

What Is Economics?

By MARSHALL CRANE

WORDS ARE marvelous things. Without them precise thought would be impossible, and perhaps nothing adds more to their power than the twilight zone of allusion and association surrounding the bright spot-light with which each one illuminates an idea. Even the most precise language is a very elastic medium. But this flexibility is not an unmixed blessing, and it is the principal reason why so many of the professions have evolved special terminologies as they have developed. These are often confusing, sometimes ridiculous, to the layman, but they are a great convenience to the professional, who might find exact definition and logical reasoning very difficult without them.

But the rule applies to this as to all tools, that the sharpest must be used with the greatest care. The expositor must be absolutely scrupulous in definition, and constantly on watch to see that there can never be any doubt as to the sense of any word or phrase he uses. A possibly pliable conventional usage must never be confused with the special sense which a term has assumed for a special purpose.

The dictionaries agree, with some minor variations, in defining economics as "the science which treats of the production and distribution of wealth." Three of the four nouns in this definition are given special senses by the economist, but it seems at first glance to be a simple and convenient description, and it is quite generally accepted. Is it a correct one?

Science — *scientia*, or knowing, — is defined by the same dictionaries as "the collection of facts, and the study of their proximate causes, and of the natural laws applicable to them." The sciences are both the parents and the offspring of the crafts, of technology — sometimes called "applied science" — and of the arts and philosophy. They investigate and contribute to everything that we do. But is economics adequately defined as a science?

A glance at the works of Smith, Marx, Mill, Henry George, Veblen, and Keynes, to mention just a few, suggests that it is not. It is immediately obvious that not one is remembered principally as a scientist, though all started with the collection of facts and with an interpretation of them. But this was just a preliminary activity, a setting of the stage, in every case. Each one had a special message of his own, which is associated with his name today, something far beyond the field of science. They sought not merely knowledge, but wisdom. Whatever the value of their work, in essence it is not science, but philosophy.

The study of philosophy has been divided into several convenient branches since the days of the Sophists, nearly twenty-five hundred years ago, and at first glance it would appear that there is no place in its harmonic system for the economic note. But while we cannot include economics in either ethics or politics, it is not difficult to establish its essential relation to both. For while no ethical or moral law depends upon economic or political factors, we would have to revise the greater part of economic and political reasoning if we did not have such ethical concepts as justice and humanity as its basis.

Communities whose citizens do not eat, very soon cease to have political institutions of any sort. Governments are very largely conditioned by the occupation of the governed, and by the

economic set-up. Many, if not all, have been called into being by the manner of life of their subjects.

On the other hand, the laws of economy, its basic trends, continue to exert their influence regardless of political conditions. Demand and supply, production, distribution and consumption, are the same factors under a tyranny as under an anarchy, and bear upon each other in the same ways. Classical politics takes the economic systems of its time very much for granted, but unless they are postulated its whole structure falls apart. In other words, economics logically precedes politics.

This is of very little importance unless it in some way advances our study of economics and of philosophy in general. Does it?

Some economists are proud of their application of "the scientific method" to economics, but the fact is that the methods of the several fields of rational thought are actually as different as their final purpose, and the technique of one may produce very poor results when applied to another. Spinoza tried to adapt the geometrical method of demonstration to the study of morals, but the origin and nature of his axioms and postulates made the similarity between his reasoning and Euclid's a very superficial one. During the past fifty or sixty years there has been a tendency among some writers to approach the study of economics from what might be called the technological angle. Prominent economists and statesmen have regarded the irresponsible expeditionism of certain national governments as a reflection of this trend, to some extent at least.

The differences in the methods which they employ are inevitable when we consider the differences in purpose among the sciences, art, social and moral philosophy, metaphysics and religion. And here is evident the very real danger that lies in a faulty identification of the nature of the task at which we work. Whether consciously or unconsciously, the investigator will in some measure identify the end toward which he strives with that of the subjects of study which are associated in his mind with the category in which he has placed it. And insofar as his classification is faulty his work will suffer.

Ethical principles are not provisional upon anything. "Right" and "wrong" do not change their coats. Conditions of various sorts are often quoted to explain the violation of moral law, but they can never excuse it. The degree to which men and communities actually do obey the law is no doubt influenced by many things, but finally analyzed the law itself is part of the nature of things, immutable.

Certainly then, to recognize that economic laws stem logically from it is to realize that economic policies too cannot be treated as just temporary and convenient expedients, subject to the juggling empiricism and whimsical manipulation of bureaus and commissions.

Economies and governments change as times change and civilization advances. Perfection in our institutions is not to be expected until we ourselves are perfect, but an understanding of a true philosophy and sound principles does give us a rule with which to measure our institutions, and enables us to face in the direction in which change of them is truly progress.