Ethics and the Economic Interpretation

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ETHICS AND THE ECONOMIC INTERPRETATION

SUMMARY

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CERTAIN aspects of the doctrine of the "economic interpretation" form a natural and convenient avenue of approach to a consideration of the relations between economics and ethics and throw light on the scope and method of both these divisions of knowledge. It is this more general problem which is the object of attack in the present paper, which is not primarily an attempt to make a contribution to the technical discussion of the famous theory named in the title. This theory is useful for present purposes because it suggests the fundamental question as to whether there is really a place in the scheme of thought for an independent ethics or whether ethics should be displaced by a sort of higher economics.

Economics and ethics naturally come into rather intimate relations with each other since both recognizedly deal with the problem of value. Two of these lines of relation are especially interesting in their bearing upon the vexed problem of scope and method in economics. In the first place, the separation between theory and practice, or between science and art, offers special diffi-

culties in this field, for reasons which it would carry us away from our central theme to elaborate here. The unfortunate but familiar result of this fact is that economists have spent much of their energy in disputations as to whether the science is properly concerned with facts and cause-and-effect relations, or with "welfare." In other provinces of science such controversies would seem absurd.

There is another and deeper source of confusion in the conception of the method of economics which also involves the relation between economics and ethics and which will lead directly into the problem of this paper. It relates to the ultimate data of economics, regarded as a pure science, dedicated to the search for truth and purified of all prejudices as to the goodness or badness of its principles and results. In this respect also economics has been far behind the natural sciences. Insufficient attention has been given to the separation between constants and variables; needless controversy and wasted effort have resulted from overlooking the fact that constants from one point of view may be variables from another, particularly that factors which are sensibly constant over short periods of time must be treated as variables when longer periods are under discussion.

Of the various sorts of data dealt with in economics no group is more fundamental or more universally and unquestioningly recognized as such than human wants. Yet one main purpose of the present discussion is to raise serious question as to the sense in which these wants can be treated as data, or whether even they are properly scientific data at all. We propose to suggest that these wants which are the common starting-point of economic reasoning are from a more critical point of view the most obstinately unknown of all the unknowns

in the whole system of variables with which economic science deals. The answer to this question of whether and in what sense wants are data will be found to involve a clarification of the nature of economics as a science, of the nature of ethics, and of the relations between the two. If human wants are data in the ultimate sense for scientific purposes, it will appear that there is no place for ethical theory in the sense in which ethicists have conceived that subject, but that its place must be taken by economics. It will be interesting to observe that in view of a logically correct distinction between ethics and economics the great majority of economists not only, but in addition no small proportion of thinkers calling themselves ethicists, have not really believed in ethics in any other sense than that of a more or less "glorified" economics.

To state the fundamental issue briefly at the outset, are the motives with which economics has to do — which is to say human motives in general — "wants," "desires" of a character which can adequately be treated as *facts* in the scientific sense, or are they "values," or "oughts," of an essentially different character not amenable to scientific description or logical manipulation? For if it is the intrinsic nature of a thing to grow and change, it cannot serve as a scientific datum. A science must have a "static" subject-matter; it must talk about things which will "stay put"; otherwise its statements will not remain true after they are made and there will be no point to making them. Economics has always treated desires or motives as facts, of a character susceptible to statement in propositions, and sufficiently stable during the period of the activity which they prompt to be treated as causes of that activity in a scientific sense. It has thus viewed life as a process of satisfying desires. If this is true then life is a matter of

economics; only if it is untrue, or a very inadequate view of the truth, only if the "creation of value" is distinctly more than the satisfaction of desire, is there room for ethics in a sense logically separable from economics.

In a more or less obscure and indirect way, the treatment of wants as data from which and with which to reason has already been challenged more than once. More or less conscious misgivings on this point underlie the early protests made by economists of the "historical" variety against the classical deductive economics, and the same is true in a more self-conscious way of the criticism brought by the modern "historismus," the "institutional economics" of Veblen, Hamilton, and J. M. Clark. Thus especially Clark,[1] whose position most resembles that herein taken, observes that the wants which impel economic activity and which it is directed toward satisfying are the products of the economic process itself: "In a single business establishment one department furnishes the desires which the other departments are to satisfy." Hitherto the chief emphasis has been placed on the factual instability of wants and their liability to be changed as well as satisfied by business activity. This is usually coupled with a deprecating attitude, a tendency to regard the growth of wants as unfortunate and the manufacture of new ones as an evil; what have not advertising and salesmanship to answer for at the hands of Veblen, for example! From the standpoint of hedonism, which is to say of the economic philosophy of life, this conclusion is undoubtedly correct. If the Good is Satisfaction, there are no qualitative differences, no "higher" and "lower" as between wants and that is better which is smaller and most easily appeased.

