I think that there are two kinds of economics. One of them aims at precision, rigorousness, tidiness and the formulation of principles which will be permanently valid: an economic science. The other is, if you like, rhetorical. This word is often used disparagingly, but that is a modern unscholarly abuse. The rhetorician employs reason and appeals to logic, but he is a user of language at its full compass, where words are fingers touching the keyboard of a hearer's mind. I do not believe that human affairs can be exhibited as the infallible and invariable working of a closed and permanent system. (G.L. Shacke (1983) p.116)

Eventually the purpose of this review article is to discuss just how scientific those in the profession should consider modern economics to be. The agreement between the authors of these two books that economics, whatever others pretend, is not a scientific, but a cultural or humanistic discipline, has long been my own position: “Economists’ self-perception is as ‘an expert’. But economists are not experts; they are basically persuaders.”

1. About the Authors

Each is a prominent academic scholar, whose purpose in these books is to explain how economists actually ply their craft, not only when facing other economists, but also when dealing with would-be customers for economic ideas leading to policy.

Albert Hirschman’s task in his The Rhetoric of Reaction is the more specific in that he describes how “the other side” has subverted “the story.” A notable scholar of some considerable political experience, he was a pre-Nazi era German Social Democratic student, later served as professor at both Columbia and Harvard, and is currently Professor Emeritus at the Institute of Advanced Study. His has been a life full of considerable personal risk (self-exiled early on from Weimar Germany and a War-time Resistance hero in France); he is a man whose personal norms have been tested by experience and emerged only after long and careful reflection. Moreover, Hirschman has made not one, but several, truly seminal contributions to contemporary economic theory — contributions which are conceptually broad and the significance of which has been accepted by virtually all positivist economists, certainly many of whom do not share his socio-political value commitments.

Donald McCloskey, a Harvard-trained economist-historian, yet one well-scarred by debating encounters while teaching at the University of Chicago, is a somewhat younger (but hardly young) scholar. He made his initial scholarly mark as an economic historian, and in the past decade he has created a niche as the leading commentator on the techniques and foibles of his fellow-economists. His method is to analyze from the standpoint of rhetoric the literary gymnastics of the most usual forms of economic argumentation, and among his comparative advantages is a massive breadth of literary knowledge. (To my mind Hirschman may be one of the few remaining scholars whose reading can “trump” McCloskey’s — Hirschman’s literacy in German, French, Spanish, and English is of a quality matched insofar as I am aware by no one else currently in the profession). As one might
expect, a large part of McCloskey's reading has been directed at formal questions of rhetorical efficiency (namely what are the standard lines of thinking used to persuade) rather than to the substance of the argumentation, itself.

2. About the Books

McCloskey's book begins by focussing on the consumption side of the rhetorical problem — what lines of argument seem best to influence the customer, or what are the techniques useful in persuading consumers to do what you want them to do (like eating carrots). Hirschman's, on the other hand, starts on the production side — what caveats must competent Social Democratic reformers offer in the way of negative "bites" (commercials) to offset the anticipated evil effects of the conservatives' or reactionaries' counter-offensives?

Hirschman's The Rhetoric of Reaction is a commentary on one side of the usual public social policy debate. Mostly analytical, the book presents ad seriatim, and in beautiful prose, three of the usual conservative rhetorical fearful postures, which the anti-democratic (read anti-socially liberal and responsible) economic-politicians have, alas, used all-too successfully during the past two centuries to thwart desirable reforms. These postures are: the masks of perversity, of futility, and of jeopardy.

Perversity, of course, suggests that attempts, particularly the ones motivated by benevolence, at bettering a situation will inevitably not only fail to better the situation, but instead, will only make it worse. Using several splendid examples drawn from social history (and Hirschman has a wonderfully easy familiarity with eighteenth and nineteenth century Continental [particularly French and German] writers), Hirschman emphasizes not only how failure is, thus, made to seem inevitable, but particularly how emotionally-engendered rightful efforts are seen to come to naught.

By way of contrast, futility does not depend upon a warm or forceful intention. Rather, it suggests the conclusion that reform efforts, however well conceived and effectively executed, will invariably fail, perhaps because of the perversity of the agents. Again, Hirschman draws on examples, but this time they derive from the analytical literature written by disillusioned anti-democratic geniuses like Gaetano Mosca and Vilfredo Pareto.

The jeopardy ploy is usually more complicated than the previous two. Here the posture is that not only will all efforts at reform fail and actually make things worse, but that they may so affect the original problem that total disaster, itself, becomes a high probability outcome (e.g. a Constitutional convention called to make only a limited number of amendments may lead to a disastrous reconsideration of the whole document, particularly the Bill of Rights). It is a sort of a "just-because-I-am-for-you-and-worry-about-you, I-fear-that-you-will-irretrievably-harm-yourself" kind of thing.

