

THE WRITINGS OF

Thorstein B. Veblen



REPRINTS OF ECONOMIC CLASSICS

**THE THEORY OF
BUSINESS ENTERPRISE**

. BY AND ABOUT VEBLEN

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THE THEORY OF BUSINESS ENTERPRISE

BY

THORSTEIN VEBLEN

[1904]

WITH THE ADDITION OF A REVIEW BY
JAMES HAYDEN TUFTS



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PREFATORY NOTE

Since *Thorstein Veblen and His America* was published in 1934, additional information has become available on one of the finest products of Veblen's gift for intellectual initiative; namely *The Theory of Business Enterprise*. The manuscript of the book was submitted to the Charles Scribner's Sons in November 1903, under the title of "The Theory of Modern Business," and was published under the slightly altered title in September 1904. Veblen was as meticulous about the type to be used as he was about his use of words. He wrote the book, he said, for the economics profession and, as he explained to the publisher, he believed it would have its greatest appeal in university circles. Readers of *The Theory of the Leisure Class* would also be interested. When the popular heterodox English economist, John A. Hobson received the book with considerable enthusiasm, Veblen dared to hope that there might be a market for a British edition, but Scribner's informed him that no English publisher was interested even in taking sheets.

Veblen, it seems, originally planned to end the treatise in a manner similar to the close of *The Theory of the Leisure Class*. The last chapter of that book "The Higher Learning as an Expression of the Pecuniary Culture." In the manuscript of *The Theory of Business Enterprise* that he submitted to the publishers he also devoted the final chapter to the higher

learning. However, he shortly afterwards, decided to drop it. Then, within five months, in 1904 he elaborated this "left over chapter" into a proposed companion volume under the title, "Business Principles in American University Policy." The publisher, however, rejected it on the grounds that it was too specialized and would appeal to too few people. Fourteen years later it was published as *The Higher Learning in America: A Memorandum of the Conduct of Universities by Business Men*, by Ben W. Huebsch who, more than any other person, was responsible for the enduring vogue of Veblen's work.

In the present edition of *The Theory of Business Enterprise*, is included the little known review from *The Psychological Bulletin*, written by a leading disciple of John Dewey, Professor James H. Tufts, which should help to throw considerable light on the relationship between Veblen's institutional economic theory and Dewey's philosophy of pragmatism.

Joseph Dorfman

Columbia University
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