1. "Economics and Modern Psychology," Journal of Political Economy, January and February, 1918. The quotation is from page 8.

It is not on any sentimental or idealistic ground, but as a plain question of the facts as to how the ordinary man conceives his own wants and interprets them in conduct that we shall argue against this view of the matter. Wants, it is suggested, not only *are* unstable, changeable in response to all sorts of influences, but it is their essential nature to change and grow; it is an inherent inner necessity in them. The chief thing which the common-sense individual actually wants is not satisfactions for the wants which he has, but more, and *better* wants. The things which he strives to get in the most immediate sense are far more what he thinks he ought to want than what his untutored preferences prompt. This feeling for what one *should* want, in contrast with actual desire, is stronger in the unthinking than in those sophisticated by education. It is the latter who argues himself into the "tolerant" (economic) attitude of *de gustibus non disputandum;* the man in the street is more likely to view the individual whose tastes are "wrong" as a scurvy fellow who ought to be despised if not beaten up or shot.

A sounder culture leads away from this view, to be sure, but it leads to a form of tolerance very different from the notion that one taste or judgment is as good as another, that the fact of preference is ultimately all there is to the question of wants. The consideration of wants by the person who is comparing them for the guidance of his conduct and hence, of course, for the scientific student thus inevitably gravitates into a *criticism of standards,* which seems to be a very different thing from the comparison of given magnitudes. The individual who is acting deliberately is not merely and perhaps not mainly trying to satisfy given desires; there is always really present and operative, tho in the background of consciousness, the idea of and *desire for* a *new*

want to be striven for when the present objective is out of the way. Wants and the activity which they motivate constantly look forward to new and "higher," more evolved and enlightened wants and these function as ends and motives of action beyond the objective to which desire is momentarily directed. The "object" in the narrow sense of the present want is provisional; it is as much a means to a new want as end to the old one, and all intelligently conscious activity is directed forward, onward, upward, indefinitely. Life is not fundamentally a striving for ends, for satisfactions, but rather for bases for further striving; desire is more fundamental to conduct than is achievement, or perhaps better, the true achievement is the refinement and elevation of the plane of desire, the cultivation of taste. And let us reiterate that all this is true *to the person acting*, not simply to the outsider, philosophizing after the event.

In order to substantiate and support the doctrine thus sketched we turn to consider briefly the opposite view, which is that of the "economic interpretation." Historically this doctrine is associated with the so-called "scientific" socialism,[2] but we are here interested in it not in connection with any propaganda or policy, but simply as a theory of conduct, as one answer to the question of the relation between economics and ethics. Our first task is to find out what the doctrine really means.

The somewhat various statements of the theory reduce in general to the proposition that the course of history is "determined" by "economic" or "materialistic" considerations. All of these terms raise questions of in-

2. It would be hard to imagine a more ill-mated team than fatalism as the credal basis for revolutionary propaganda, and a mechanistic philosophy of ruthless force and class war as the background for a moral transformation of the world!

terpretation, but the issue may be stated briefly. In the first place, the course of history is a matter of human behavior, and we shall as already indicated consider the problem in its broader aspect as a general theory of motivation. As to the word "determined," it is taken for granted that conduct is determined by motives; the statement is really a truism. The issue then relates to the fundamental character of motives; are they properly to be described as materialistic, or economic, in their nature? Between these two terms it is better to use "economic"; a "materialistic" motive would seem to be a contradiction in terms; a "motive" is meaningless unless thought of as a phenomenon of consciousness. The opposite view would merely throw us back upon a denial that conduct is determined by motives at all. Without attempting a philosophical discussion of this question we shall take the common-sense position.[3]

Are human motives, then, ultimately or predominantly economic? If the expression, "economic motive" is to have any definite and intelligible meaning, it must be possible to distinguish between economic motives and other motives. The expression is, of course, widely used in learned and scientific discussion as well as in everyday speech, with the feeling that such a differentiation exists, but examination fails to show any definite basis for it or to disclose the possibility of any demarcation which is not arbitrary and unscientific. In a rough way, the contrast between economic and other wants corresponds to that between lower and higher or necessary and superfluous. The economic motives are supposed to be more "fundamental"; they arise out of necessities, or at least needs, or at the very