McCloskey's If You're So Smart is no composition of "danger signs" marking the course of professional discourse, so much as it is an effort to persuade his readers that even the most "scientific" of economists is really no more than skillful rhetorician, extracting his intellectual "rents" by posturing as a scientist (the most unchallengeable form of expert). He offers advice on how to tell stories like an economist (that is, how to posture) — how plots should be constructed, how to choose one's genre, and so forth. The book builds on his earlier, more self-consciously analytical 1983 article and 1985 book (both bearing the same title, The Rhetoric of Economics), wherein he classified, inter alia, the various argument techniques maintained as "scientific proofs" by several prominent current academics, including Gary Becker (1984) (the intermingling of two sets of metaphorical connotations as in "human capital"), Robert Fogel (a bagful of conventional rhetorical tricks), Milton Friedman (1953) (positivism as the very soul of economic truth), such Keynesians (as distinct from Maynard Keynes), as Irving Kravis and Robert Lipsey (1982) ("one statistical level of significance is good enough for us, you may prefer another"), John Muth (1961) (more or less, "one can use the law of large numbers to get reliable estimates of the future"), Paul Samuelson (1947) (an appeal to a variety of earlier authorities, not necessarily each of them being without blemish), and Robert Solow (1968) (an arsenal of irony, metaphor, metonymy and synecdoche).

Assessment: The books viewed as part of each author's contribution

As noted, each man is a distinguished writer and scholar. Each book is eminently persuasive and, as such, truly valuable. Each book has a creative charm. Yet, neither book is truly the author's prime "vintage." Hirschman's earlier books on economic development are renowned for their analytical content; his somewhat later books commenting on the philosophic side of social development are even more so for the richness of their literary form (including virtually magnificent selections of quotations from eighteenth and nineteenth century French, German, and sometimes Spanish writers). The Rhetoric of Reaction, if viewed by itself, is
exceedingly good, but Hirschman’s standard is so high that it certainly does not match, much less tower above, his other works. Yet, if one reads this book, one would be led to read his others.

McClosky writings in economic history have been particularly rich. His decision to side-track that interest in favor of addressing the Gesellschaft on “how they do what they do, even were it done only semi-consciously,” has given the profession pause as well as real benefit. But his major points were made earlier in the 1983 article, the 1984 book, and in a wonderfully clever 1985 exchange with Martin Hollis’s. “The Emperor’s Newest Clothes” as against “Sartorial Epistemology in Tatters: A Reply to Martin Hollis,” in Economics and Philosophy (1985, pp. 128-37). This contribution does not seem as creative and therefore not as important as they were — or, from my standpoint, as rich as the work he has done (and I trust will do in the future) in economic history.

Yet, in this world where the shelf life of books in bookstores is so short, one would be wise to secure these two — if for no other reason than the difficulty of getting earlier books by Hirschman and McClosky. But, if one is prepared to rely upon libraries, some of each man’s other contributions are richer. Richer? Well, as wines are often rated, (7 [tops] to 0 [no good]), I would say that for “human vineyards” that have harvested creative 6’s and even perhaps a rare 7, this crop seems to me closer to a 4 or perhaps, generously put, a 5. I might add that there is nothing “wrong” with a “4 or perhaps a 5,” much of what I regularly chose to consume on a daily basis is a marginal 4 or even an inexpensive 3. But their 6’s and their possible 7’s had what were then novel bouquets. These books lack mostly that novel feature.

3. How Scientific is Economics?

Having thus summarized the themes of both books, let me turn to the more basic topic, the one indicated in the opening paragraph. I begin with a brief, if obvious, analysis. There are, it seems to me, three main possibilities:

a) Economics is a normatively-neutral science;
b) Economics is really no more than a host of social priorities with some abstractly put “rules of thumb,” which tend to be space- and/or time-constrained; or
c) Economics is a combination of normatively neutral scientific principles (called “the Science of Economics”) as applied to a particular cultural or institutional setting (called “Political Economy”).

“Normatively-neutral”

For some economists it has long been an assumption or even a dream that economics, as a discipline, fitted the first category. Did not Herschel and others use observed facts and pure reasoning (1) to explain why Jupiter wobbled, and (2) to pinpoint the position of Uranus? Is that not the way of science? Why should economics be different from physics? Given enough of the appropriate observed facts and adequate theoretical constructs, economics will eventually emulate physics and chemistry and (like Beethoven) achieve success, or, at least, its desired objective. This was the avowed goal of the Cowles Commission, a creative group which pioneered in theoretical econometrics, when it existed originally in Boulder, later in Chicago, and for even much of its life in New Haven. There are many creeds associated with members of this group, but Tjalling Koopman’s 1947 vehement attack on Wesley Clair Mitchell and Arthur F. Burns’ “Measurement without Theory,” is an exemplar of this view.

