

CHAPTER 6 — THE BREAKDOWN
OF SCHOLASTIC POLITICAL ECONOMY

In January, 1880, preceded in 1879 by an author's edition in San Francisco, appeared my *Progress and Poverty*, and it was later followed in the same year by an English edition and a German edition, and in 1882 by cheap paper editions both in England and the United States.

Progress and Poverty has been the most successful economic work ever published. Its reasoning has never been successfully assailed, and on three continents it is given birth to movements whose practical success is only a question of time. Yet though the scholastic political economy has been broken, it has not been, as I at the time anticipated, by some of its professors taking up what I had pointed out; but by a new and utterly incoherent political economy which has taken its place in the schools.

Among the adherents of the scholastic political economy, who had been claiming it as a science, there had been from the time of Smith no attempt to determine what wealth was; no attempt to say what constituted property, and no attempt to make the laws of production or distribution correlate and agree, until there thus burst on them from a fresh man, without either the education or the sanction of the schools, on the remotest verge of civilization, a reconstruction of the science, that began to make its way and command attention. What were their training and laborious study worth if it could be thus ignored, and if one who had never seen the inside of a college should be admitted to prove the inconsistency of what they had been teaching as a science? It was not to be thought of. And so while a few of these professional economists, driven to say something about *Progress and Poverty*, resorted to misrepresentation, the majority preferred to rely upon their offi-

cial positions in which they were secured by the interests of the dominant class, and to treat as beneath contempt a book circulating by thousands in the three great English-speaking countries and translated into all the important modern languages. Thus the professors of political economy seemingly rejected the simple teachings of *Progress and Poverty*, refrained from meeting with disproof or argument what it had laid down, and treated it with contemptuous silence.

Thus the professors of political economy, having the sanction and support of the schools, preferred to unite their differences, by giving up what had been insisted on as essential, and to teach an incomprehensible jargon, an occult science, which required a great study of what had been written by numerous learned professors all over the world, and a knowledge of foreign languages. So the scholastic political economy, as it had been taught, utterly broke down, and, as taught in the schools, tended to protectionism and the Germans, and to the assumption that it was the recondite science on which no one not having the endorsement of the colleges was competent to speak.

The new science speaks of the "science of economics" and not of "political economy." It teaches that there are no eternally valid natural laws; and, asked if free trade or protection be beneficial or if the trusts be good or bad, declines to give a categorical answer, but replies that this can be decided only as to the particular time and place, and by a historical investigation of all that has been written about it. As such inquiry must, of course, be left to professors and learned men, it leaves the professors of "economics," who have almost universally taken the places founded for professors of "political economy," to dictate as they please, without any semblance of embarrassing axioms or rules.

Such inquiry as I have been able to make of the recently

published works and writings of the authoritative professors of the science has convinced me that this change has been general, in all the colleges, both of England and the United States. So general is this scholastic utterance that it may now be said that the science of political economy, as founded by Adam Smith and taught authoritatively in 1880, has now been utterly abandoned, its teachings being referred to as the teachings of "the classical school" of political economy, now obsolete.

What has succeeded is usually denominated the Austrian school, for no other reason that I can discover than that "far kine have long horns." If it has any principles, I have been utterly unable to find them. The inquirer is usually referred to the incomprehensible works of Professor Alfred Marshall of Cambridge in England, whose first 764-page volume of his *Principles of Economics*, out in 1891, has not yet given place to a second, and to the ponderous works of Eugen V. Böhm-Bawerk, Professor of Political Economy, first at Innsbruck and then at Vienna.

This pseudo-science is admirably calculated to serve the purpose of those powerful interests dominant in the colleges under our organization, that must fear a simple and understandable political economy, and who vaguely wish to have the poor boys who are subjected to it by their professors rendered incapable of thought on economic subjects. There is nothing that suggests so much what Schopenhauer (*Parerga and Paralipomena*) said of the works of the German philosopher Hegel than what the professors have written, and the volumes for mutual admiration which they publish as serials:

If one should wish to make a bright young man so stupid as to become incapable of all real thinking, the best way would be to command to him a diligent study of these works. For these monstrous piecings together of words which really destroy and

contradict one another so causes the mind to vainly torment itself in the effort to discover their meaning that at last it collapses exhausted, with its capacity for thinking so completely destroyed that from that time on meaningless phrases count with it for thoughts.

It is to this state that political economy in the teachings of the schools, which profess to know all about it, has now come.