3. In the writer's opinion a pure-science attitude in psychology leads inevitably to behaviorism, to a discussion of stimulation and response with consciousness out of it — i. e., away from "psychology." But it is false to the facts. Scientists must recognize that we cannot free any science, not even physics, to say nothing of psychology, entirely from subjective elements and formulate it in purely objective terms.

least out of the more universal, stable, and materially grounded desires of men. The socialistic popularizers of the theory under discussion have leaned toward the narrower and more definite and logical conception of downright necessities.[4]

The view of the man in the street, as shown by students beginning the study of economics, and also common in text-book definitions of the science, is that the economic side of life is summed up in "making a living." But what is a living! If by a living we mean life as it is actually lived, everything is included, recreation, culture, and even religion; there is no basis for a distinction between the economic and anything else, and the term has no meaning. At the other extreme would be the idea of what is really necessary, the physiological requisites for the maintenance of life. Even this turns out on examination to be hopelessly ambiguous. Does "life" mean the life of the individual only, or that of the group or race? If the latter, does it include the increase of numbers, or only their maintenance at the existing level, or some other level? Does what is "necessary" refer to conditions under which life *will* be preserved or numbers maintained or increased, or only those under which it *could* be done? and under what assumptions as to the tastes and standards, and the scientific and technological equipment of the people? Even if we think of a population rigidly controlled as to their reproductive function (which is scarcely conceivable), the birth rate necessary to maintain numbers at a constant level would depend upon the death rate and hence would vary *widely* with the scale of living itself. We doubt whether the conception of necessity can even theoretically be

4. Quotations could be multiplied, from socialists and others, to illustrate and prove the statement. Marx, indeed, is typically vague and metaphysical. Perhaps as clear a statement as any is that of Engels: "The determining consideration is always the production and reproduction of actual life." (From an article in the Sozialistische Akademiker, quoted in Ghent, Mass and Class, chap. I.)

defined in sufficiently objective terms to make it available for scientific purposes.

Between these two extremes of what people actually get and what they rigorously require in order to live the only alternative is some conventional notion of what is "socially necessary," or of a "decent minimum." It is obvious that such a conception of a "living" is still more indefinite than the others, and the way seems to be closed to any objectively grounded differentiation between the making of a living and any other kind or portion of human activity.[5]

Another common-sense notion of the meaning of economic activity is that it includes everything which involves the making and spending of money or the creation and use of things having a money value. It will presently be argued that this is substantially correct for practical purposes as far as it goes tho it directly or indirectly covers virtually the whole life activity of a modern man and has to be limited to certain aspects of that activity. It is interesting to ask how much of our ordinary economic activity (economic in the sense indicated) is concerned with things which can reasonably be argued to be "useful" — not to say necessary — if by useful we mean that it contributes to health and efficiency, or even to happiness. If we begin with food, the most material and necessary of our requirements, it is obvious that but a fraction of a modest expenditure for board in an American town would come under this head.[6] And proceeding in order to our other "material" needs, clothing, shelter, furniture, etc., it is apparent that the farther we go the smaller the fraction becomes.

5. The contrast between work and play may come to mind in this connection, but a little scrutiny will show that it affords no help from the difficulty. In a subsequent paper something will be said concerning the economic and ethical bearing of play.

6. A considerably larger proportion may, of course, be "necessary" in the sense that under the actual conditions a person could not obtain and live upon the requisite quantities of protein and calories in the cheaper forms in which they might be had.

And it is not a large fraction of a fairly comfortable income which goes for all these items, if the purely ornamental, recreative, and social aspects are excluded.

Moreover, when we scrutinize the actual motives of actual conduct it is clear that the consciously felt wants of men are not directed toward nourishment, protection from the elements, etc., the physiological meaning of the things for which money is spent. They desire food, clothing, shelter, etc., *of the conventional kinds and amounts*. It is an ethnological commonplace that men of one social group will starve and freeze before they will adopt the ordinary diet and garb of other groups. Only under the direst necessity do we think in terms of ultimate physical needs as ends; the compulsion to face life on this level is equivalent to abject misery. A large proportion of civilized mankind would certainly commit suicide rather than accept life on such terms, the prospect for improvement being excluded. This interpretation of motives, which is the nearest approach to a definite meaning that can be given to the economic interpretation, is almost totally false. It is simply contrary to fact that men act in order to live. The opposite is much nearer the truth, that they live in order to act; they care to preserve their lives in the biological sense in order to achieve the *kind* of life they consider worth while. Some writer (not an economist or psychologist!) has observed that the love of life, so far from being the most powerful of human motives is perhaps the weakest; in any case it is difficult to name any other motive or sentiment for which men do not habitually throw away their lives.[7]

