or the state, we are becoming less so. The frame of reference used here is the family or the small permanent group into which the individual is born.

In the same manner, security is defined by reference to the small group. We have moved away from the security arising out of attachment to a family, an estate, or a community toward other social forms.

To elaborate further, Sorokin's concepts of social space and social position are helpful.

> To sum up: (1) *social space is the universe of the human population;* (2) *man's social position is the totality of his relations toward all groups of a population and, within each of them, toward its members;* (3) *location of a man's position in this social universe is obtained by ascertaining these relations;* (4) *the totality of such groups and the totality of the positions within each of them compose a system of social coordinates which permits us to define the social position of any man.*[4]

By individualism, as the concept is used here, the movements of a person become more detached from one or two groups, particularly small ones, and become more lightly attached to a greater number of groups. The individual can move more freely in the larger units of social space. Now the larger units (state or society) may give economic security but ordinarily there is a period when the individual loses the security of attachment to the smaller group. When the larger group begins to guarantee security, it again firmly attaches the individual to a small group. By law or regimentation employer and employee are united more firmly together and individualism declines. Individualism is one major form of social organization which over-emphasizes the material standard of living as outlined in Chapter I.

A standard of living is determined not only by income but also by the dominant feature of a society. At times income controls the process. The major desires are associated with as great possibilities of economic sensationalism as possible. At other times, values of a non-economic nature become dominant. During these periods man wishes to satisfy his necessities but his other dominant interests lie in the non-economic values (that is non-sensational values).

The idea that life is its own justification is particularly emphasized in periods in which the standard of living is characterized by acts

[4] Sorokin, P. A., *Social Mobility,* New York, 1927, p. 6.

which emphasize security, social solidarity, and the necessities of living. During these periods, the individual seems to feel that *living* itself, if it is without undue privation, is desirable. The individual is willing to sacrifice his surplus energy for social rather than individual purposes. Family life rather than a conspicuous standard of living is emphasized. Each family tends to have enough children to reproduce itself and also to start new families. Antagonism among the social classes is not great. Reverence is paid to the mores and to the traditions of the society. The historical sense is great because there is close organic connection between the individual or the family and the ancestors. The birth rate is fairly high which makes the familistic function of orientation important.

In the societies where sensationalism, individualism, and conspicuous expenditure are dominant, life secures its justification not as a value in itself but because of the environmental stimuli afforded by economic goods. Individuals are unwilling to sacrifice much in order to live. Suicide rates mount because the mobility of the society very rapidly changes the level of economic stimulation. This results in demoralization. However, the chief index of the declining value of life as opposed to the increased value of a high level of pleasurable sensation during life is to be found in the birth rate itself. For every one who commits suicide there are thousands who contribute to race suicide by not marrying or limiting the number of their children. Those who become parents feel that they do not want their children to suffer "as they have suffered." The rationale of this race suicide is partly a general dissatisfaction with the level of sensation in life and partly the unwillingness of the adult to sacrifice himself for other than his own hedonic pleasures. Living is not considered desirable unless it can be maintained without any great amount of deprivation.

These are the attitudes of the people. The actual amount of deprivation in each society is another problem. In the second type of society, the individual is less willing to sacrifice his energy except for his own ends. Family life is under-emphasized. The families have very few children. In time the society actually begins to lose in numbers. Antagonism among the social classes tends to increase. Little reverence is accorded the traditions and the mores of the society. The actual historical sense of the people begins to decline because of the lack of continuity within the families and because of the minor rôle played by the family in the problem of orientation.

The American Standard of Living

The United States of America has been developing this type of standard of living for some time. This can be measured chiefly by changes in the birth rate. In 1800 and in 1810 there were 976 children under five years of age per 1000 women of child-bearing age. These numbers have dropped gradually until in 1900 there were 541 children per 1000 women, in 1930 only 407, and in 1934, 350. The rate in 1934 was less than the 360 children per 1000 women which is necessary to reproduce the American population. The actual loss in reproduction is greater than the figures appear to indicate because in a society with declining birth rates the number of child-bearing women is based upon the higher birth rate of the preceding generation. Thus, the women who bore the children between 1929 and 1934 were born between 1890 and 1910 when the birth rate averaged between 554 and 508 per 1000 women of child-bearing age.

