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Certain Terminology Redefined

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WORDS are marvelous things. They are man's most useful and most used gadgets. Without them we should have no crossword puzzles, we could not share more than the very simplest ideas.

Have you ever eavesdropped when a litter of hepcats were chattering bebops? Wow! Did you dig that dizzy dialect? Shades of Noah Webster! But you know, all those cool, crazy locutions that whizzed by so fast were language, real language, even if they only made your head spin. Each one meant the same thing to the cat who used it as it did to the one he spoke to. And that, after all, is the essential characteristic of language.

First, Clear Definitions

Some such thought may have been in Henry George's mind when he devoted an entire chapter of his first great work to "The Meaning of the Terms." Land, labor, capital, rent, wages, and interest were then, as now, words with several meanings apiece, and were often juggled by economic conjurers. In a careful, detailed definition of each he outlined a clear conception of the anatomy of human industry. Without this any description of its physiology would have been meaningless.

Definition is the first step in scientific investigation. And when anything as changeable as man and his social institutions is the object of study, it is more than just a first step. It is a task which can never be regarded as finished. Words, though they are born and die, are relatively stable, but the meanings we attach to them may do a complete about face in a generation or two.

For example, Henry George, in *The Science of Political Economy*, tells us that this is the study of the production and distribution of the wealth of human society. Economics, he shows, is concerned with the economy of persons and private groups, such as corporations. Its point of view cannot be that of the community as a whole in a competitive economy, reacting to natural laws.

The distinction he drew is as true today as it was in 1897. The economy of the individual bears exactly the same relation to the economy of the group as it did then. But the generally accepted meaning of the terms political economy and economics, has changed considerably.

Consider Current Usage

Our most respected dictionaries tell us that economics *is* political economy, and vice versa. In a certain sense this is perhaps true. At least, both terms now come within the limits of George's definition of political economy. Neither is concerned with the economy of the individual except in its relation to that of society. But, surprisingly, the dictionaries do not seem to have the last word on this question. In the works of many writers one finds evidence of a sort of tacit agreement to use the two terms in different connections. There is no outright state-

ment of what this difference is, but it is there, just the same.

(Here I would like to say that this is strictly an expression of opinion. It is my interpretation of many passages, long and short, from the works of a pretty fair number of contemporary writers. I hope those who disagree with my conclusions will feel free to reply).

Briefly, and I think not too inexactly, political economy today is the foundation of definition and general principles upon which any explanation of economic phenomena must be based. It is the study of the nature of things economic. It is what Professor Walker, in an article in this magazine, once called "the philosophy of economics."*

Economics is much more apt to be presented as the "applied science" of wealth. It is the technology of economic institutions, the study of methods and expedients. It is the art of general economic practice. Logically it is the child of political economy, but historically it is its parent. The general principles of all "pure science" have been conceived in the trial, error and sweat of ages of human experience.

In this sense, political economy without economics is useless—a mere parlor game. And just as truly, no sound economics can be built except upon the rock of political economy.

You may not accept my definitions, of course. But if you do you must agree that Henry George was an economist, a master economist. Much of *Progress and Poverty* is political economy, by his definition and mine, but his "solution," as I see it, is economics, the greatest work on economics ever written. He proposes a supremely practical method for the application of the principles of political economy for the correction of one basic injustice, one which causes untold suffering. He explains this expedient in terms of economics and political economy—then he answers the objections to it.

New Applications Essential

But even if you do not think these two terms have changed as they have aged, you may still agree with me that while general principles do not change, our use of them must change with our civilization; that with the growth of populations and the forward march of our technology new aspects of the age old "problem" have developed; and that new and practical ways of applying the essence of Henry George's "solution" must be constantly sought. You may agree that the final pages of economic theory and practice have not been written, and never will be written. And you may believe, as I do, that as citizens of a free country, as voters who must pass judgment on any reform of our institutions, our responsibility has not been discharged when we have made ourselves familiar with just the first principles of political economy and economics. The fight for freedom is never finished.

*Pinkney C. Walker, "The Educator and Economic Reform" August, 1950, Henry George News.