When we turn from the preservation of individual life

7. One of the most serious defects of economics as an interpretation of reality is the assumption that men produce in order to consume. Except for those very low in the economic scale the opposite is as near the truth, and the motives of a large part of even "lower-class" consumption are social in their nature.

to that of the race as a motive a similar situation is met with. Men will give up their lives for the group, but not for its *mere life*; it is for a better or at least a worthy life that such sacrifices are made. The life of the individual is logically prior to that of the group, as our physiological needs are logically prior to the higher ones, but again that is not the actual order of preference. Probably few civilized men would refuse to die for their fellows if it were clear that the sacrifice were necessary and that it would be effective.

But when materialistic interpreters speak of the perpetuity of the group as a motive they are likely to have in mind not this result in the abstract, but rather sex-feeling, the means by which continuity and increase are secured in the animal world. Here again they are squarely wrong; social existence and well-being in the abstract are more potent than sex attraction in any crude interpretation. With sex experience as with food, it is not the thing as such which dominates the civilized individual. His sex requirement is as different from that of animals as a banquet with all fashionable accompaniments is from the meal of a hungry carnivore which has made a kill, or a buzzard whose olfactory sense has guided him to a mellow piece of carrion. It is again a question of fact, and the fact patently is that when the biological form of the motive conflicts with the cultural, aesthetic or moral part of it — as more or less it about always does — it is the former which gives way. Sex debauchery is, of course, common enough, but this also rather obviously involves about as much cultural sophistication as does romantic or conjugal love, tho of a different kind.[8]

8. It is of interest that the conduct which men denounce by calling it "bestial" (in the field of sex and elsewhere) is typically of a sort in which the "beasts" never indulge. Animals are not promiscuous on principle, but merely indifferent to the individual; they are rarely subject to the peculiar notion from which man is as rarely free, that one individual of the opposite sex is for sexual purposes different from others.

On every count this biological interpretation of human conduct falls down; no hunger and sex theory of human motives will stand examination. It will not be denied that human interests have evolved out of animal desires, and are ultimately continuous with them; and an understanding of animal behavior can throw light on human problems, but only if interpreted with the utmost caution. Man has risen clear above, or if this seems to beg any philosophical questions he has at least gotten clear away from the plane where life is the end of activity; he has in fact essentially reversed this relation. It is not life that he strives for, but the good life, or at the ultimate minimum a decent life, which is a conventional, cultural concept, and for this he will throw away life itself; he will have that or nothing. He has similar physical requirements with the animals, but has become so "particular" as to their mode of gratification that the form dominates the substance. A life in which bare existence is the end is *intolerable* to him. When his artificial, cultural values are in ultimate conflict with physical needs he rather typically chooses the latter, sacrificing quantity of life to quality, and it is hard to see how he could be prevented from doing so. We can scarcely imagine a slave society placed under physical compulsion so effective that men would permanently live in it. If they were given the least sight or knowledge of their masters and their masters' way of life, no provision however bountiful for all physical wants would prevent some irrational individual from setting up a cry for "liberty or death" and leading his willing fellows to the achievement of one or the other. It is a familiar historical fact that it is not the violently oppressed populations which rebel, but those whose milder bondage leaves them fairly prosperous.[9] The assump-

9. We have omitted mention of the class struggle historically associated with the economic interpretation. It may be remarked in passing that the effective motive of

tion of the materialistic, or economic, or biological interpretation of conduct is that when men must choose between some "real need" and a sentimental consideration they will take the former. The truth is that when the issue is drawn they typically do the reverse. For any practical social purpose, beauty, play, conventionality and the gratification of all sorts of "vanities" are more "necessary" than food and shelter.[1]

Some attention must now be given to another method of interpreting conduct, closely related to the biological and like it aimed at supplying an objective measure of well-being. This is the theory that man has inherited certain *instincts* which must achieve a substantial measure of successful expression in action or the individual will develop maladjustment, balked disposition and unhappiness. We cannot go at length into the failure of this theory either to explain actual behavior or to yield

insurrection, and especially of its upper-class leadership is essentially idealistic. Revolutions would rarely if ever succeed without the belief that the cause is *right* in the minds of *both parties* to the struggle. The pet notion of Labriola, that people make up sentimental reasons for their acts when their real motives are materialistic will also gain more in truth than it will lose by being inverted. Back of the much exploited economic motive in international antagonisms also, conventional and sentimental considerations are clearly to be seen. What men fight over in war is the conflict between cultures, devotion to which is proverbially unconnected with any objective superiority.

