
The End of the Worldly Philosophy?

Our preface warned of a possibly disconcerting finale, which the title of this chapter may seem to confirm. But I would remind my readers that “end” has two meanings: *termination* and *purpose*, a dual significance we must bear in mind as we go on to consider both the future and the usefulness of the subject whose name was so happily given to me many years ago, when I had finished this book and was trying to decide what to call it.

How to begin this demanding task? I think it best to go back to beginnings, by reminding ourselves of what economics is ultimately about. Needless to say, it is not merely a discussion of the figures, forecasts, and government pronouncements that are the stuff of the daily economic news. Neither is it the supply and demand diagrams and equations familiar to every economics student. At its core, economics is an explanation system whose purpose is to enlighten us as to the workings, and therefore to the problems and prospects, of that complex social entity we call the economy.

So far, what we have mainly stressed with respect to these explanatory visions and analyses is their extraordinary variety. To go from the Mercantilist monarch to the Marshallian clerk, or from the Smithian Society of Perfect Liberty to the Veblenian society of business sabotage is to run a gamut that seems to defy any possibility of a unifying object of study. In this final chapter, however, I suggest we look at this array from another perspective—not so much emphasizing surface differences as searching for a common structural core.

To answer that question we must reflect back on the considerations of Chapter II. These began with a look at how humanity survived the first 99 percent of its presence on earth by relying on traditions that governed its hunting and gathering activities, but we would hardly call these complex rules and taboos “economics.” The same can be said for the much more complex and inventive systems that appeared around the fourth and third millennia B.C., in the social orders that built cities, irrigation systems, and great pyramids. As we saw, the material life of humankind was now governed not only by remnants of Tradition but by a powerful new force of Command.

There is, perhaps, no more dramatic epoch than the rise of these societies, but do we need the ideas of “economics” to explain or understand the revolution brought by Command? I think not. Just as an example, price changes have always been a major part of the explanation systems of economics, but there were no prices for the blocks that the Pharaoh’s workmen cut, and certainly not for the pyramids themselves. Command altered society in spectacular ways; it did not bring about an organization of production and distribution for which we would require a wholly new understanding we could call economics.

What, then, finally set the stage for this new means of comprehending society’s workings? As we also saw in Chapter II, it was the slow displacement of medieval tradition and feudal command with a social order that did indeed require a new mode of clarification. The social order would in time be called *capitalism*; its means of organizing material life an *economy*, and its new explanation system *economics*.

I can be brief in describing the changes brought by capitalism. The first was a dependency on the

acquisitive drive as the principal means of organizing the production and distribution of society's material needs. I ask the reader only to remember that never before, in any society, had the pursuit of wealth been legitimated, much less celebrated, for everyone. Kings, of course; adventurers, perhaps; the lower classes—never.

Second, capitalism consigned both the guidance of production and its pattern of distribution to the encouragements and discouragements of the market. There was no such process in hunting and gathering or command systems: the provision of the very stuff of life by competitive buying and selling is an arrangement that has no parallel in any other social order.

Third, capitalism is the first society to place its overall guidance under two authorities, one public, one private, each with its powers and its boundaries to power. The public authority—government—wields force and establishes law, but does not set itself up to carry on the everyday tasks of production and distribution. This is largely the prerogative of profit-seeking individuals, who produce what they wish, hire those willing to accept the wages and conditions they offer and let go those who do not, but who cannot themselves dragoon labor power, as did the pyramid builders, or physically punish inefficient workers, as could the feudal lord.

These three historic innovations set the stage for the visions of all the great economists. Their descriptions and prescriptions change as the new economy responds with quickened pace to losing the drag of Tradition and the arbitrariness of Command, but for all the changes from Smith to Keynes and Schumpeter there is no mistaking the social formation that is their common source. The worldly philosophy is the child of capitalism and could not exist without it.

Now, what has all this to do with the two meanings of the title of this chapter—the possible end to, and the ultimate purpose of economics itself? The answer to the first question lies in a far-reaching change that has increasingly become the vision of economists. We see its first appearance in the growing disposition to depict the activities of buying and selling in abstract terms, beginning perhaps with the depictions of pleasure and pain in terms of Edgeworth's Felicific Calculus and the "just wage" of labor in von Thünen's formula, both noted in Chapter VII. By Marshall's time beautiful diagrams decorate many chapters, and Keynes, as we have noted, uses algebra to depict his analytic findings.