This development of the individualistic standard of living in America has become more pronounced in the cities than in the rural districts. Moreover, it is much greater in the commercial agricultural districts than in those in which more attention is paid to subsistence and to a mere livelihood than to high income. This may be shown if we compare the rural and urban districts in respect of the number of children under five years of age per 1000 women in the 1930 census. Seven cities, whose population is largely of American stock, such as Portland (Oregon), San Francisco, Los Angeles, Kansas City, St. Louis, Nashville, and Atlanta, averaged only 225 children per 1000 women. All cities with a population over 100,000, which generally include a good many immigrant families from the peasant districts of Europe, averaged 293 children per 1000 women. Smaller cities with populations between 2,500 and 100,000 had 341 children, the village population (rural nonfarm) had 471, and the farm population averaged 545. Leslie County in eastern Kentucky, which has 95% of its predominant white population living on farms, had 915 children per 1000 women of child-bearing age.[5]

Thus, one can typify the American standard of living, at least in the urban sections, by the characteristics of individualism, sensationalism, and conspicuous expenditure. The people are more interested in securing a high level of economic sensation than they are in developing and maintaining the other values of life. Development in the future depends to a considerable extent upon a number of forces as yet dimly foreseen and not clearly understood.

It is of prime importance that we determine whether our system of living will continue to change in the same manner. At most the answer is only a judgment based upon a necessarily inadequate study of a complex situation. Some of the basic principles which must be considered in forming this judgment may be outlined as follows.

The first involves a philosophy of causation. Causation is a complicated problem concerning which there is little consensus of opinion. Aristotle analyzed this concept into at least four ideas, among which was the plan for the future, the materials which were to be used, the forces which brought the materials into the plan, and the end or the object of the process. Others have added different concepts, the most important for our purposes being the distinction between *immanent* and *transeunt* causation. The processes of immanent causation are generally held to be organized chiefly about internal changes and transeunt causation about external forces.[6] This indicates the following problem in discussing the future of the standard of living in America. Will the standard of living in America be determined almost entirely by a continuance of the nineteenth century relation between man and his external environment, such as the economic goods he possesses or can secure, or will it eventually be influenced also by a change within the people themselves? Has this high sensational stand-

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[5] National Resources Board, *Part II: Report of the Land Planning Committee*, Washington, D. C., 1934, pp. 92-98.

[6] More precisely, transeunt causation refers to the process wherein "the cause occurrence and the effect occurrence are referred to different continuants, whereas in immanent causality cause occurrence and effect occurrence are attributed to the same continuant." Of course, concretely neither type of causality is to be found separately. See Johnson, W. E., *Logic*, 3 vols., Cambridge, 1924, Vol. III, Chap. IX.

ard of living changed the character of the people to such an extent that they will no longer be able to continue the same progressive development in the future? If a given society consists of individual as well as of social groups, such as the family, the community, and the government, is it not possible that changes in these social groups will eventually interfere with what we have considered the normal stimulus response of an individual to his economic goods? Can the standard of living of America continue in the trends of the nineteenth century if radical changes in these three forms of social organization occur in the twentieth? This problem must be considered thoroughly when one philosophizes about standards of living in twentieth-century America.

The second problem in the future standard of living is that of absolutism versus relativism in the desires which constitute a given system of living. We have learned through our investigations that in each given field of material desire there seem to be certain absolute values and others which are relative. In the field of food satisfactions, for instance, there is a certain amount which is required for subsistence and another portion which although it embellishes the standards of a particular society, can be varied considerably. The proportions of income used for food can increase or decrease within certain ranges but beyond these little change seems to be possible under the actual conditions of life. The same applies to clothing, housing, sundry expenditures, and the other fields of desire.