1. This thesis cannot be elaborated and emphasized as it deserves to be. Some reference ought to be made to the most notorious advocate of the opposite view among social philosophers, Herbert Spencer. His work is a development of the principle that all human values are to be gauged by the standard of tending to the "increase of life," which principle he views as axiomatic from the angles of right as well as necessity. Our contention is that actually the increase of life is rather a by-product of activity, in a sense a necessary evil.

It is interesting to note that "quantity of life" cannot be given an objective meaning as a measurable quantity, to say nothing of its ethical character. Life is a highly heterogeneous complex whose elements resist reduction to any common denominator in physical terms. How compare the quantity of life represented by a hog with that in a human being? They are different *kinds* of things. To common sense, a handful of fleas would seem to contain more "life" than a town meeting or the Royal Society, but Mr. Spencer would hardly contend that it represents more "value." The only purely physical measurement of life that is readily conceivable would be a determination of the quantity of energy in ergs involved in metabolic change in a unit of time.

A confusion essentially the same as that of Spencer seems to underlie the contrast between industrial and pecuniary values developed by Veblen and Davenport. There is no mechanical measure of values which will bear examination, and we cannot compare values or kinds of value without having something to say about value-standards for reducing to common terms magnitudes infinitely various in kind.

ideal requirements, and fortunately it is unnecessary to do so as the doctrine is now properly passing out of favor.[2] The significance to be claimed for the theory is that of supplementing the biological interpretation. Certain acts not now useful in the biological sense are assumed to have been so in the past under different conditions, and the organism has become so adjusted to them that its normal functioning depends upon their continued performance.

If instincts are to be scientifically useful, it must surely be possible to get some idea of their number and identity. But there has always been substantially unanimous disagreement on this point. Logically the choice seems to lie between a meaningless single instinct to do things-in-general and the equally meaningless hypothesis of a separate instinct for every possible act. Between these two views is a free field for arbitrary classification. Such fairly concrete lists as have been given consist chiefly of enumerations of the possible alternatives of action in possible types of conduct situations, and largely reduce to pairs of opposites. For a single illustration, an animal in danger may fight or run. Hence our theorists come forward with an "instinct" for each of these types of reaction. This of course tells us nothing of what we want to know which is, *which one* of the possible reactions will take place. It is not enlightening to be told that conduct consists in choosing between possible alternatives.

A mere classification of feelings or cravings has some interest, however void of scientific utility it may be, but the psychologist can hardly claim to have "discovered" the emotions. In this connection it is interesting to con-

2. Cf. Ellsworth Faris, "Are Instincts Data or Hypotheses," American Journal of Sociology, September, 1921.
Also C. E. Ayres, "Instinct and Capacity," Journal of Philosophy, October 13 and 27, 1921.

sider the extent to which motives do fall into pairs of opposites. There are numerous such couples or polarizations which cut deeper into human nature than do the proposed instincts. Our reasons for wanting things come down in astonishingly large measure to the desire to be like other people, and the desire to be different; we wish to do things because we can, or because we cannot; we crave companionship, of the right kind, but the requirement of privacy, even solitude, is equally imperative; we like the familiar, also the novel, security but likewise adventure, and so on. Acquisitiveness, the instinct which should be most salable to the economist is perhaps but the opposite of our alleged gregariousness, one being essentially the desire to exclude others from certain interests and the other the desire to share them. All these, like selfishness and unselfishness, have some meaning, but are hardly suitable bases for a scientific classification. It is significant that McDougall, the father of the modern instinct theory, regarded the feeling element as the only stable part of the instinct, both stimulus and reaction being subject to indefinite shift and change. The unsuitability of such a view as a foundation for the superstructure built upon it in the way of scientific laws of *behavior* hardly calls for comment.[3]