Curiously enough, however, it is not the ever-growing presence of mathematics that is the crucial change in the economics of our time. Numbers abound in any social order that relies on modern technology. All industrial systems generate and require a mass of quantitative information that would have been unimaginable before the advent of highspeed production and near instantaneous communication. Today's economies are more interdependent than were the workers in Adam Smith's pin factory, and as this interdependency grows, so do both the quantity of, and the demand for, information on a wholly new scale. Here is where statistics and mathematics enter modern economics. Without them how could one reduce the outputs of millions of establishments to a number called Gross Domestic Product, or compute another number called the Price Level to express the average price of uncountable millions of goods and services? This is not to say that mathematical models reveal how best to act on the information that bombards us: the predictive capability of econometrics—the modern combination of statistics and economic theory—is by no means notable for its accuracy. The point, rather, is that there is no alternative to using mathematics in its various forms to elucidate many of the analytical purposes for which economics exists.

For all its prominence, however, mathematization is not the all-important change with which our chapter is concerned. Mathematics today pervades economics, formalizes it, and becomes its favored

mode of expression, but no one actually confuses mathematics with economics. The deeper and, to my mind, more significant change is the increasing appearance of a new concept as the vision—indeed, the essence—of economics, and the corresponding disappearance of another much older one. The new vision is Science; the disappearing one, Capitalism.

Let me give greater specificity to this charge by citing from two recent textbooks. *Principles of Economics* by N. Gregory Mankiw and *Economics* by Joseph Stiglitz. Both authors enjoy the highest professional esteem, and have written texts that are models of clarity, intelligence, and accessibility. Let us now see if they illustrate my points. I cite first from the Introduction of the Mankiw book:

Economists try to address their subject with a scientist's objectivity. They approach the subject of the economy in much the same way as a physicist approaches the study of matter and a biologist approaches the study of life: They devise theories, collect data, and then analyze these data in an attempt to verify their theories.

We shall consider the implications of that central placement of science in a moment, but what of my assertion regarding the abandonment of the description of the economy as capitalist? I turn now to Stiglitz's two-volume text to see what he has to say about the matter. The answer is simple: the word does not appear in its 997 pages of text. For all intents and purposes, Capitalism does not exist in this two-volume introduction to economics.

Selective citations are, quite properly, regarded with suspicion. I could, perhaps, ask skeptical readers to repair to the nearest public library and compare a random selection of volumes of the *American Economic Review*, the flagship journal of the American Economic Association, or its British counterpart, *The Economic Journal*, for any ten years prior to the 1950s, and a like number from the last decade. I think I can guarantee that the skeptic will discover in the second group a pronounced increase of references to the methods of science and a precipitous decrease in the presence of the word *capitalism*. At whatever risk to my plausibility, I must therefore venture suggestions as to why these changes have taken place.

Let us look first at science. There is more than one reason why one might expect the concept of science to become a more and more explicit part of the vision of economists. The first, and by no means the least cogent of these reasons, is that students of the workings of the economy, like students of the workings of nature, seek regularities of behavior as a first clue to the discovery of the "laws" that are perhaps the most important achievement of science. Without knowledge of the laws of gravity we could neither explain (or predict) the orbits of the planets or the trajectory of an airplane. The question, then, is whether there are not also lawlike aspects to economic behavior?

I say "lawlike" because individuals' behaviors are obviously more complex than that of objects moving through space. When the price of clothing goes up, the quantity of clothing we buy is likely to go down; but it may not, if our fancy is caught by an advertising campaign. Nonetheless, no one would deny there is a *general* relationship between the prices of goods and the quantities bought by buyers—as prices change, quantities bought usually change in the opposite direction.

Moreover, this same kind of generally predictable stimulus-response relationship can be found between changes in our incomes and our spending on consumers goods, or changes in the rate of interest and business spending on investment. Thus, economic behavior is marked by a degree of predictability for which it is difficult, or even impossible, to find similar examples in other areas of social life, such as politics. Equally remarkable is that changes in economic stimuli normally bring

about movements in opposing directions, depending on our roles—namely, whether we are buyers or sellers. This is another property that marks off economic from non-economic life. Indeed, it is this bipolar effect of price stimuli on behavior that makes markets a means for imposing social order, not disorder, a unique stabilizing effect that again relates economic behavior to some self-balancing natural processes.

