CHAPTER I

PREJUDICE VERSUS SCIENCE

Section 1. Prejudice and Fallacies in Economics — Sec. 2. The Need for Disinterested Inquiry.

§ 1 ·

Prejudice and Fallacies in Economics.

Economics is concerned with the problem of "getting a living." It deals, therefore, with an important phase of the "struggle for existence." Unfortunately, this fact operates to prevent unprejudiced investigation of its laws and of the effects of various economic policies. An examination that would show the effects of various policies from which a part of the public was benefiting, to be injurious to the remainder, might not be an examination which those who were profiting by the policies in question would desire to have made. And if such an examination were made, acceptance of its inevitable logical conclusions would probably be vigorously opposed.

Economics is not the only science which has suffered from the bias of special groups or classes or of the general public. In the days of Galileo, scientifically ascertained facts of astronomy could not be safely published because of a widespread theological bias. Indeed, Copernicus, a century earlier, seems to have feared this bias and did not venture to have the results of his investigations published in book form much before his death. So, too, biology suffered from a considerable theological bias in the period when Darwin's Origin of Species was gradually changing the viewpoint of students of animal and plant life, in the second half of the last century. And there are still vestiges of this theological bias, particularly among the uneducated, who, never having examined the fossils of preëxisting animals and

plants left in the various strata of the earth's near-surface, continue to accept uncritically the account of creation presented in the Book of Genesis. It is interesting to speculate on the probable fate of a measure which might be submitted to the electorate in a referendum, the affirmative vote for which would depend upon acceptance of the theory of man's descent from an animal ancestry. Economic theories are, in effect, voted on, when policies involving them are adopted or rejected. But the bias which economics has to face, so far as it is not merely the inertia of ignorance, is a bias of special and class interest and of political affiliation, rather than of theological outlook.

That there is such a bias and that it is hard to overcome, most teachers of economics know from personal experience. To illustrate, the student frequently begins his work in the subject with a definite view regarding the desirability of a (so-called) protective tariff, although he has usually no real understanding of the tariff problem. His philosophy of the subject-if we may dignify with that term an opinion which is little more than a prejudice—is usually a duplication of his father's. And although, while his attention is concentrated on the subject in a college course, he may come to realize that his inherited opinions about it have no scientific validity; yet in after years, when he is a cog in a business machine, when the rigid logic once relatively familiar has faded from his mind, and when he hears for the most part only the confidently propounded fallacies of business associates whose interests, partisan affiliations and early prejudices combine to discourage clear thinking, he frequently re-adopts the ancestral view.

When it comes to educating and informing the general public, the difficulties are hardly less. The conclusions of scientific investigators are opposed by the pronouncements of quacks and charlatans. The quackery, indeed, is oftentimes unconscious; and it proceeds, frequently, from persons of distinction and general intelligence who nevertheless are not competent students of economic science. The conclusions reached in economics may, in case they

come to be widely understood, seriously affect the interests of various persons and classes. And if these classes are numerous or influential, they are fairly certain to find spokesmen who can give effective expression to their dissent. Such expression may not be scientific but it will often be couched in forceful rhetoric and be reasonably plausible.

Only the professional physicist is likely to make a study of the relation between the temperature and the pressure of a gas. And hardly ever has anyone else a very serious motive for disputing the conclusions reached. Suppose, however, a study by trained economists which indicates that a protective tariff tends to reduce the average wellbeing of wage earners and others in the protectionist country! Would such an indication be accepted as probably true, without protest or controversy, by the thousands or millions of persons protected by tariffs and so enabled to get higher prices for the goods of their production, from consumers? Would the persons who believe themselves to be benefiting by protection be willing to consider without prejudice, the proposition (for example) that every additional dollar received by them in higher prices or wages because of the exclusion of foreign goods, involves taking away at least a dollar from the persons in other industries, their fellow citizens, who must pay these higher prices? Almost certainly not. Instead they would bring to bear all manner of plausible arguments such that, though the arguments might be fallacious, a large part of the public could not detect the fallacies; they would find leaders of standing, otherwise intelligent, who would give eloquent voice to these arguments; and they would even, perhaps, endow chairs in universities to be filled by men whose duty it would be to teach the advantages of protective tariffs. Such chairs, also, would not always remain unoccupied. Nor would they necessarily be occupied by the consciously dishonest. But even if the universities and colleges could not secure trained men of reputation in economics to support such a view, there would be plenty

of men of general reputation in business or statecraft who would support it and these men would be pointed to as the real authorities.