Is it not possible that if there are absolute and relative values in the field of material or sensational goods that there are also absolute and relative values in the non-sensational characteristics of a system of living? Individualism can develop only so far at the expense of the family, the community, and the state. Only within certain limits can these forms of social organization be adjusted to individualism without materially disrupting their important contributions to the welfare of the individual and to the maintenance of a given system of living. However, it may be possible, and even highly probable that beyond certain limits individualism is checked because of the absolute values arising from the three major forms of social organization. If these absolute values in the non-sensational phases of life become severely endangered, have we not approached closely to the limits in the development of the sensational phases of living? This is the problem raised by the *theory of limits* in social movement.

A third problem is the reversibility of the social process in a given society. Mechanistic sociology implies that social processes are automatically reversible. According to this general philosophy, which has dominated most of modern social thinking, it is held that mistakes in judgment can be corrected by reversing a given social trend. Actually, however, if a society becomes involved in policies which are later held to be undesirable, such as a given foreign policy, a given policy for organizing antagonisms between the social classes, or any other movement which builds up habits of thinking and vested interests, it is often very difficult to change the situation. In spite of the popularity of mechanistic sociology, we should recognize that the difficulty in changing the situation depends upon the type and the amount of vested interests which have been built up to support the earlier policy. An illustration is the problem of slavery. Although the philosophical problem of states' rights was supposed to be the basis of the Civil War, we generally recognize that the idea of states' rights came to the forefront chiefly because of the slavery question. When the American constitution was drawn up, a strong movement was on foot gradually to reduce and eventually to eliminate slavery in America. In spite of this fact, the situation was never completely changed until after the Civil War. Other acts which become less involved with vested interests are more easily changed.

A given standard of living in a society is greatly involved in vested interests. The masses of the people in America are accustomed to a high level of economic sensation. Each region has its business classes whose income depends upon the number of consumers with considerable purchasing power. Any condition which reduces the purchasing power in that particular region creates turmoil among both the producers and the consumers. If it is at all possible to remedy the situation, measures are taken. Consequently, no matter what will be the future forces in American life, one must recognize that severe measures will be taken either in regard to the external environment or to the immanent changes in the attitudes of people themselves in order to prevent reverses in the processes of our given sensational standard of living.

Consequently, when one surveys the forces which may influence the future standard of living in America, there is one tangible factor which is readily comprehended and two intangible ones which, though of equal importance, are more difficult to understand. The tangible factor is the difficulty of reversing the trend of our present attempts to secure a great development of sensational living. The intangible factors arise from the probability of immanent changes within the society and are reënforced by the possibility of limits in the development of individualism since such development may endanger the absolute contributions to living of the family, the community, and the government.

If a standard of living consists of values to be found entirely in the goods which the individual consumes, we shall probably continue our present sensational type of life as long as goods can be made available to the individual. If, on the other hand, a standard of living consists of absolute values to be found not only in goods but also in the order and the discipline arising out of strong forms of social organization, we must change because our past and present movements toward sensational living will menace the absolute values to be found in the agencies which provide social discipline.

A final opinion on this matter is only a debatable judgment and liable to all the fallacies which the human mind is heir to. However, from this study of the standards of living, I have reached the opinion that a system of living includes absolute values to be found in the social organization as well as the goods of life. Consequently, it is my present belief that we have gone so far toward an over-emphasis of sensationalism, individualism, and conspicuous consumption that we will be forced sometime in the twentieth century to emphasize many anti-sensational characteristics of life which are not popular now. As a matter of fact, I am convinced that much of our present difficulty has arisen through immanent changes in our life which we have as yet been unwilling to recognize or which we are unable to comprehend.

INDEX OF SUBJECTS

INDEX OF NAMES

INDEX OF CITIES AND COUNTRIES