3. The logical defect of the instinct theory is a misconception of the aims and methods of scientific procedure, which fallacy also pervades the attempt to make psychology scientific. The significance of instincts would lie in the application of the analytic method to the study of consciousness (here, on its conative or volitional side). Analysis in natural science means different things in different cases, the general basis of its employment being that a thing can be explained by showing what it is made of. In some cases we can predict the whole from the parts by simple addition, in others by vector addition, as of forces in mechanics. In other cases we can only predict empirically as in chemistry. The properties of the compound (except mass) bear no simple or general relation to those of the elements, but we do know by experiment that the same compound can always be obtained from the same elements by putting them together in the same way (and conversely). The case of colors is interesting. One spectral color is physically as primary as another, yet a few are primary *in the sense that* we can get the others by mixing them. *None of these assumptions hold* in the study of consciousness, and analysis must be given a very special meaning in this field if it is to have any meaning at all. In our opinion Professor Bode has put an eternal quietus on much of what passes for science in psychology. See his paper on "The Doctrine of Focus and Fringe," Philosophical Review, 1914.

From the instinct theory we turn naturally to the ancient doctrine of psychology and ethics to which it is a handmaiden, that the end of activity is a "harmonious adjustment" of the organism, a smooth and unobstructed functioning of the digestive, neuro-muscular and glandular systems (and perhaps the reproductive also, and any special structures concerned with tending the young or other social activities) and for consciousness the feeling of satisfaction or comfort that goes with this condition.[4] Freudianism and abnormal psychology have seemed to confirm this view, and Thorndyke [5] also tho rather guardedly speaks of behavior as controlled by "satisfiers" and "annoyers." Perhaps a sufficient comment on the hedonistic theory would be to run through again the main categories of economic wants, food, clothing, shelter, amusement, etc., and simply ask the candid question as to what fraction of the ordinary man's expenditure for any of them makes him "feel better" or is expected to do so. The higher one is in the economic scale, the more successful in doing what all are trying to do, the larger is the proportion of his consumption which tends to make him less, and not more, "comfortable."

The authors of great imaginative literature — always indefinitely better psychologists than the psychologists so-called — have never fallen into any such palpable delusion as the belief that men either strive for happiness or expect to be made happy by their striving. The same has been true of philosophers and religious thinkers of all time, and even economists have recognized the futility

4. The socialists have assumed hedonism rather than argued for it. Spencer regarded it as also axiomatic that life-sustaining activities are necessarily pleasure-giving (Data of Ethics, Sec. 34) and vice versa. Modern pragmatism seems to run in terms of the same twofold assumption that The Good is identical with both the biologically beneficial and the actually desired. It seems to us that critical thought confirms common sense in repudiating both parts of this dogma.

5. The Original Nature of Man. New York, 1913.

of attempting to satisfy wants. It is obvious that wants multiply in at least as great a ratio as the heads of the famous hydra. Greeks as well as Hindus, and Epicureans as well as Stoics and Cynics perceived at the dawn of modern culture that it is indefinitely more "satisfactory" and "economical" to repress desire than to attempt to satisfy it. Nor do men who know what they do want — and who have not sapped their vitality by unnatural living or too much of a certain kind of thinking — want their wants satisfied. This argument of economists and other pragmatists that men work and think to get themselves out of trouble is at least half an inversion of the facts. The things we work for are "annoyers" as often as "satisfiers"; we spend as much ingenuity in getting into trouble as in getting out, and in any case enough to keep in effectively. It is our nature to "travel afar to seek disquietude," and "'tis distance lends enchantment to the view." It cannot be maintained that civilization itself makes men "happier" than they are in savagery. The purpose of education is certainly not to make anyone happy; its aim is rather to raise problems rather than solve them; the association of sadness and wisdom is proverbial, and the most famous of wise men observed that "in much wisdom is much grief, and he that increaseth knowledge increaseth sorrow." Thus the pursuit of the "higher things" and the crasser indulgences are alike failures if the test is happiness.

But the test is not happiness. And by this we do not mean that it ought not to be but the simple fact that that is not what men want. It is a stock and conclusive objection to utopias that men simply will not live in a world where everything runs smoothly and life is free from care. We all recall William James' relief at getting away from Chatauqua. A man who has nothing to

worry about immediately busies himself in creating something, gets into some absorbing game, falls in love, prepares to conquer some enemy or hunt lions or the North Pole or what not. We recall also the case of Faust, that the Devil himself could not invent escapades and adventures fast enough to give his soul one moment's peace. So he died, seeking and striving, and the Angel pronounced him thereby "saved": — "Wer immer strebend sich bemüht, den können wir erlösen." The pleasure philosophy is a false theory of life; there abide pain, grief and boredom: these three; and the greatest of these is boredom. The Hindus thought this question of happiness through to the end long ago, and reached the inevitable conclusion — Nirvana — just life enough to enjoy being dead.[6]

6. There is an incident in the Life of Pyrrhus, as told by Plutarch, which shows the nature of man and his motives so much better than all the scientific psychology ever written that it merits repeating substantially as that author tells it.