One of the leading economic methodologists, Sir Karl Popper (1962), even developed at the London School of Economics certain “rules” for identifying “scientific economic statements.” First, in order to eschew tautologies, each statement or precept had to be in its original form “falsifiable,” that is, subject to being proved wrong. Also, each should be phrased in the holdest or “wildest” form imaginable, subject to a high degree of falsifiability, as to be tentatively correct so long as not proved wrong; they are subsequently only corroborated, not confirmed. Third, while the statements should conform to observable reality, observation was admittedly full of statistical error; therefore, the test of immanent criticism was easier and more conclusive than the test of empirical checking. This emphasis on proof (be it logical or empirical) is important; science, unlike the humanities, must be open to full objective, yet analytical, examination. And because such is so, it seems to be in some important sense “hard and therefore superior” to humanistic or other cultural statements, which by comparison are “mushy and therefore inferior.”

Yet, if economics were truly of the first category, i.e. were it a scientific discipline, economists should no more disagree on matters of common observation than do physicists or chemists. And since economists are virtually always found in such continual conflict on ordinary things, does that not suggest, even denote, that economics is not that much of a science? There is a commonly-voiced
view that because economists are so frequently in conflict, which "certainly" would not be the case if they were true scientists, then one can only conclude that at a fundamental level economics is not that much of a science.

Answering this line of thought leads one to ask, "Under what conditions can scientists legitimately disagree?" Do the conflicts stem from poorer or better "facts" or from questions of poorer or better reasoning (poorer or better models)? If these are the causes of disagreement, then more carefully mined facts and better honed theories will eventually bring economics as a science "up to snuff." This view suggests that "it is all a matter of time; eventually the refined truth will emerge."

Yet, even here, some economic scientists have an interesting twist. Milton Friedman long ago offered a justification for his professional brethren in the form of the alternative line of reasoning of instrumentalism. "If my model (i.e. economic reasoning) leads me to predict successfully what will happen, what matters it operationally if my facts are or are not correct and clear and my analytical thinking neither direct nor true?" Accordingly, for many, influenced as they are by the doughty Friedman, scientific economics is defined simply by an instrumental test.

Of course, this first approach with its desire to make economics a science reflects an underlying attitude, probably not necessarily contemptuous, towards disciplines which are less than scientific or even non-scientific. Long ago, Friedrich Hayek (1964) pilloried this theological "scientism," and I can recall hearing Ronald Coase relating the story of how he reminded (perhaps only once, but one hopes more frequently) Milton Friedman that his preference for positive (read "scientific") economics was, itself, no more than a normative statement.

**The Importance of Contextual Influence**

Many economists and many who read economic literature harbor the second view: they not only doubt that economics can ever truly be a real science, if by a real science one means a discipline engendering time-less and space-unbound theories, but they think that such things are in and of themselves irrelevant. Economic thinking, say they, is invariably contextual, and much depends upon the way that questions are framed, the varying significance of the question as seen by all who discuss it, and most of all by the psychological "tricks" used in the discussion. Many of this ilk, authors like Hirschman and McCloskey, have abandoned the pretensions that economics is scientific, and are devoting themselves instead to the proposition that the test for persuasion is not "scientific hardness," but some form of interpersonal psychology. In hardly more than a word — they eschew abstraction, the necessary language of scientists.

What is at issue is the question of how necessary is abstract statement to scientific discussion? One of the more interesting histories of economic thought argues that it was Locke's ability to frame his economic propositions in the abstract, thus permitting their logic to be analyzed, which characterizes the birth of modern economics.

Yet, so long as the various forms of human psychology or even cellular biology have claims to "scientific status," the tightness of that analytical test seems to me to be excessive. Economics, as well as psychology and biology, has had difficulty with full description in the abstract. In sum, I do not buy the proposition that abstraction and science need to share a common territory or even a common border.

Nonetheless, I hasten to add that the majority of those currently serving as or being trained as professional economists, Hirschman and McCloskey notwithstanding, accept as an article of faith that to be scientific, economics must be expressible in abstract, value-free form. Further, if the applications of the abstraction lead to intellectual fricas, then the fracas may be otherwise, but the abstract statements, themselves, are what is scientific.

One way of approaching the position that economics is contextual is to note the use of *ad hominem* arguments as do Hirschman and McCloskey. The legend is that Daniel Webster, a Dartmouth alumnus, won the famous Dartmouth College Case by an argument clearly addressed to the prejudices and tastes of Chief Justice Marshall. As with Webster and many other Constitutional lawyers, many economists would admit that in the end it was the choice in framing the argument, rather than the argument itself, which matters. That was my position when I wrote in 1978 the sentence quoted in the first paragraph of this paper. What it involves is emphasis on the resonances that an argument can induce, seen in the delightful quotation of that master economist-rhetorician, G.L.S. Shackle. Economics, then, is mostly a matter of contextual analogy.

