

(Expressly for the Review.)

**Serial Economics.**

BY JAMES LOVE, AUTHOR OF "JAPANESE NOTIONS OF POLITICAL ECONOMY."

While in the literary magazines with their wealth of illustration and attractive themes—"Telephoning Across the Ocean," "The Argive Heraum," "Bismarck's Love Letters," "My First Colony of Bees"—we find great content and float along month by month in lucid calm, there are times, nevertheless, when, in the effort to steer through a shallow of "Civics" some professor of economics brings us to grief on a shoal of words. For after laying down the *principle* that twice two makes four he very commonly proceeds to argue that the result is sometimes three, sometimes five, and quite often ten. After announcing "general principles" he is prompt to deny that there are any "universal theories," and to assert that "every proposition must be examined in the light of its place and time."

Thus we find ourselves stranded in the March *North American*, where Professor Ely, writing upon "Municipal Ownership of Natural Monopolies," says: "What must be desired by anyone who has an appreciation of the nature of modern science is the establishment of *general principles* whereby mistakes may be avoided and loss prevented." But he immediately adds, "The practical man will naturally take into account the actual concrete conditions in his application of general principles. The social engineer must in this particular follow the practice of the mechanical engineer." \* \* \* By "the establishment of general principles" he probably means, if he means anything, the *ascertainment of natural laws*. And the intimation is that the mechanical engineer sometimes, owing to "concrete conditions," must tamper with or disregard them. But natural laws by the engineer are never in the slightest intentionally disregarded. On the contrary, he must ever have them in mind and under the certain penalty of disaster construct his works to conform therewith. No sane engineer ever erected a tower whose center of gravity fell outside of its base, or who attempted to increase the force upon the long arm of a lever without providing for a greater increase of force on the short arm. The practical man takes the conditions into account not by attempting the impossible (the modification of a natural law), but in strictest accordance with law to adapt the resistance to the pull. And he must do so at any and all times.

Yet after this illustration of the engineer Professor Ely's arguments seem to indicate that he doesn't know what the term "principles" means. He apparently assumes that it is a moral principle that the product belongs to the producer—that robbery is ever harmful, and therefore that each municipality should control its "natural monopolies." But towards the close of his article, as is usual with professors, he first gets astride the fence and then, with phrases seemingly learned and certainly incomprehensible, lets himself down on the other side. So—he don't favor municipal ownership "at any and all times." "It must come deliberately, and it must come with adequate safeguards." He says that we must have the social man before we have the social action. But the "social man is coming rapidly," "and the amount of social action which the socialization of sentiment makes possible and desirable increases in proportion as he makes his appearance. The question of municipal ownership is a question of social psychology. It turns on the nature of the social mind."

But—passing from these occasional irritants of the popular monthlies to the unbroken flow in the scholastic quarterlies—The Yale Reviews, The Journals of Political Economy, Annals of American Academies, Journals of Sociology, Quarterly Journals of Economics—we are not only confused by the boom of brass-band words, but are altogether lost in a maze of economic reasoning that, in obeying no rules, is as much a travesty of logic as Hogarth's famous picture is a travesty of "Perspective."

Taking up the April number of *The International Journal of Ethics*, for instance, we find "The Theory of Value and Its Place in the History of

Ethics," 47 pp., by Professor Charles Gray Shaw, of New York University. Professor Shaw in thus (as I suppose, for his language is beyond me) making private monopoly values accord with eternal laws of justice, has, like Professor Tom, Dick, Harry, and Ely, really reduced "Economics" to two simple principles. I. To the victor belong the spoils. II. The devil takes the hindmost. He opens: "In the larger and historical present no more vital question is broached than that concerning the ultimate nature of ethical ideas; among English and American thinkers is such especially the case. Teutonic thought with all that is meritorious about it, has never in its history produced any such wealth of discussion as that which has grown out of the endeavor among English speakers and thinkers to adjust the respective claims of Hedonist and Intuitionist." \* \* \* The source, the sanction and the practical significance which Intuitionism alleges deserve some examination. A 'faculty psychology' and all the ills which it is heir to has not failed to find shelter in this school. For the sake of identifying a special, isolated moral function, the unity of conscience has been broken up. The sanction which is here offered, couched as it usually is in quasi-logical forms, can hardly escape the difficulties of circular argument." \* \* \* The emancipation of the affectional process in consciousness, by virtue of which psychology passed from the ancient bipartite to the modern tripartite form, has never been seriously taken into account by Hedonism." \* \* \* Words, words! to take the place of thoughts! This argot of the devil and the economists, mind-crippling to those who attempt to comprehend it, is the shame of the schools. \* \* \* "Value is essentially volitional. Difficult as it is for introspective analysis to identify any conative quality in consciousness, enough is known about the will to make possible its connection with the value idea. The independence of valuation over against both pleasure and desire is justified by the independence of the volitional quality, even though such be an indeterminate." \* \* \* These passages, I think, are worthy of the little scholar who, in her composition wrote, "The supercilious girl acted with vicissitude when the perennial time came." \* \* \* "Volition is distinct from desire as the arbitrariness of human nature attests. At the same time pathological cases in volition show how the will may act in opposition to desire. Experience reveals a more or less complete bifurcation of affection and conation." \* \* \* In my assembly of the K. of L. a prosy member was interrupted by a tired listener: "Master Workman, is the brother's remarks bearin' on the motion?" "No," exclaimed the Master Workman waking up, "No—I don't think—Nothing—H—ll, no! Not bearin'."