"When Pyrrhus had thus retired into Epirus, and left Macedonia, he had a fair occasion given him by fortune to enjoy himself in quiet, and to govern his own kingdom in peace. But he was persuaded, that neither to annoy others, nor to be annoyed by them, was a life insufferably languishing and tedious. . . . His anxiety for fresh employment was relieved as follows. (Then follows a statement of his preparations for making war against Rome.)

"There was then at the court of Pyrrhus, a Thessalonian named Cineas, a man of sound sense, and . . . who had devoted himself to Pyrrhus in all the embassies he was employed in . . . and he continued to heap honors and employments upon him. Cienas, now seeing Pyrrhus intent upon his preparations for Italy, took an opportunity, when he saw him at leisure, to draw him into the following conversation: — 'The Romans have the reputation of being excellent soldiers, and have the command of many warlike nations: if it please heaven that we conquer them, what use, Sir, shall we make of our victory?' 'Cineas,' replied the king 'your question answers itself. When the Romans are once subdued, there is no town, whether Greek or barbarian, in all the country, that will dare oppose us; but we shall immediately be masters of all Italy, whose greatness, power and importance no man knows better than you.' Cineas, after a short pause, continued. 'But, after we have conquered Italy, what shall we do next, Sir?' Pyrrhus, not yet perceiving his drift, replied, 'There is Sicily very near, and stretches out her arms to receive us, a fruitful and populous island, and easy to be taken. . . .' 'What you say, my prince,' said Cineas, 'is very probable; but is the taking of Sicily to conclude our expeditions?' 'Far from it,' answered Pyrrhus,' 'for if heaven grant us success in this, that success shall only be the prelude to greater things. Who can forbear Libya and Carthage, then within reach? . . . And when we have made such conquests, who can pretend to say that any of our enemies, who are now so insolent, will think of resisting us?' To be sure,' said Cineas, 'they will not; . . . But when we have conquered all, what are we to do then?' 'Why, then, my friend,' said Pyrrhus, laughing, we will take our ease, and drink, and be merry.' Cineas, having

The idea of a distinction between economic wants and other wants must be abandoned. There is no definable objective, whether subsistence, gratification of fundamental impulses or pleasure, which will serve to separate any of our activities from the body of conduct as a whole. Nor, we aim especially to emphasize, is there any *definable* objective which properly characterizes any of it. It simply is not finally directed to the satisfaction of any desires or the achievement of any ends external or internal[7] which can be formulated in propositions and made the subject of logical discourse. All ends and motives are economic in that they require the use of objective resources in their realization; all are ideal, conventional or sentimental in that the attempt to define objective ends breaks down. Behind them all is "the restless spirit of man," who is an aspiring rather than a desiring being; and such a scientifically undescriptive and unsatisfactory characterization is the best we can give.[8]

For the purpose of defining economics the correct procedure would appear to be to start from the ordinary meaning of the verb to economize, that is, to use resources wisely in the achievment of *given* ends. In so far as the ends are viewed as given, as data, then all activity

brought him thus far replied, 'And what hinders us from drinking and taking our ease now, when we have already those things in our hands, at which we propose to arrive through seas of blood, through infinite toils and dangers, through innumerable calamities, which we must both cause and suffer?'

"This discourse of Cineas gave Pyrrhus pain, but produced no reformation. . . ."

7. The term happiness is as heterogeneous as any other; its only meaning is that the end of action is *some* state of consciousness. Besides being as vague as possible this statement, in the view of practically all thinkers on ethics who were not hoodwinked by economic logic and the price system itself, is false.

8. This reasoning refutes alike such classifications of wants as Professor Everett has given in his very charming book on Moral Values (chap. VII, esp. sec. II) and the distinction between industrial and pecuniary values already mentioned. All of Everett's kinds of value are economic; in fact nearly any specific value belongs to most of his classes.