Thus it is not surprising that the realization early dawned that a market system bore a certain resemblance to the natural processes to which science directed its attention. There is no doubt wherein lay the attraction of this resemblance. If economics could become a true branch of science, it would enormously increase our capacity to predict the course of events, as well as the outcome of attempts to change that course. To be sure, economic science would no more give us complete control over our future than physical science gives us control over the course of gravity, but unquestionably it would increase our ability to foresee the consequences of changing the workings of the economic system, and thereby to choose the most favorable course of action. Why, then, should we not applaud the increasing tendency to envision economics as a science?

There are two reasons. Marshall himself noted one. Although beguiled by the sciencelike aspects of economics, he warned that “economics cannot be compared with the exact physical sciences) for it deals with the ever-changing and subtle forces of human nature.” We speak of the laws of physics or chemistry as describing the behavior of the electrons and mesons that the scientist studies, but there is an unbridgeable gap between the “behavior” of these elements of nature and those of the human beings who constitute the objects of study of social science. When scientists explain the phenomenon of, say, light, with reference to the behavior of electrons, no one supposes that each electron has “decided” whether or where it is to move. In contrast, when economists explain the phenomenon of price changes by the behavior of buyers and sellers, they cannot describe their object of study without assuming that each individual person has decided to act as he or she did. In a word, aside from pure physical reflexes, human behavior cannot be understood without the concept of volition—the unpredictable capacity to change our minds up to the very last moment. By way of contrast, the elements of nature “behave” as they do for reasons of which we know only one thing: the particles of physics do not “choose” to behave as they do.

Hence a careless usage of the word “behavior” can easily conflate two utterly different things, one of them the quintessential element of conscious existence, the other having nothing whatever to do with it. If economics were in fact a science, we humans would be mere robots, no more capable of choosing what was to be our response to a price rise than is a particle of iron to the presence of a magnet.

A second objection seems quite different, but is actually the other side of the same coin. It is that the social life of humankind is by its very nature *political*. That is, all societies, once they move from the level of hunting and gathering to that of Command, create categories of privilege and disprivilege, ranging from aristocracy to slavery, from class to caste, from the rights of property to the disadvantages of penury. As those last words make clear, capitalism is no exception to this general statement. Are such crucial economic matters as the distribution of wealth or income determined by the social counterpart of gravity? Are taxes, the rights of inheritance, or the existence of sweatshops expressions of immutable laws of nature? Or are they the highly mutable determinations of the sociopolitical order in which we live?

The question bears on Mankiw’s statement that economists “try to address their subject with a scientist’s objectivity.” But what does it mean to be “objective” about such things as inherited wealth or immiserating poverty? Does it mean that those arrangements reflect some properties of society that

must be accepted, just as the scientist accepts the arrangements studied through a telescope or under a microscope? Or does it mean that if we were scrupulously aware of our own private endorsements or rejections of society's arrangements we could, by applying an appropriate discount, arrive at a truly neutral view? In that case, could one use the word "scientific" to describe our findings, even though the object of study was not a product of nature but of society?

The answer is that we cannot. There is, of course, ample room for scientific method in analyzing many problems that economics seeks to clarify, including the requirement that economists report the data they observe as scrupulously as possible. But when it comes to policy recommendations, it is impossible to present economic analyses as if they stemmed unchallengeably from the givens of society. This is because there are no such givens comparable to those of nature. Moreover, to admit to the presence of power and obedience in the arrangements of all stratified societies does not thereby allow us to attribute to our explanations the objectivity we seek in our clarifications of nature. It only applies the language by which we describe nature's workings to those of society. If such a pseudoscientific view were to become the aim of economics, it would indeed spell its termination as a worldly philosophy.

And so our discussion leads us to consider the second of the larger questions I posed at the outset of this chapter—namely, the "end" of our subject in terms of its purpose, its aim. If economics is not to be a science of society, what is to be its ultimate social usefulness?

My answer is that its purpose is to help us better understand the capitalist setting in which we will most likely have to shape our collective destiny for the foreseeable future. Having for many years endorsed the ideas and objectives of democratic socialism, that is not an easy assertion for me to make. But given the experience of socialism in its twentieth-century forms, it is difficult to expect its benign rebirth in the century to come. Indeed, taking into account the strains and stresses clearly visible in the decades ahead, it is all too likely that any prospective socialism, especially in the less developed areas where its advent is most likely, will again develop tendencies for political megalomania, bureaucratic inertia, and ideological intolerance.