Granted this point, are there not "economic truths," valid irrespective of time and place, which must be seen in the light (or bearing the fruit) associated with a time and place? Of course, there are experiential "rules of thumb," which because they are familiar are accepted and always used,
e.g. Gresham’s Law that “bad money doth drive out good.” The question is whether such rules of thumb are invariably true. While they may be generally true, there is always the problem of “believing in the emperor’s clothes,” — that is, the problem of a “rule attaining truth through rote repetition.” The truth may be hidden by custom, but it is truly and objectively always there: Winston Churchill’s truth, he said, was so precious that it had always to be surrounded by handmaidens of falsehood.

**Measurement, Social Priorities, and Contextual Influences**

In the next section I will turn to Wesley Clair Mitchell. Here let me note only that Mitchell argued two points: First, that insofar as science has to have abstract, universally-true theoretical constructs, economics would never qualify as a conventional science. As with Lord Kelvin, if science consists mostly of measurement of some form of cognitive phenomena, then as economic facts can be measured, economics should be called scientific. Where Mitchell came out was (1) that abstraction was not essential to a discipline being scientific — a position with which not very many economists currently seem to agree, but one which should still be considered; and (2) that economics was essentially a systematic effort to understand the socio-economic process as it developed in a particular society, in his example during the period of modern industrialization and conurbation development. In brief, a systematic approach was more basic to scientific inquiry than an abstract approach. Mitchell’s economies systematically sought regularities. And, in the end, he seems to have become convinced that systematic investigation was invariably founded on the investigator’s social and personal motives, definitions, measuring techniques, and in these senses upon the time and place of the investigator.

Mitchell even came to a conclusion that economic theory as we teach it (a mass of abstract principles) was mostly the abstract idiosyncratic statements made by the Fathers of the Profession. Admittedly I do some damage to Mitchell when I assert that he thought that the major scientific element in economics was in the training process of economists (teaching them to conceptualize and to verify through quantitative or episodic measurement), and that the subject itself was full of constantly shifting social values and moral priorities. That he called his regular lectures at Columbia University, “Formative Types of Economic Thinking,” was intentional and descriptively correct of what he had in mind.

**Economics as an Amalgam of Principles Applied and Modified by Contextual Considerations**

It should come as no surprise that the profession has been and is bifurcated between those who emphasize the “scientific” aspect — be it a matter of abstraction (e.g. model-building) or systematic observation and measuring — and those who assert that what is important is individual or social “problem-solving.” Academic economists are usually of the former camp; business- and public affairs economists of the latter. The most that can be said, it seems to me, is that there are those who view the subject in one way, and those who view it the other. But, I think that we can do more than merely note the existence of this division. Let us look at the history of the discipline and see how it developed. It is to this last task that we turn, not because there is anything really conclusive in the discipline’s history, but because the history (or rather, a comparison of certain interpretations of it) reveals the connection (filiation, was the term used by Schumpeter) between stages of its intellectual development. While I am not ready to assert that the history of a science can be a conclusive way to study that science, I do believe that the history may reveal things, which when interpreted, offer important explanations.

4. **Three Principal Interpretations of the Dynamics of the Economic Discipline**

We come now to a discussion of what I make of the ways that economics as a discipline actually has developed. In a 1985 paper, I argued that how one put the whole business of economics together related not only to personal value priorities (to which I will turn next), but also to how serious scholars, who knew a great deal about the various writers, tried to understand the dynamics of the history of the discipline itself.

There I identified three magisterial treatments of the history of economic thought. I called them magisterial because they created frameworks which linked together interpretations over time and across other boundaries.

One approach I associated with Karl Pribram (1983), a von-Wieser trained man who became for the most part a civil servant in his later life. His history of thought stressed the continual tension between emphasis on Platonic realities and the Aristotelian effort to introduce observation to flesh
out the Platonic transcendental realities. That tension surfaces again in the time of Bacon1 and Descartes2, when the egg-chicken argument of which came first, the model or the confirming evidence, divided philosophers. Pribram argued that the conflict between Hegel and Kant was a successor to this original division; that Communism and Fascism were also juxtaposed in the same way; and that Keynesian macroeconomics (with its emphasis on "short-term" site and time problem solving) and American free-tradism (intellectually conceived and applied willy-nilly) are later manifestations of the old division. In a nutshell, this approach to the study of economics stresses the continuity of the tension between Platonic model building and the Aristotelian method of modifying models to approximate cognition. This approach asserts that the development of the economics discipline, through its many manifestations and incarnations, is essentially tied to an ages-old Greek philosophical preoccupation; one sees the intellectual future as an adaptation of the historical intellectual past.