Some readers will cry: What! have you no reverence at all for learning? Not for this kind, my son. I have a high respect for our schools and for most of the professors, but not for these gents. I feel towards "Economics" as my indignant old friend Purdy said his wife did towards other antiquated rattletaps. "No, Sir! Mrs. Purdy has no reverence for that kind of thing. She would put them down cellar, or over the back fence, or mor'n likely burn them up."

"Some notion of an ethical realm is the indispensable counterpart of the valuation subject. Here, again, the history of ethics in its various stages affords many an example of such a notion. The world of ideas of Plato, the moral world of Fichte and the New Testament Kingdom of God are brilliant examples of the moral realm. Thus is determined a world of value, as the basis of a subject of value. In this valuational Kosmos, value is not abstractly represented but actively conserved, so that the determination of such a realm is to be shown not so much by speculation as rather by evincing the fact that ethical consciousness of the individual soul ever postulates such a conservation of value. Such valuational faith relates the subject and object."

Words, like clothes, are a sort of plumage; and a peacock stripped of its feathers is a lamentable sight, even ghastly when the skeleton beneath its tissues is disclosed by Röntgen rays. Yet most of these writers are probably amiable

men, with well-developed head-pieces adapted to No. 7 hats; and though thus—as Economists—they utterly belie the theories of Spurzheim (being withered kernels in well-shaped shells) in other walks of life they may be more true to their “bumps.”

In the March number of “The Journal of Political Economy” Professor Padan, of the University of Chicago, devotes thirty pages to telling us about Professor J. B. Clark’s “Formula of Wages and Interest.” He commences (You tickle me and I’ll tickle you), “The recent volume by Prof. J. B. Clark on the Distribution of Wealth is an important contribution to the literature upon the interest question. \* \* \* But Prof. Clark has not been content to find the basis of interest in productivity. He has industriously sought to establish a formula that will quantitatively identify the *rate* of interest with the specific part of the product due to one unit of capital. He also presents a correlative formula for wages.” \* \* \* After giving Prof. Clark’s own formula in mathematical diagram, he devotes most of his article to a mathematical exposition of the matter, dealing with wages and interest only, and *making no mention of rent as a factor in distribution.* \* \* \* “Let the number of units of labor be measured in the following figure along the line A D. Let them be set working in a series, in connection with a fixed amount of capital,” and so on page after page, ever deeper, with nine more diagrams and continuous algebra. But with it all the rates, bobbing around in a mercurial way and not easily fixed, seem to serve as a mere “fascinating problem,” like perpetual motion. \* \* \* “The rates of wages and interest at any time are the result of the play of dynamic forces. \* \* \* The point here is that the rates of both wages and interest have a dynamic quality. That is, they enjoy no immunity from change. They are in the hands of tireless dynamic masters, the industrious artisans, or agents of change. These agents are: I. Fluctuating population. II. Fluctuating capital. III. Fluctuating methods of industry. IV. Fluctuating organization of capital. V. Fluctuating wants of consumers.” Here Prof. Padan, noting an omission, as he thinks, and anxious to go snacks in the glory of this “important contribution,” adds: “This group should be extended so as to include what may be called ‘circumstances of competition’ an important agent of very dynamic character.” \* \* \* This thirty-page bit of imitation learning, imposed upon unhappy undergraduates as genuine, closes thus: “The determination of rates of interest and wages is a fascinating problem, for the reason that it is a living and changing problem. \* \* \* A determination of the rates of remuneration for to-day is not a determination of them for to-morrow, for the circumstances that control the rates are ever shifting, ever modifying the elements that must be taken account of in the solution. The chess-board of the market of interest and wages proposes no stereotyped problem. The powers of analysis must be addressed to the mastery of each novel combination.”

Now you see it and now you don’t see it! Burlesquing political economy as “Economics,” what ridiculous thimble-rigging is this! Truly might Prof. Denslow (a noted economist) in referring to the whole literature, declare that it is “an incongruous Babel of conflicting oracles.” And Henry Dunning Macleod, while himself adding volume after volume, in the same way writes of *all* the current books on Economics that “they are *utterly valueless* for the great economic problems which are so important at the present day.”

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In great grief as she rushed in from the kitchen, my little granddaughter cried out, “Tabitha say that grand-pa got to die some day—that’s what Tabitha say. And you won’t, will you, grand-pa!” And so, though most Economists, like Professor Perry (now happily retired), may with similar simplicity believe “Economics” to be immortal, what a Christian joy it is to know that what Tabitha foretold of me can with equal assurance be foretold of it.