To be sure, these strains and stresses will exert their destructive force on capitalist societies as well. Ecological dangers, foremost among them global warming, will bring not only the need to contain the damage of climatic change in the poor nations, but the even more difficult challenge of reducing climate-warming emissions in the richer nations that are their source. Add to this the alarming spread of nuclear weaponry on the one hand, and ethnic, racial, and religious hatreds on the other, and the stage is surely set for problems and tensions from which the capitalist powers cannot be insulated. Finally, there is the fast-growing problem of a globalized economy that arises largely within individual capitalisms, but then escapes their control to become a supranational presence that threatens the sovereignty of the wealthiest of them. In sum, here is a prospect as threatening, if not as desperate, for the rich capitalist world as that which confronts the poor precapitalist or presocialist one.

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What could be the purpose of vision and analysis under these conditions? It must be evident that there is little for economics to offer with respect to the political leadership, the diplomatic skills, and the social inspiration that must play crucial roles in preventing these strains from undoing the workability of capitalist societies. Nonetheless, a worldly philosophy has a unique potential to provide the visionary guidance that will help at least some capitalisms make their way as safely as possible through the coming decades.

Let me stress *some* capitalisms. To say it one last time, the distinctive properties of all capitalisms are the drive for capital, the guidance and constraints of a market system, and the blessings—admittedly, often mixed—of a bifurcation of power into two interpenetrative but still independent sectors. To this, however, must be added a capacity for adaptation and innovation that results in a spectrum of capitalist performances, a spectrum that is visible in the intensity of the drive for capital, the degree of freedom accorded to market dispensations, and the location of the boundary between the public and private realms. Thus we have a considerable variety of capitalist *societies* despite the general similarity of their economies—witness the gulf between the socially, if not always economically, successful capitalisms of Scandinavia and Europe, and the economically successful but socially disastrous capitalism of the United States: consider, for example, that executive compensation in the top corporations in the United States is twice that of France or Germany, whereas the upward mobility of the American poor is half that of those countries and but a third that of Sweden. The first comparison points to a culture of greed; the second to one of social indifference. The combination hardly suggests the institutional adaptability that will be needed by any nation seeking to minimize the strains of the decades ahead, much less serve as a model for world leadership.

It is with respect to these social aspects of capitalism that a reborn worldly philosophy can play its most useful role. Economic analysis, by itself, cannot provide a torch that lights our way into the future, but economic vision could become the source of an awareness of ways by which a capitalist structure can broaden its motivations, increase its flexibility, and develop its social responsibility. In a word, in this time of foreseeable stress, the purposeful end of the worldly philosophy should be to develop a new awareness of the need for, and the possibilities of, socially as well as economically successful capitalisms.

No doubt it will be objected that the realization of such a far-reaching program would require prodigies of political leadership, and that much of the learning needed to give substance to such a vision belongs properly within the boundaries of other fields of knowledge, from psychology and sociology through political science.

All true, all true. Economics alone will not guide a country that has no vital leadership, but leadership will lack for clear directions without the inspiration of an enlightened as well as an enlarged self-definition of economics. Assuredly such a new economics will incorporate knowledge from the domains of other branches of social inquiry, but if the usefulness of the worldly philosophy of the twenty-first century is to match that of the nineteenth and early twentieth, it will need to be both deepened and enlarged, above all compared to the desiccated residue with which we are left today. Bearing in mind the two meanings of “end” in our title, it is to this hopeful vision of tomorrow’s worldly philosophy that this book is dedicated.

A Guide to Further Reading

Economic reading, by popular hearsay, is a veritable desert of dusty prose. In all honesty, much of it is. The student of economics must be prepared for long journeys without a single refreshing sentence; it takes the endurance of a camel and the patience of a saint to finish some of the great texts.

