The Dismal Science and the Illth of Nations

FRITZ MACHLUP

The title of this article may reveal the best-informed connoisseurs of anti-economic literature that it will deal with the attacks on Adam Smith and his advocacy of laissez-faire by two of the most vitriolic dissenters: the historian Thomas Carlyle and the art critic John Ruskin. It was Carlyle who coined the phrase ‘dismal science,’ and it was John Ruskin who insisted that economic freedom would promote, not the wealth, but rather its opposite, the ‘illth’ of nations. The bicentennial year of the publication of Smith’s Inquiry into the Nature and Causes of the Wealth of Nations is a suitable occasion to recall the strictures which the two illustrious anti-economists leveled against Smith’s teachings. Incidentally, my epithet ‘anti-economists’ would be greatly resisted by both the historian and the art critic, as both of them were firmly convinced of their superior knowledge and wisdom in matters economic. Smith’s message that governments had better stay out of economic affairs and leave individuals alone was resented by many. Leave them alone, leave the poor poor and the rich rich? Most people, discontent and disgusted with what they see around them, want to change it in a hurry, and can think only of coercive measures to produce the desired change. To be told that their well-ment measures will not do any good, but will make things worse, infuriates them. Why should the dies mali (bad days), in which we live, not yield to the intervention of the state? These professors who teach that the dies mali, as a result of the state’s meddling, usually become dies peior (worse days) profess a dies-mali science, a dismal science.

Thomas Carlyle first spoke of political economy as a dismal science in an essay on “The Nigger Question,” published in 1849:

And the Social Science, —not a ‘gay science,’ but a rueful,—which finds the secret of this Universe in ‘supply and demand,’ and reduces the duty of human governors to that of letting men alone, is also wonderful. Not a ‘gay science,’ I should say, like some we have heard of; no, a dreary, desolate, and indeed quite abject and distressing one; what we might call, by way of eminence, the dismal science.

And he continued:

...that unhappy wedlock of Philanthropic Liberalism and the Dismal Science has engendered such all-enveloping delusions, of the moon-calf sort, and wrought huge woe for us, and for the poor civilized world in these days.1

In 1850, Carlyle wrote the Latter Day Pamphlets and, exceedingly proud of his witicism, repeated it several times. He was especially eager to address the ostensibly heartless economists who acquire in the persistence of poverty as “Respectable Professors of the Dismal Science.”2 But his hatred and contempt for classical political economy had started much earlier. In 1843, in almost 300 pages of emotional outpourings spiced with supposedly

witty invectives, under the title *Past and Present*, he had wondered about the apparent contradictions of the "unabated bounty of the land" and the "Poor-law Prisons" of England and Scotland; of the labour class "dying of inanition" in the midst of "plethoric plenty."3

I suspect that Carlyle chose the title *Past and Present* for this book because these words appeared in the subtitle of the book he hated most: Thomas Robert Malthus' *Essay on Population*, which in its second edition (1803) bore the following title: *An Essay on the Principle of Population, or A View of its Past and Present Effects on Human Happiness, with an Inquiry into our Prospects Respecting the Future Removal or Mitigation of the Evils Which It Occasions.* (James Bonar said of Malthus' book that its message would have been conveyed more clearly by another title: *An Inquiry into the Nature and Causes of the Poverty of Nations.*) One must admit that many of Malthus' formulations could well arouse the anger of a man inspired with sympathy for his poorer fellow men. Such propositions as "It is the fear of want... that is the best stimulus to industry" do not sit well with sensitive souls. And what Malthus had to say about the Poor Laws may shock a charitable person:

...the quantity of provisions consumed in workhouses upon a part of the society that cannot in general be considered as the most valuable part, diminishes the shares that would otherwise belong to more industrious, and more worthy members.4

Not all classical economists rejected income transfers through charity. Nassau Senior, for example, broke a lance for "charity, both public and private" and held it to be an obligation of the well-to-do, though not a right of the poor. However, Senior decried labor combinations and family allowances, and their effects upon wages based on the laborers' wants (instead of on their value); and the effects upon the worker, who acquires "the indulgence, the improvidence, the rapacity, and the malady, but not the subordination of a slave."5

The reactions to such provocative statements were violent and often silly. Carlyle simply could not understand why there should be unemployment and poverty in a country "thick-studded with workshops, industrial implements, with... millions of workers, understood to be the strongest, the cunningest and the willingest our Earth ever had..." He held that "A fair day's wages for a fair day's work" was "the everlasting right of man"; and "it must and will have itself fulfilled." Indeed, "It is impossible for us to believe it to be impossible."6