A second approach I associated with Wesley Clair Mitchell (1967, 1969), whose fame has already been noted. Mitchell came to believe that modern economics was essentially a set of ideas reflecting certain conflicts engendered by the industrialization of western society and the kind of urbanization that went along with it. Mitchell certainly did not argue that economics came into being only after the Industrial Revolution; rather, he argued that what was relevant to modern society tended to remain on the surface, and that the relevance of what had disappeared tended to clutter unnecessarily library shelves and men's minds. Economics, to Mitchell, was clearly site- and time-bound: he was an institutionalist. Mitchell, as I have noted, stressed the primacy of observation, and when and if one chose to explain and link observations by means of a theoretical construct, that construct was likely idiosyncratic in nature — particularly with regard to time and place. Mitchell had great but not unlimited faith in numerical quantification; one of his major critics, the econometrician Tjalling Koopmans, claimed that Mitchell merely collected data but could not arrange it in meaningful, interpretive ways (Koopmans 1947). And while I think that Mitchell's skills and his perceptions were clearly time- and site-bound, today he would merely observe that what Koopmans said of his work should have been adjudged on terms of what was new and true; those parts of Koopmans' criticisms which were true were not new, and vice versa.

So much of my own treatment of the topic is tied to an institutionalism that I am hard put to adjudge just how I feel about the underlying validity of Mitchell's approach. It requires continuous updating — in some senses Pareto's observation about knowledge is fully consistent with the point I am making. Whatever else, this approach argues that a knowledge of economics starts with an appreciation of the cobweb of existing governing institutions which give rise to and are the result of technological and political changes.

A third approach to the history of economic thought I identified with Joseph A. Schumpeter (1954), whose work spanned a very long period. As a young man he drew heavily (and unacknowledgedly) on the work of an Italian scholar, Luigi Comia; while engaged in that early work, Schumpeter was fascinated with the distinction between what he phrased as scientific economics and political economy (or sociological economics or even ideological economics). There is much to be said for Schumpeter's contributions, but the point I want to make here is that during the last decade or so of his life, he added an additional focus to his analysis of what economics was all about and how it developed.

In his unfinished History of Economic Analysis, he not only examined what the changes were, but questioned from where they came. In answering the latter question, he suggested that in part they were the result of a new data base (the kind of thing his rival, Mitchell, would have said was basic). In part, however, they came from other intellectual traditions — Newton's calculus placed emphasis on physical equilibrium; new philosophical schools (logical positivism) offered new kinds of economic thinking; different schools of historical interpretation offered not only new data bases but new analytical frameworks; and certainly the discovery of new statistical methods have played a strange role in interpreting what uncertainty is and how it may be handled.

Perhaps more to the point, Schumpeter counseled economists to study law, sociology, history, and even literature. The sources of understanding the changes in economic analysis, he clearly believed, came from the wealth of methods which these other disciplines offered, and also from the usually overlooked assumptions which tied other disciplines' methods to their techniques and findings.

Years ago Professor Einstein commented to a small group of us that "a great mathematician is someone who observes some ideas or phenomena he wants to explain, and then creates a math to
explain it." Newton was a great mathematician, I aver, because he was trying to explain physics, von Neumann was a great mathematician because he was trying to explain how his father, an investment banker, combined concerns about maximization of profits with concerns about the minimization of risk. Economists closed-eye emulation of Newton (and his successors) has led them to look everywhere for equilibrium (Newton's perception of the basic problem of physics). Economists closed-eye emulation of von Neumann (and his successors) has led them to conclude that the basic economic question is how to handle risk-management.

My summary here is that if we want to understand our discipline, in its own terms, we can profit from the magisterial interpretations of all three figures — and perhaps of others' whose work I have not discussed.

5. Getting Back to the Question of Rhetoric

Still, there is another avenue to travel. Let us admit that there may be validity in the realization that our own idiosyncratic cultural choices also shape our discipline. The study of these cultural choices is far from mechanical. To illustrate what I think is involved let me now turn to one additional point, a view fleshed out by Pareto.

Our Patristic Traditions and What Their Study Teaches Us

What I turn to now is the influence of patristic thinking — that is, thinking along some paradigmatic lines determined by the cultural crucible in which the stuff of our minds is initially mixed.

The obvious question is what is meant by a Patristic approach? "Patristic" refers to "father," and like it or not "father" is generally interpreted as an authority figure. Theologians have observed that "mother" is a generosity figure. "Mother Earth" gives us the good things of life; the "Sky Father," to quote from one usual self-assertion, is "... a Man of War," or "I am a jealous God." Patristic approaches are basically the approaches of authority; "by what reason do you hold or believe or act or claim?" is the usual reference to the patristic approach.

The next obvious question is why do we bother with patristic approaches? Many modern types claim that they do not so bother; but irrespective of that claim, I think that we do have patristic elements almost irredeemably built into our minds (our culture, for example), and that they not only set the stage for our civilization (which is not only the dominant one in the world and our own European patristic tradition, but is also the appropriate one for us to study in light of the need to grasp what a civilization is), but they make it all but impossible for us to escape what we are. One's patristic approach may do much to define the path to our rhetoric. As I see it, civilizations have at their heart sets of categorical imperatives (authorities or law codes, if you please); certainly interpretations of these codes evolve and how they evolve goes to the heart of the process of social dynamics. Here are two examples:

a) The evolution inherent in the traditional basic Jewish question of "by what authority?" or, can matters involving ethics and ritual be redetermined, and

h) The parameters and implications of the Augustinian Christian question of "how can God simultaneously condemn man for his sins when an omnipotent and an omniscient God controls man?"