But not all economics falls into this category. There is much that is alive, provocative, and stimulating even to the novice, and much more that is sufficiently interesting, persuasive, or important to warrant a certain amount of heavy going. These are the books I am recommending here. They are by no means an exploration of all of economics—no short list could possibly do that. These are merely good jumping-off points from which to reconnoiter one area of the whole field. There are difficult books here, but no impossible ones and no unrewarding ones. For one reason or another I enjoyed or profited from them all. And incidentally, many of the books mentioned below are available in paperback.*

The reader might want to begin by taking a chance on an economic textbook to see what economics is really “about.” It is well worth a try, provided he or she is prepared to go through it at leisure, with education rather than entertainment as his or her aim. Out of a dozen good texts, I would suggest *Economics* by Paul A. Samuelson (McGraw-Hill, New York), certainly the most famous economic text of our times. Samuelson’s book is bright, broad-ranging, and demanding—it must be studied, not just read. For a reader who wants a simpler introduction, let me suggest *Economics Explained** by Lester Thurow and myself (Touchstone Books, published by Simon & Schuster, Inc., New York, 1998.)

It is less simple to suggest reading in the history of economic doctrines—to suggest, that is, a book that covers the scope of this one, but in greater detail and with more attention to the full range of economic ideas. Mark Blaug’s *Economic Theory in Retrospect* (Cambridge University Press, 1978) is superb but demands a considerable knowledge of economic theory. The famous *Lecture Notes* of Wesley Mitchell have been published by Augustus Kelley under the title *Types of Economic Theory*. They are marvelous reading, but alas, expensive; and their pleasure has been partly spoiled by an editing that has crammed every last variant into the texts so that endless repetition spoils the sweep of Mitchell’s extraordinary knowledge. Joseph Schumpeter’s posthumous *History of Economic Analysis* (Oxford University Press, New York, 1954) is a masterpiece of its kind, a truly encyclopedic survey of economic analysis, as brilliant and as opinionated as its author. It is apt to be slow going for the nonprofessional; I suspect that most academic economists have never read it through. Finally, I might mention my own *Teachings from the Worldly Philosophy** (New York, W.W. Norton, 1996), which offers selections from the main figures, interspersed with my own comments.

The subject of the rise of capitalism itself has been fascinatingly dealt with in Karl Polanyi’s *The Great Transformation** (Farrar & Rinehart, New York, 1944). Polanyi’s book is mainly a study of the difficulty of imposing the market idea in the eighteenth century on a nonmarket-oriented world, but it also deals with contemporary aspects of this same problem. It is wholly absorbing. On much the same subject, but focused on a different aspect of the rise of capitalism, R. H. Tawney’s *Religion and the Rise of Capitalism** (New York, 1937, recently reissued by Harcourt, Brace) is in a class by itself, a profound work written in an unsurpassable style by a great historian. Max Weber, *The Protestant Ethic and the Spirit of Capitalism** (G. Allen & Unwin, London, 1930) is another classic

in the field, but somewhat more demanding of the reader. The person who wants a less specialized overview of the history of capitalist evolution might look into *The Making of Economic Society** (Prentice-Hall, Englewood Cliffs, N.J., 1998) by William Milberg and myself.

For further historical background, the reader can turn to H. Pirenne, *Economic and Social History of Medieval Europe** (Harcourt, Brace, New York, 1937). Or there is the *Cambridge Economic History of Europe* in two volumes with fascinating essays by various economic historians (Cambridge University Press, London, 1952). For enjoyment I would suggest *The Unbound Prometheus*,* by David Landes (Cambridge University Press, Cambridge, 1969) and his much praised *The Wealth and Poverty of Nations* (W.W. Norton, New York, 1998), or Paul Mantoux, *The Industrial Revolution in the Eighteenth Century** (Harcourt, Brace, New York, 1928), a venerable classic.

Anyone who would like to sample pre-Smith economic writing has a number of enjoyable possibilities. For pleasure one might read Bernard Mandeville, *The Fable of the Bees* (Penguin Classics, New York, 1970). For a systematic survey of the rise of economic science, there is William Letwin, *The Origins of Scientific Economics* (Doubleday, New York, 1964), and Ronald Meek's marvelous (although specialized) book *The Economics of Physiocracy* (Harvard University Press, 1963). And somehow I should mention C. B. MacPherson's *The Political Theory of Possessive Individualism* (Oxford University Press, New York, 1962). As its title betrays, this is not "economics," but as the reader will discover, it is immensely illuminating about economic matters. Let me conclude with a multivolume masterpiece by the French historian Fernand Braudel (Harper & Row, New York, 1967–1979), a "must."