That the most glaring economic fallacies are supported by leading public men, probably, in large part, because, whatever their abilities in speechmaking or in vote-getting, they understand economic principles no better than they understand physiological chemistry or the planetesimal theory of the origin of our solar system, is a fact familiar to all economists. Yet among the various kinds of "authorities," how can we expect the average citizen, himself often a victim of intense prejudice and unfamiliar with the methods and requirements of scientific investigation, to choose with intelligence? In physiological chemistry, even in medicine and surgery, there is nothing to gain by fooling one's self or the voting public, since what is to be done in the premises is not ordinarily a matter for political settlement. In economics there may be everything to gain, since, to large classes of persons, success or failure, wealth or poverty. may be decided by the opinions which it is possible to instil into the voters.

Let no one think that there is refuge from this condition in some governmental system other than democracy. Monarchies and oligarchies are also not immune against the germ of fallacious reasoning. Still less are they free from the influence of personal or class prejudice and financial interest. If in exclusive control of government, monarchs or aristocracies are practically certain to run it for their own gain rather than for the well-being of the common citizen. Professions may be high. The doctrine of noblesse oblige may be set up as an ideal standard. The misery of the masses may be mitigated by the charity of the great. But the controlling class will seldom - if ever voluntarily surrender its privileges for the common weal. Rather will its members convince themselves that these privileges are right and proper-part of the nature of things-Heaven-decreed. They will think themselves generous if they surrender, as charity, a little of what comes

to them by the labor of their slaves, serfs, tenants, or taxpaying subjects and will consider suggestions which seriously look towards changes in the general system of things, as sinful. In democracy there may be ignorance, prejudice and illicit bargaining in which some benefit at the expense of others and in which the general interest seldom gets fair consideration. But under any other kind of government the exploiting interests are not even required, to anything like the same extent, to bargain with other interests for what they get, and the well-being of the common people receives the minimum of care. Democracy, then, may be an evil, but other forms of government are quite likely to be worse.

§ 2

The Need for Disinterested Inquiry

Democracies do not always-perhaps do not generally -follow the path of wisdom even when this path is pointed out by their trained citizens. And those whose training should enable them to indicate the lines of wise policy are not always, themselves, sufficiently free from bias in matters involving conflicting class interests to make them safe Yet upon the intelligence, impartial judgment and growing influence of trained citizens must democracies rely for the eventual formulation and application of a sane economic program. It behooves those who would be the servants of the general economic welfare by being intelligent leaders of economic opinion, to avoid prejudice as they would avoid physical disease. Why should we be so tremendously ashamed of an unimportant break in etiquette such as carrying to the mouth with a fork food supposed to be carried by the hand, or appearance at a formal social function without the prescribed formal clothing, and be so little ashamed of a prejudice which controls our thinking? How is it that we look askance at the person whose pronunciation is provincial or whose sentences are ungrammatical yet fail to visit with disapproval the person whose emotions or class affiliations twist his reasoning processes out of all semblance to logical thinking?

The student of economics who would serve well his country and the world, needs most of all, perhaps, an enthusiasm for disinterested inquiry. He must seek above all things to avoid prejudice in his thinking, to think clearly, to acquire information of scientific value and to use it logically. But next to or equal to his enthusiasm for the scientific viewpoint he should have a concern for the common welfare, so that, when he sees relationships of cause and effect in the economic realm an understanding of which can help to solve the problems of economic society and to further this welfare, he will endeavor in such ways as he can to make these relationships known. Scientific thinking must be regarded as of primary importance else, even with the greatest good will in the world, we shall have only "blind leaders of the blind." But concern for the common welfare may properly be a motive to effort only second to if not, indeed, of like importance with, enthusiasm for the scientific method and attitude.