Our own European patristic approaches were principally ethical, involving the rights and obligations between individuals and households. There were, however, theological imperatives (cf. the Hebraic emphasis on the Sabbath ("the earth belongs to God, but the Sabbath belongs to man"), the sabbatical year, the jubilee year, the residual property rights of the slave, and the Biblical (but not Greek) injunction of the necessary ennobling role of work.

The Classical Greek Patristic Legacy

Generally this has been considered the role of key philosophers and philosophical schools, such as the cynics, the stoics, the epicureans, the pythagoreans, etc.

But, self-conscious economics began with Plato's Republic, as subsequently refined (if not watered down by an older, wiser man) in The Laws and later by Aristotle. Of Plato's contributions, none is more important than his avowed emphasis on the process of pure reasoning. Of course, he sipped from the institutional bottle (whenever he addressed particular problems or selected his examples, he was forced from pure abstractions to something more cognitively observable), but his reputation was built on his preference for abstraction — that is, for what today we would call modelling.

Aristotle's approach, emphasizing the relationship between the economic running of households with political (community) necessities, was based as much or more on the observation of human habits and needs as it was on abstract reasoning. His advocacy of the efficiency-necessity
of private property was based on observation. His rhetoric (stressing the role of and means for persuasion) makes him quite attractive, even now. Persuasion, of course, suggests personal growth, and he knew it — thus his system was not purely static.

Yet, for all of his observations based on cognition, Aristotle did have his “givens,” among which was the truth that “money creates nothing; it merely reflects power relationships.” Money, he argued, is simply an artifice and can be thoroughly manipulated by law.

While there were other Greek explicit contributors to what we have latched onto as part of the Patristic tradition, the need for brevity forces me to end that discussion at this point. But, to go on is not to abandon our interest in what the classical Greeks gave us. Among other things they stressed that the basic economic question related to the allocation of scarce resources. What they failed to give us, in some instances we got from other legacies — the Judeo-Christian, to mention but the strongest. Here, having mentioned that strange term, Judeo-Christian legacy, we must pause and ask just how the two are related. In part the relationship is chronological, the latter is said to have grown (in whole or in part) out of the former (like the English and the Americans, they are both united and divided by a common language). In part, the relationship focusses on monotheism and a single cosmic plan.

But, while they share a common history, their interpretations of that history differ. The names associated with the interpretations seem to me to be less important than the subtlety of differences, themselves; but for the Judeo tradition I suggest following the reasoning of Moses Maimonides (1135-1204), a practicing physician as well as a Jewish Aristotelian, and for the Christian the reasoning of Thomas Aquinas (1225-1274), a professor at the University of Paris and later acknowledged as a principal (Roman Catholic) Church Father and also an Aristotelian. Fortunately for us, one of the issues they handled was the principal nature and its origin of the essential economic problem. Let me start our consideration of this difficult question, “What is economics all about?” by asking what is the point of the shared Book of Genesis concerning the inadequacy of Man.4 Apparently whatever were His expectations, God became disappointed with Man. Mankind (and particularly Woman, perhaps since men wrote up the history) did not live up to His expectations (what that says about omniscience and/or omnipotence may be other matters). In any case, humankind were informed that they had “fallen” from Grace, and they have been made to suffer ever since.

Two Differing Interpretations of Patristic Priorities

From our analytical standpoint we now come to the two crucial questions:

a) What was the sin; and,

b) What was the punishment?

The sin seems to have been something combining (1) inability to leave good-enough alone, (2) greed involving things (something forbidden) and time (instant gratification), (3) excessive curiosity, (4) inability to follow precise directions, and (5) a willingness to be tempted, particularly when one could assert that ‘one was only doing what everyone else (sic) was doing.’

What interests us next is “What was the punishment?” Although purportedly a distinction was made between what happened to Man and Woman (differing sexual roles with Woman, the home-body, and Man the outside worker), the one clear answer, particularly as seen by Aquinas and by most economists ever since, was that man/woman were made to live in a world of scarcity — it would only be by the “sweat of the brow” and the labor of the back that life could be maintained, and even then it was of limited duration. Hence, it can be maintained that the economic problem, the absence of a plethora of goods and services, was/is God’s curse on man. Man, by labor and by ingenuity, must strive to try (inevitably unsuccessfully) to overcome scarcity. The study of the economics of the production of goods and services, it follows, is the result of the original sin. Since Eve was the proximate cause of the Fall, and Eve represents sexual attraction or desire, some (particularly St. Paul, whose opinion of womankind is problematic) have considered that sexual attraction was in some way even more responsible for the Fall than anything else. Put crudely, even if economics is not a sexy subject, its origins were sexual.