Adam Smith presents a problem. The University of Glasgow has celebrated the bicentennial of *The Wealth of Nations* with a vast, comprehensive, and terribly expensive Collected Works. Someone who wants to become a Smith scholar should certainly read its volume of *Essays* (ed. A. Skinner and E. Wilson, Clarendon Press, Oxford, 1975). Otherwise I would suggest buying the Modern Library *Wealth*, or if one wants to sample large portions of it, plus the "best parts" of *The Theory of Moral Sentiments* and still other writings of Smith, I have put together *The Essential Adam Smith** (W. W. Norton, New York, 1985).

As with Adam Smith, so with Malthus and Ricardo. The nonprofessional reader has slim pickings. Keynes has a nice short sketch of Malthus in his *Essays in Biography* (Horizon Press, New York, 1951), and Mitchell's treatment of Ricardo in the aforementioned *Lecture Notes* is wholly absorbing. The whole of Ricardo's writing is now available in a multivolume edition edited under the scrupulous eye of Piero Sraffa, *Works of David Ricardo* (Cambridge University Press, London, 1951), and the last volume contains a good deal of not terribly interesting biographical material. But the reader is not advised to hurl himself into Ricardo unless he is prepared for intellectual bruises: it is all abstract argument and no easy going at all. If curious nonetheless, try the second volume of Sraffa's work, in which Malthus's *Principles* is reproduced with Ricardo's annihilatory comments affixed to every paragraph. Here are the two friendly adversaries at their best. And for Malthus proper and the population dilemma, read *On Population* (Modern Library, New York, 1960), with a most interesting introduction by the historian Gertrude Him-melfarb. Better yet, any one of a number of modern books on the population problem. Recently, Samuel Huntington has produced a 1,000-page majestic *Malthus* (University of Toronto Press, Toronto, 1997), essential for every would-be scholar in the field.

There is no use trying to read the Utopians. Try instead *The Prophets of Paris* by Frank Manuel (Harvard University Press, 1962), or Alexander Gray's *The Socialist Tradition* (Longmans, Green,

London, 1946), on which I have leaned heavily for Saint-Simon and Fourier. Gray's style is a trifle arch, but some of the quainter figures can bear this, and the book is heavily and avowedly biased in favor of Utopian as opposed to "scientific" socialism. If the immersion takes, the library will give one access to the originals—warning, however: they are all intolerably verbose. There is a nice old-fashioned biography of *Robert Owen* by F. Podmore (Appleton, New York, 1907) and a more factual but less readable one by G. D. H. Cole (E. Benn, London, 1925). Neither, however, does adequate justice to this astounding man; perhaps his own story, *The Life of Robert Owen* (Knopf, New York, 1920), is best for that.

Then, of course, there is John Stuart Mill. His *Autobiography* (Columbia University Press, New York, 1944) is classic—and tedious—but there is an excellent biography by Michael Packe (Macmillan, New York, 1954). If Mill interests one, Friedrich A. Hayek has published the correspondence between Mill and Harriet Taylor, *John Stuart Mill and Harriet Taylor* (University of Chicago Press, Chicago, 1951), which sheds a new light on the man. For another and very enlightening view of Mill and his relationship with the redoubtable Harriet, see Gertrude Himmelfarb's *On Liberty and Liberalism* (Knopf, New York, 1974). And as far as economics is concerned, Mill repays the effort. *Principles of Political Economy* (University of Toronto Press, Toronto, 1965) is beautifully written and with liberal skipping, still of interest to the modern reader. A Bantam paperback, *The Essential Works of John Stuart Mill*, contains the *Autobiography* and the justly famous *Essay on Liberty*.*

The literature on Marx is voluminous. The reader might tackle a number of excellent recent biographies: the best, to my taste, is David McLellan's *Karl Marx* (Harper & Row, New York, 1973) and his very good shorter book on Marx for the Modern Masters series put out by Viking (New York, 1975). But I would like to tout an older book, *To the Finland Station** (Harcourt, Brace, New York, 1940) by Edmund Wilson. This is, among other things, a biography of Marx and Engels, a review of their work, and a critique of historical writing in general, the excellence of all of which is enhanced by a superlative style. It is like reading a novel.