What were his prescriptions for full employment at high wages? "Universal education is the first great thing we mean; general Emigration is the second."7 Carlyle evidently preferred "general emigration" to birth control as a check to excess population; and he was convinced that "universal education" would guarantee the disappearance of unemployment and of wage levels regarded as unfair by the workers. Since universal education, first for nine years, later even for twelve years, has not fulfilled this promise, the Carlylans of 1976 prescribe universal university education as a solution. Some present-day professors of the dismal science, however, are as stubborn as those of the 19th century and try to dampen the ardor of the utopians. When Carlyle contrasts the dismal science with a "gay science... like some we have heard of," the reader may wonder what science Carlyle may have heard of; a combination is indeed very old, in the eleventh or twelfth century, when troubadours in the Provence wrote the *gai savoir* or the *gaya scienza* about 200 years ago, art was reimportant part of science should any student of the history of ideas in general, and poetry in particular, be included in the classifications sent by Bacon (1605) and his Dictionary "gay science" the art of poetry. Degas, however, the author of a work on *The Gay Science*, prefers the meaning to the "science of... the science of literary criticism" the *science of criticism*. Nietzsche published in 1882 a vo *Die fröhliche Wissenschaft*, which bore a subtitle in *parenthetical science.*11 And, as Walter Kaufmann, who *introduces* to Nietzsche's *explains,* Nietzsche owed the c Ralph Waldo Emerson, who had a "professor of the Joyous Science" offered these examples of "pro gay science" only to show that C made up this phrase as a courtesan invention, the "professeral science." A few more Carlylisms may order to get a full measure of that self-cancelling Donostian *fair* should have got so ingrained Practice, is the source of all the

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7Ibid., p. 19.
8Ibid., p. 23.
13Carlyle, *Chartism*, quoted from p. 82.
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7. Friedrich Nietzsche published in 1882 a volume entitled Die fröhliche Wissenschaft, which in later editions bore a subtitle in parenthesis “la gaya scienza.” And, as Walter Kaufmann, in his introduction to Nietzsche’s Gay Science, explains, Nietzsche owed the conception to Ralph Waldo Emerson, who had called himself “a professor of the Joyous Science.” I have offered these examples of “professors of the gay science” only to show that Carlyle had not made up this phrase as a counterfoil to his sarcastic invention, the “professors of the dismal science.” A few more Carlylisms may be quoted in order to get a full measure of his pathos: That self-cancelling Donothingism and Laissez-faire should have got so ingrained into our practice, is the source of all these miseries.

8. In fact, the reader may also wonder what kind of gay science Carlyle may have heard of. This word combination is indeed very old, going back to the eleventh or twelfth century, when the art of the troubadours in the Provence was referred to as the gai savoir or la gaya scienza. That, until about 200 years ago, art was regarded as an important part of science should not surprise any student of the history of ideas; the various arts in general, and poetry in particular, were included in the classifications of sciences presented by Bacon (1605) and Diderot (1751). The Oxford English Dictionary gives us for “gay science” “the art of poetry.” Eneas S. Dallas, however, the author of a two-volume work on The Gay Science, preferred to extend the meaning of the “science of art criticism,” the science of literary criticism and, indeed, “the science of criticism.”

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15. John Ruskin published these essays first in 1860 in Cornhill Magazine and then as a booklet (London: Smith, Elder & Company, 1862). This was published several times. These essays were first published in 1863 and appeared as a book in 1872, with several later editions. I have quoted from Complete Works (New York: Bryan, Taylor & Company, 1894), Vol. 15, pp. 95–129.
contain. I believe, the first accurate analysis of the laws of Political Economy which has been published in England." We can hardly be surprised to find that he made all the standard errors customarily made by untaught, opinionated laymen who believe in the light and know all the answers.

In a third book, _The Crown of Wild Olive_, first published in 1866, Ruskin let fly against the Smithian idea of the invisible hand that turned selfish actions into public benefits:

And all this misery has come of the spreading of that three accusing, thrice impious doctrine of the modern economists, that 'to do the best for yourself, is finally to do the best for others."

Ruskin had explained that additional spending of additional money—especially gold coins, but also paper; if it enjoyed the trust of the people—would create additional employment and additional wealth. On the basis of this discovery, he could give the coup de grace to all who had preceded him as political economists: "I have fearlessly declared your so-called science of Political Economy to be no science, because, namely, it omitted the study of exactly the most important branch of the business—the study of spending." The influence of Ruskin on economic thought in England and elsewhere should not be underestimated, even if only a few textbooks on the history of economic doctrines refer to him. Perhaps it is somewhat peculiar to quote the judgment of a noneconomist about the influence of another noneconomist upon economic thought, but I shall boldly reproduce a statement which a young teacher of English literature has recently made about the economic teaching of Ruskin, the art critic and "great Victorian sage":

Although—if any such label applies—Ruskin was a Tory radical, it was his exposure of social injustice and his critique of the moral contradictions of capitalism that started many of the founders of the English Labor Party on the road to socialism. It was Ruskin who laid the foundations for the radical economics of John Hobson, and moved Mahatma Gandhi—who translated _Unto This Last_ into his native Gujarati—in the direction of revolutionary social action.