It is the other analysis which may be novel, and I put it to you here. Scarcity may not have been the greatest punishment, because man could use his reason to allocate priorities and thereby overcome the greater disasters of scarcity. Scarcity simply means that one has to allocate between one’s preferences. What was the greater, indeed the greatest punishment, was one even more basic to life. In Maimonides’ view, God’s real punishment was to push man beyond the limits of his reason. This point leads to the view that until
the Fall, man knew; after the Fall he only had opinions. Requisite to omnipotence is omniscience, and what man/woman lost was such limited to claim to both which they might have had. In other words, what truly underlies the misery of scarcity is neither hunger nor thirst, but the lack of knowledge of what one's preference schedule will do to one's happiness. For if one had complete knowledge (including foreknowledge) one could compensate accordingly.

If one pursues Maimonides' line of inquiry, it seems that uncertainty (which is based on not only ignorance of what can be known, but also on the unknowable) is the real punishment of man/woman. Here it serves my purpose to point out that the concept of uncertainty can be seen, under most circumstances, to be not only an essential part of our patristic thinking, but also to be at the heart of hearts of the economics discipline.

6. Conclusion

So here we have it; we study the history of the discipline of economic science simply to see what, if anything (or things), served to unify, and in that sense partially clarify, the subject. From understanding our western cultural patristic heritage, we can immediately see that much of the division among economists relates to differences within the cultural heritage — are we concerned with rational rationing or are we concerned with superrational unknowled, to use another of Shackle's phrases? No wonder economics is schizophrenic and the fraternity is rent with schisms — analyses started off from the first by going in quite opposite directions. Add to that the points made by Prigram, Mitchell, and Schumpeter about what shapes the discussion. Prigram looks back to the ancient conflict in thinking between Plato and his purported student, Aristotle. Mitchell looks back to the revolutions begun in the XVIII century when modern industrial specialization and urbanization came to dominate life and then thought. And Schumpeter, seeking his own answers, looks to epistemological developments, related but hardly confined to the ideas suggested by Prigram and Mitchell.

I believe that most of us have disordered minds, or minds sufficiently disordered that we have learned by experience not be averse to leaving a lot of strings loose. We study, and we ponder, and to some extent we can grasp others’ ideas and proposals, and to quite a different (and usually lesser) extent we can disentangle explanations for our own preferences.

What do we make of it all?

This lengthy paper started with the question of what economics was all about — was it really only cultural rhetoric or was it something different, a true science? One of my colleagues, a most distinguished game theorist, has often, when given the opportunity, pointed out to me that no real physicist really worries about the history of physics. History is a luxury reserved for those who want to study as unfocused a thing as the history and philosophy of science; it suffices for real physicists to know what is state-of-the-science truth now.

My answer, admittedly not persuasive to him (but it is to me) is that physics is about things; economics is about people. Things generally are stable; people virtually never are. One has to study the history of a discipline involving humans because the data are sufficiently unstable that their cause and effect relationships cannot really be defined. And because of that subjective element, economics is a different kind of science.

As my colleague is a game theorist, I go further and say that game theory has its own genesis, and for all of its supposed scientific nature and success, chess masters are still beating the computers. Even more powerful is the point that although we know far more than von Neumann believed anyone would have to know about the weather, we still cannot predict the weather well.

It is not for nothing that rhetoric was originally part of the trivium; rhetoric was the key which unlocked men’s minds to reason. Thus, I argue that it is essential to study the history of the rhetoric of economics to understand what persuades more and what persuades less. Early on, one should get beyond the level of immanent criticism, a level which is very persuasive only to those whose intellectual operation is well within the bounds of the reason necessary to accept the argument. Language, as Hobbes pointed out "in the beginning of modern times" is the means of transmitting ideas, and ideas, themselves, are the product not only of cognition but also of intellectual compression within the brain.

How does one study the rhetoric of economics? Admittedly, one can learn some things from the likes of the two books by Hirschman and McCloskey. Yet, I aver that economists have also to understand that what persuades one may not persuade another; what it took to convince Aquinas may still convince any number of like-minded types, but whatever that was, it did not persuade Hobbes or Mandeville or Smith. And what persuaded Smith surely did not persuade Cournot or Jevons; and
what persuaded Pareto does not seemingly persuade Arrow. What sets each group apart has not been anything so simple as the method of their thinking; rather it is the set of criteria to which their thinking gives priority.

Methodology, we tire of repeating to those who will never learn, is not the study of method, but the study of reasons for selecting the criteria which a particular method is supposed to satisfy. To identify the parameters of an appropriate method is no more than to talk to those already converted. How little credit we do to our powers of persuasion if we can do no more than repeat the argument which captured us. Our difficult task is to grasp the foundations of the thought process — and I suggest that our patrician legacies serve as fine, if often confused, examples of that.

