

## 'Plus ca change . . . .'

Our problem is that even if we have thought out a beautiful and possibly correct theory of the complex phenomena with which we have to deal, we can never ascertain all the concrete specific data of a particular position, simply because we do not know all that which the acting people know. But it is the joint results of those actions which we want to predict. . . . .

There are two possible ways in which economists have endeavored at least partly to overcome this difficulty.

The first, represented by what today we call microeconomics, resignedly accepts the fact that because of this difficulty we can never achieve a full explanation, or an exact prediction of the particular outcome of a given situation, but must instead be content with what I have occasionally called a "pattern prediction" or, earlier a "prediction of the principle." All we can achieve is to say what kinds of things will not happen and what sort of pattern the resulting situation will show, without being able to predict a particular outcome. . . .

I still believe that this is the only approach which is entitled to regard itself as scientific. Being scientific involves in this connection a frank admission of how limited our powers of prediction really are. It still does lead to some falsifiable predictions, namely what sorts of event are possible in a given situation and which are not.

It is, in this sense, an empirical theory even though it consists largely, but not entirely, of propositions which are self-evident once they are stated. Indeed, I doubt whether microeconomic theory has ever discovered any new facts. Decreasing returns, decreasing marginal productivity or marginal utility, decreasing marginal rates of substitution were of course all phenomena familiar to ordinary people even if these did not call them by that name. In fact, it is only because ordinary people knew these facts, long before economists discovered their importance, that they have always been among the determinants of how the market actually function. What the economic theorists found out was merely the relevance of these particular facts for the decision of individuals in their interactions with other persons.

**Friedrich A. Hayek - Hillsdale College, 1978 : : From *imprimis***

Although political economy deals with various and complicated phenomena, yet they are phenomena which may be resolved into simple elements, and which are but the manifestations of familiar principles. The premises from which it makes its deductions are truths of which we are all conscious and upon which in every-day life we constantly base our reasoning and our actions. Its processes, which consist chiefly in analysis, have a like certainty, although..... it can never predict exact results but only tendencies. . . .

My object is not to lead you to conclusions. All I wish to impress upon you is the real simplicity of what is generally deemed and abstruse science, and the exceeding ease with which it may be pursued. For the study of political economy you need no special knowledge, no extensive library, no costly laboratory. You do not even need textbooks nor teachers, if you will but think for yourselves. All that you need is care in reducing complex phenomena to their elements, in distinguishing the essential from the accidental, and in applying the simple laws of human action with which you are familiar. Take nobody's opinion for granted "try all things: hold fast that which is good." In this way, the opinions of others will help you by their suggestions, their elucidations, and corrections; otherwise they will be to you but words to a parrot. . . .

**Henry George - UC Berkeley, 1877**

## MERRIEWOLD: MERRY MEMORIES

The latest book by Agnes de Mille is **Where the Wings Grow** (Doubleday & Co., New York, 1978 - \$8.95) fourth in a series of autobiographical volumes. This one deals with life at Merriewold, a rural retreat in upstate New York discovered by Agnes' grandfather Henry George. A community of remarkable people developed there. Not the least remarkable was Agnes' mother, Anna George de Mille, remembered by old-time Georgists.

This "memoir of childhood" as it is subtitled, explores freshly and poignantly the happenings, memories and feelings encountered in Merriewold, and describes the different folks, sights, smells and sounds with a sharply clear style that brings one close to them.

This is the ninth book by the versatile Miss de Mille, who has gained fame as "the first lady of the dance" in America — choreographer, dancer, writer, lecturer, organizer. In all her biographical works she speaks of her illustrious grandfather and his philosophy. He would be proud of her.

**Robert Clancy**