Ruskin is here credited (or charged) with having moved social scientists towards radical political economics, and social activists towards revolutionary action. Ruskin is also credited (or charged) with having contrasted the "wealth" that could be created by Government with the "illicit" that has been created by the "anarchy" of free competition. And he is credited (or charged) with the social vision that produced the program of the welfare state, including the graduated income tax, minimum-wage laws, income ceilings for the wealthy, and several others of the political achievements of the 20th century. But I shall address myself to the one of Ruskin's visions that has had the most pervasive influence in our time—though we may credit (or charge) scores of other writers with having had the same vision: the vision of creating employment and wealth through the expansion of spending.

During the great depression of the 1930s, when in the United States bank loans were reduced and money stocks cut down by one third, when total spending for goods and services diminished at an even faster rate, and unemployment rose to 25 per cent of the labor force—and similar depressions were experienced in other countries—economists learned that the traditional taboo regarding deficit spending and money creation was not right for all situations. The suspension of the gold standard was generalized in what may be called the Macroeconomic Revolution. This was so successful that a new orthodoxy was developed: it taught that any unemployment was diagnosed as deficiency of effective demand and could be cured by a creation of money through deficit spending coupled with monetary expansion. This is precisely the dismal science that had been so long despised. Now a consensus has been achieved among the professors of the dismal science by the able professors of the gay science (back to Carlyle's distinction), seen as a result of excessive caution in monetary matters, and it was largely because of the rate of aggregate spending could be had by all if we only induced full employment.

Alas, in the last few years the gay, joyful or cheerful scientists that matters are not quite as bad as they could be. The amount of goods and services at given prices is of course higher prices and wages—to state the possible combinations. If the economy is too long continued good enough, one race ahead of an even加快的 spending, and unemployment instead of abated. For this is a threat to professors of the gay science in one sense; it is not sufficient for step up the rate of spending...
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L. Spear, “John Ruskin: Social Reformer
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was so successful that a new orthodoxy de-
veloped; it taught that any unemployment may be
diagnosed as deficiency of effective demand
and can be cured by a creation of more demand
through deficit spending coupled with mone-
tary expansion. This is precisely what the foes
of the dismal science had been saying all along;
now a consensus was achieved and the one-time
professors of the dismal science became respect-
able professors of the gay science (to come
back to Carlyle’s distinction). *Dies malis*
were seen as a result of excessive caution in fiscal and
monetary matters, and it was held that good
times could be had by all if we only would step up
the rate of aggregate spending enough to
secure full employment.

Alas, in the last few years the professors of
the gay, joyous or cheerful science have found
out that matters are not quite that simple.
Increased spending may pay for more goods
and services at given prices and wage rates or
for given amounts of goods and services at
higher prices and wages—to state only two of
the possible combinations. If the supposed
cure is continued long enough, wages and prices
race ahead of an even accelerated rate of
spending, and unemployment is increased in
stead of abated. For this dismal result the
professors of the gay science have their medi-
cine ready; it is not sufficient for the govern-
ment to step up the rate of spending and for
the central bank to step up the rate of money
expansion; the government must also hold
down the rate of price increase and hold down
the rate of wage increase. The prescription is
now for a bigger and bigger package of medi-
cines: more spending, more money expansion,
more unemployment benefits, more education,
more wage control and more price control.

Political economy has become an excessively
gay science, and the results have become too
manifest for anybody to overlook. The few
professors of the dismal science who had been
sitting silently, somewhat intimidated, in their
corners, have begun to speak up. Not that their
mutterings are greeted with applause or appre-
ciation. Their warnings of continuing or recur-
ing gloom will be answered with derision and
contempt, at least for another few years. Then,
perhaps, if democracy survives, we may witness
a reversion, with increasing numbers of people
recognizing that economic laws have their ways
of making themselves prevail over the illusions
of the promoters of public activism. I hope
that the sober analysts who know the differ-
ce between what would be nice to have and
what it is possible to have will again be taken
seriously and that their warnings, however dis-
mal, will be heeded. It is most appropriate, I
submit, that at the bicentennial of Adam
Smith’s *Wealth of Nations* we recognize the
validity of its distrust of the visible hand of
powerful Government, and admit that the
detractors of the invisible hand have made a
mess of things.