In the end, it comes down to this. We study the history of economic thought to grasp the rhetoric of economics, that is, what lines of reasoning (thought identification) have been used to make woven intellectual tapestries having meaning to different viewers. Knowing a variety of types of formative thought (Mitchell’s term for the study of the history of economic thought) is the way to learn how others have calculated and will likely calculate in the future. Then we should phrase what we want to demonstrate according to criteria meaningful to them.

One data bank on that information is the history of economic thought, and although the path is a long and discursive one, there is no short royal turnpike to the answer.

Catalytic (the study of prices and quantities) and, more basically and therefore far harder, the study of what forms value is the heart and the goal of one tradition. The Common Law was said to reveal the life history of the English people; accordingly, the history of our discipline is more likely to reveal the many things for which we have been looking — quite aside from the rigor of any of the answers we think we have discovered. Or, to put the matter in a nutshell, seeking the appropriate question is more important than developing answers.

But, in seeking the basic economic question, I suggest we find a very interesting conflict between the patristic legacy which sees economics as the study of the rationing of scarce means, given fully understood and defined ends, and the patristic legacy which says that economics is merely a systematic effort at trying to cope with what cannot really be known. That is, with what Shackle and others call unknowledge — in a world where choices have to be made.

Let me now flesh out my own judgement. Insofar as I am aware there are, inter alia, two principal paradigms in economics. Each stems from our “Western” patristic tradition. One lays the foundations for a belief that economics deals with the allocation of scarce resources; the other for the belief that economics has to handle the unknowable as well as the knowable. When one studies the history of the discipline — the search for understanding — one quickly discovers that these paradigms, seemingly unrelated, draw their answers from the same stock of inputs. It behooves us, consequently, to study this data bank.

* I note the pleasure I have received from Dr. Charles McCann in a series of discussions about rhetoric and hermeneutics. He and Mr. Morgan Marietta also reviewed the manuscript, for which I thank them.

Notes

1. Pribram thought that the Franciscan scholar-monk Roger Bacon was the best example of the Aristotelian approach; I would have thought, particularly in terms of the Anglo-American tradition, that a better case could be made for Francis Bacon.

2. While Descartes is my preferred choice others think that a better case could be made for Leibnitz or Kant.

3. Plato’s system was based on a division of activity (the usual point is to call it division of labor, but since the best of all activities was not work [something distasteful] but things valued in the doing as well as in the consequence, the verbal emphasis is worth nothing).

   His preferred system, the one run by philosophers, who were more committed to social efficiency than to personal probity, had only community property for themselves. For lesser types, the need for appeasing their smaller minds might make personal property rights the appropriate kind of incentive or opiate, however ownership was not a right, simply a means necessary until men were properly educated.

   Plato’s approach was not developmental; it was static. It stressed the coordination and planning of the use of resources.

4. An even earlier major point is that everything is said to have had a prior cause, with the Prime Cause being God.

5. Cf. Genesis, 3; 9-12, 16, 17.

[9] But the Lord God called to the man and said to him, “Where are you?” [10] He replied, “I heard the sound as you were walking in the garden, and I was afraid because I was naked, and I hid myself.” [11] God answered, “Who told you that you were naked? Have you eaten from the tree which I forbade you?” [12] The man said, “The woman you gave me for a companion, she gave me fruit from the tree and I ate.”

[Note: the story as recalled suggests that Adam was dependent upon Eve (for what?), and the price of that dependency was to be agreeable to Eve ("it was really all her fault — I only did what You [God] had laid out for me").]

[16] To the woman he said:
I will increase your labour and your groaning, and in labour you shall bear children. You shall feel an urge for your
husband, and he shall be your master.

[17] And to the man he said:

Because you have listened to your wife and have eaten from the tree which I forbade you, accursed shall be the ground on your account. With labour you shall win your food from it all the days of your life. It will grow thorns and thistles for you, none but wild plants for you to eat. You shall gain your bread by the sweat of your brow until you return to the ground; for from it you were taken. Dust you are, to dust you shall return.

[Again, for those civil libertarians amongst us, kindly note that God forced Adam to testify against himself? Who says that the Bill of Rights is an inherent aspect of divine justice? Far from it, in the Last Judgement, pleading the Fifth won't do at all.]

6. This point is to be found through an expansion of the thinking of Maimonides (Guide of the Perplexed, see Chapter 2); his question is what was the state of man's knowledge before and after the Fall. The line of his argument is that man did not have any worries before the Fall, because everything was taken care of. The Fall, coming about only because God had told man to avoid just one thing which man then did not avoid, led to man no longer being taken care of, and man, having become mortal, having to spend his days worrying about the unknown. Where once man could count on a certain future, now man had to worry about the unknown, about which he could only have limited expectations. (Maimonides (1135-1204), a native of Cordoba (Spain), spent the greatest part of his career in Cairo, where he was the Court physician. Maimonides is one of the great Aristotelians, and although much of his theology was considered questionable by Thomas of Aquinas, Aquinas had little trouble with Maimonides' Aristotelianism.

References