

Difference Between Economics and Poleco

By PHIL GRANT

We assert—and we have no doubt whatever that this view will ultimately obtain the suffrages of all—that the welfare of man is the end of political economy.—EDWARD PATRICK DOVE, *Theory of Human Progression*.

REGARDLESS of whether a student enrolls for a course in economics or in political economy, he'll usually find himself studying the same thing: dull, drab and dismal economics. No distinction is made today between the two subjects. In fact, most dictionaries list both words as synonyms. The Poleco-ist, however, insists that there is as much difference between economics and political economy as there is between psychology and psychiatry, astronomy and astrology, medical research and medicine. For, he explains, like psychology, astronomy and medical research, political economy is a science; while economics, like psychiatry, astrology and medicine, is an art.

He says the psychologist is a scientist¹ because he studies the behavior of many minds, tries to figure out a general pattern of their behavior under different conditions, and then tries to formulate a general law which will foretell the behavior of any mind under certain conditions.

The psychiatrist, on the other hand, uses the knowledge gathered by the psychologist in order to correct individual minds that don't seem to follow the typical pattern. That, by definition, makes him an artist.²

Or for the sake of clarity: the fellow who tries to find out exactly what cancer is and under which conditions it most often develops is a scientist; but the practicing physician who uses that knowledge gathered by the scientist in an effort to cure a particular person suffering from cancer is practicing an art — the art of medicine. In each instance, the scientist tracked down the natural laws; while the artist skilfully used the natural laws discovered by the scientist in order to accomplish some practical purpose.

It's the same sort of thing with economics and political economy (or Poleco as it is referred to in this book.)³ Poleco is the science that tries to find out exactly what wealth is and why everyone doesn't have enough of it; why, unlike all other animals, man bothers to produce it; and how the world's stockpile of wealth continually distributes itself. Economics, on the other hand, is an art—the art of applying the knowledge gathered by the Poleco-ist

toward the explaining to a particular client why he, the client, made or lost money during the last fiscal year. Such is the general difference between the two subjects; but there are particular differences too. For example:

Poleco tries to find scientific methods in harmony with natural laws by which the general welfare of all men of all nations might be improved.

Economics is used to help an individual, an individual corporation, industry or nation make a profit. Poleco deals only with abstract ideas which, being ideas, cannot be measured or weighed or counted.

Economics deals not with ideas but with actual laborers, actual amounts of money, actual industry in a certain number of man-hours. In that sense, economics becomes the art of statistics and accounting.

Poleco doesn't concern itself with money which, by its very nature, is a financial term and not an economic one. Since the value of money changes almost daily and never has a universal value, and since all sciences must deal in universals only, dollars

and cents, like an elastic tape measure, are useless for scientific measurement.

Economics, dealing for the most part with the financial condition of particular men, industries and nations must of necessity use money as its measure of values; although aware that money isn't wealth and therefore cannot be capital, the economist nevertheless usually speaks of capital in terms of money and often refers to money as capital.

Poleco doesn't accept conditions as they are. Just as the medical researcher assumes that cancer isn't a natural condition and therefore can be done away with, the Poleco-ist believes that poverty, crime, corruption and war are not the natural condition; and that by removing their cause they can be made to disappear. Also, he believes, that the fact that absolutely free competition and absolutely free enterprise do not exist anywhere doesn't rule out the possibility of their existence once all obstacles to their freedom are removed.

Economics accepts conditions as they are. Just as a physician must accept the patient's condition as he finds it and then treat the trouble he finds to the best of his ability, the economist must do the best he can with the economic conditions he finds no matter how corrupt or absurd those conditions might be.

Poleco, in its idea of labor includes all human energy: that of the hired laborer as well as that of the self-employed; that of the employer as well as that of the employee; that of the producer of goods as well as that of the performer of services.

Economics, for the most part, thinks principally of the energies of hired manual workers; and too often, seems to restrict the idea of labor to union members.

Poleco, in its idea of capital, includes only that wealth which is used to produce more wealth; and interest as an actual increase in the world's stockpile of wealth.

Economics generally speaks of capital as money which is invested in stocks, bonds or a business. By borrowed capital he means borrowed money. By interest he means that which the borrower pays the lender for the use of his money or goods.

Poleco, in its concept of rent, includes that which the land will give (beyond wages and interest) to man.

Economics speaks of rent as an amount of money or share of his production which a businessman or farmer will pay for the right to occupy a particular piece of land.

Poleco, in its concept of wages, includes that part of the world's stockpile of wealth which has resulted from the human energies spent in producing that stockpile.

Economics speaks of wages as the amount of money which is paid to a hired employee in return for hours of labor.

Poleco doesn't permit the use of the percentage sign since it is an arithmetical symbol, and therefore can't be used to measure abstract ideas.

Economics, being very much concerned with statistics and arithmetical calculations employs the percentage sign most effectively. With it and a batch of statistics, the economist can come up with any answer he chooses; and invariably, he can come up with the answer most likely to please his client. For example, if 3 per cent of a nation's population is unemployed one year and an additional 3 per cent is out of work the next the economist employed by the politician-in-office can truthfully

show that thanks to brilliant management, employment has fallen off only 3 per cent. But, with the same figures, the economist employed by the politician-seeking-office can show, with equal accuracy, that as a result of muddleheaded mismanagement, unemployment has increased by a scandalous 100 per cent.

Poleco, like all sciences, relies entirely on natural laws—not legal ones—to bring about an equitable economic system based on absolutely free enterprise. The Poleco-ist insists that trying to control natural economic phenomena with man-written laws is as absurd as trying to do away with all neuroses and cancer by passing laws forbidding anyone to dare be neurotic or develop a cancerous growth.

Economics doesn't question treating economic ills with man-written laws. Most economists whose opinions reach the public through publications and radio seem to endorse laws to stem unemployment, increase wages and so on. Also, they seem to see nothing strange in laws which permit taxing those who still have an income to support those who cannot provide themselves with subsistence. Even though this thinking has gone beyond the stage of taxing Americans to provide for Americans, and now includes taxing Americans to provide for Europeans, Africans and Asiatics, few economists seem to be concerned. Since supporting the world is now written into law, economists are content to merely keep records of how much is taxed, how much is spent, and how much must be borrowed to make up the difference between our national income and outgo. In other words, no matter what happens to our economic system, the economist is ready and able to keep records.

There are many other differences between economics as taught today and the science originally developed by the classical political-economists quoted in earlier pages. But if these differences were all, they alone certainly warrant giving each subject its own name and studying each separately.

1. Science: Knowledge gained and verified by exact observation and correct thinking, especially as methodically formulated and arranged in a rational system.

2. Art: Skill in applying knowledge or ability to the accomplishment of a concrete purpose.

3. From *The Wonderful Wealth Machine*, by Phil Grant: a modern version of *Progress and Poverty*, to be published by Devin-Adair Company, New York.