The BOOK TRAIL

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Everything that any reasonable person could want to know about what was what, who was who, the when, where and why of all significant events in America these past ten years is summed up most agreeably in "America in Midpassage," by the famous Beards, Charles A. and Mary R., (Macmillan Company, $3.50). Nine hundred and forty-nine pages of solid text, every one thoroughly readable, comprise an achievement in reporting that deserves a very special citation. If I were writing the advertisements for this book I would picture it as an engrossing post-graduate course in the important popular facts of science, the arts, entertainment, political movements, labor organization, the Supreme Court, congressional investigations, and, indeed, many other subjects too numerous to mention. I would call it a work that is encyclopedic in scope but not in style. I would say that for numerous practical purposes it was far better than most encyclopedias costing many times its price. I would recommend it as a source of self-education that could very easily prove superior to four years in college as a means for developing the grace of informed conversation with all the social advantages such an acquirement brings. But I would not recommend it as a source of intelligent information on the subject of economics.

In a long chapter devoted to "Frames of Social Thought" the Beards review the dominant economic theories and theoretical tendencies during the decade, turning back, as they do throughout the entire volume, to sketch in contributing backgrounds. Pursuing their task in the capacity of reporters rather than commentators or analysts, they avoid deliberate bias; yet they cannot completely escape revealing their prejudices. Thus I find a generous-sized section devoted to Veblen, the professor whose engaging deviations from economic realities served only to contribute to the fatuous confusion in contemporary thought.*

The Beards tell us that "in all the history of American thought, few, if any, had been as well equipped as Veblen by acquaintance with foreign languages, by training in philosophy, by study in cultural anthropology, and by scientific detachment from the prestige of office, for dealing with economics in its social affiliations as a phase of culture, rather than as a hypothetical mechanism."

Now it may be that the law of gravity is only "a hypothetical mechanism" and that physicists make a great mistake in dealing with their subject as such instead of treating it "in its social affiliations as a phase of culture"; but if this were the case, I am afraid there would be no science of physics. Nor without a "hypothetical mechanism," i.e., an observable natural law, could there be a science of economics; and if there is no such science, nature better invent one in a hurry or mankind will soon be in a very bad way.

According to Webster's Dictionary, economics is "the science of the material means of satisfying human desires." If this is so then economists should look for their facts (and the framework or mechanism into which those facts fit) in the places where men make their livings. Veblen, of course, was above this. He had the advantages of knowing "philosophy, foreign languages and cultural anthropology." His researches were done on a higher plane and when he was through, the Beards tell us, "little was left of the delusion that the axioms of economic science were inescapable deductions drawn from the observed phenomena of the twentieth-century marketplace."

Veblen pointed out, and with some qualifications, rightly so, that "the interest of modern business enterprise was essentially pecuniary, as distinguished from the craftsman, the manager, or the directing industrialist as owner in a strict sense." He was also on sound factual ground when he concluded, as the Beards express it, that "a large number of business enterprisers were not engaged in production at all." (Holding companies, excessive stock manipulations, etc.)

But he might have said, with the same significance, that our society suffers from many personal crimes bred by poverty, for both shady and unnecessary business activities and a large proportion of our crimes are the results of an economic system which deprives men of "the material means for satisfying human desires." Veblen, the Beards, the "trendists" and the "institutionalists" of whom they write with subtle approval, all start their investigations from a false vantage point. Business is not economics, though it is one of the instruments facilitating the fulfillment of man's economic needs. The derelictions of big business, even though they are "a striking, persistent and persuasive characteristic," are not any more the determinants of fundamental theory than are the innumerable mistakes made say, in chemical research, determinants of chemical law. We cannot prove a natural law by human mistakes, but we can utilize those mistakes as guides in searching out natural law. The "institutionalist" approach pursued by contemporary economists and politicians is almost entirely divorced from fundamental theory, and in this unintegrated state expresses itself finally in such ill-fated "noble experiments" as the NRA.

The distortions of economic life begin not at the top, despite the devil-theory of human action, but at the bottom, at the natural sources of wealth. Economic frustration at the land compels a resort to trickery, factitious business enter-