Probably the best single introduction to Marx is Marx himself, especially *Capital*, Vol. I. A new edition published by Random House (Vintage, New York, 1977)* is excellent. If this "takes," the next step is the short (not the long) *Grundrisse* (ed. David McLellan, Harper Torchbook, New York, 1971).* A reader by Robert Tucker (W.W. Norton, New York, 1978) would be a good next choice. Thereafter, perhaps Paul M. Sweezy, *The Theory of Capitalist Development* (Monthly Review Press);* and after that there is a vast, sprawling literature to which no concise guide is possible. With apologies for again putting myself forward, let me mention my *Marxism, For And Against* (W. W. Norton, New York, 1983).

There is no volume on the Victorians themselves. The reader might wish to look at Alfred Marshall's *Principles of Economics* (Macmillan, New York, 1948). It is ponderous but not difficult; the obstacle is the amount of patience, not the amount of knowledge, needed. Keynes, by the way, has a nice biographical bit on both Marshall and Edgeworth in his aforementioned *Essays in Biography*.

The underworld makes for more enjoyable reading. Henry George is out of date, but his *Progress and Poverty* (Doubleday, New York, 1926) retains an emotional appeal and is written in a rich—often overrich—journalistic style. Hobson is more serious and more absorbing. *Imperialism* (G. Allen & Unwin, London, 1938) is still to the point and enormously interesting, more so than Lenin's famous pamphlet by the same name.

Veblen himself makes magnificent reading, if you take to his style. Not everyone does, but aficionados go about quoting his gems. *The Theory of the Leisure Class** (Modern Library, New

York, 1934) is his best-known work, but I would suggest *The Portable Veblen* (Viking Press, New York, 1950), with a brilliant introduction by Max Lerner, which projects the man himself and his basic ideas with great clarity. The book itself covers a wide variety of Veblen's work. For Veblen's thought I would highly recommend a penetrating study by Jack Diggins, *The Bard of Savagery* (Seabury Press, New York, 1978). The times themselves are both trenchantly and rollickingly illustrated in a superb book by Matthew Josephson, *The Robber Barons** (Harcourt, Brace, New York, 1934).

There are two major biographies of Keynes: the comprehensive but somewhat pompous *Life of John Maynard Keynes* by Roy Harrod (Harcourt, Brace, New York, 1951) and the brilliant *John Maynard Keynes* by Lord Robert Skidelsky (Viking, New York, 1986), of which only the first two of three scheduled volumes are out. Or one can meet the man himself directly through his sparkling and lucid prose, and for this the *Economic Consequences of the Peace* (Harcourt, Brace, New York, 1920) and *Essays in Persuasion* (Harcourt, Brace, New York, 1951) are wonderful introductions to both Keynes's style and thought.

When we move to the question of Whither Capitalism and Whither Economics? I must still put Joseph Schumpeter's *Capitalism, Socialism and Democracy* (Harper, New York, 1947) high on the list. For a view that takes off from Schumpeter's, an interested reader might wish to look into my own *Nature and Logic of Capitalism*.* Meanwhile, for Schumpeter's life there is no substitute for Robert Loring Allen's *Opening Doors*, 2 vols., (New Brunswick, N.J., Transactions Publishers, 1991).

A parting word relates to the final chapter. There we consider questions about the nature of economics itself, a question that rapidly runs into technical considerations. For the interested reader, however, I suggest the works below—none “easy,” all important. Deborah Redman's *Economics and the Philosophy of Science* (Oxford, New York, 1991) is a masterful presentation of the gradual rapprochement between economics and the philosophy of science, a must for the historically minded. Philip Mirowski, *More Heat than Light* (Cambridge University Press, New York, 1989) is a provocative, contentious, and eminently worthwhile critical view of “economics as social science.” *Truth versus Precision in Economics*, by Thomas Mayer (Edw. Elgar, U.K., 1993) is one of the very best, most evenhanded, and yet strongest critiques of the subject exactly described by its title.

Last, only because it is difficult to obtain, is a fascinating overview of how contemporary economics came to follow its historic path, and of a different route it might have, and may yet, pursue. The author is the Norwegian economist Erik S. Reinert (who writes beautiful English). I would suggest those seeking more information as to the availability of his work write to the University of Oslo, Center for Development and the Environment, P.O. Box 1116-Blindern, N-0317, Oslo, Norway. Reinert has written many interesting booklets and papers on and around this theme but I would inquire first about his booklet “The Role of the State.” You will not regret going to the bother.