In regard to "real ends," we should note the futile quest of a Summum Bonum by ethical thinkers.

is economic. The question of the effectiveness of the adaptation of means is the only question to be asked regarding conduct, and economics is the one and all-inclusive science of conduct.[9] From this point of view the problem of life becomes simply the economic problem, how to employ the existing and available supplies of all sorts of resources, human and material, natural and artificial, in producing the maximum *amount* of *want-satisfaction*, including the provision of new resources for increased value production in so far as the present population finds itself actually desiring future progress. The assumption that wants or ends are data reduces life to economics,[1] and raises again the question with which we started out, Is life all economics or does this view require supplementing by an ethical view of value?

The conception of economics outlined above is in harmony with the traditions of economic literature. The "economic man," the familiar subject of theoretical discussion, has been much mistreated by both friends

9. For purposes of academic division of labor this will have to be restricted by excluding the technological aspect of adaptation and restricting economics to the general theory of organization. Most of the attention will practically be given to the theory of the *existing* organization, through private property and competitive free exchange, which makes economics virtually the science of prices. Our definition of the economic aspect of behavior includes not only technology as ordinarily understood but the techniques of all the arts.

1. That is, on the practical or conduct side. A word may be in place as to the relation between economics as a science thus broadly conceived and related sciences. Conduct is not co-extensive with human behavior; much of the latter is admittedly capricious, irrational, practically automatic, in its nature. Different actions have in various degrees the character of conduct, which we define with Spencer as "the adaptation of acts to ends," or briefly, deliberative or rational activity. Much that is at the moment virtually reflex and unconscious is, however, the result of habit or of self-legislation in the past, and hence ultimately rational. But there is a place for the study of automatic responses, or behaviorism, and also for psychology, which should not be confused with the former.

We have by no means meant to repudiate the attempt of biology to explain the end or motives which the science of conduct uses as data. This is altogether commendable, as is also the effort to explain biology in physico-chemical terms. These researches should be pushed as far as possible; we object only to the uncritical assumption that they have explained something when they have not, and to dogmatic assertion (either way) as to how far it is intrinsically possible to carry such explanations.

and foes, but such a conception, explicit or implicit, underlies all economic speculation. The economic man is the individual who obeys economic laws, which is merely to say that he obeys *some* laws of conduct, it being the task of the science to find out what the laws are. He is the *rational* man, the man who knows what he wants and orders his conduct intelligently with a view to getting it. In no other sense can there be laws of conduct or a science of conduct; the only possible "science" of conduct is that which treats of the behavior of the economic man, i. e., economics in the very broad sense in which we have used the term. A scientific principle necessarily takes the form that under given conditions certain things can be counted upon to happen; in the field of conduct the given conditions are the desires or ends and the rationale or technique for achieving them.

The objections raised to the notion of the economic man, are however also sound in their own way. They reduce to the proposition that *there is no such man*, and this is literally true. Human beings do not in their conscious behavior act according to laws, and in the concrete sense a science of conduct is an impossibility. They neither know what they want — to say nothing of what is "good" for them — nor act very intelligently to secure the things which they have decided to try to get.[2] The limitation on intelligence — knowledge of technique — is not fatal to the conception of a scientific treatment of behavior, since people are "more or less" intelligent, and "tend" to act intelligently, and all science involves a large measure of abstraction. Far more essentially is the limitation due to the fact that the "given conditions," the causes at work, are not really given, that

2. From this point of view again the animals are superior to man, in that they are more intelligent, sensible; a hog knows what is good for him and does it!

wants are not ultimately data and the individual more or less completely recognizes that they are not.

The definition of economics must, therefore, be revised to state that it treats of conduct *in so far* as conduct is amenable to scientific treatment, in so far as it is controlled by definable conditions and can be reduced to law. But this, measured by the standard of natural science, is not very far. *There are no data* for a science of conduct in a sense analogous to natural science. The data of conduct are provisional, shifting, and special to individual, unique situations in so high a degree that generalization is relatively fruitless. *For the time being*, an individual acts (more or less) *as if* his conduct were directed to the realization of some end more or less ascertainable, but at best provisional and vague. The person himself is usually aware that it is not really final, not really an "end"; it is only the end of the particular act, and not the ultimate end of that. A man engaged in a game of chess acts *as if* the supreme value in life were to capture his opponent's pieces; but this is obviously not a true or final end; the circumstances which have led the individual to accept it as end for the moment come largely under the head of accident and cannot be reduced to law — and the typical conduct situation in civilized life is analogous to the game in all the essential respects.

A science of conduct is, therefore, possible only if its subject-matter is made abstract to the point of telling us little or nothing about actual behavior. Economics deals with the form of conduct rather than its substance or content. We can say that a man will in general prefer a larger quantity of wealth to a smaller (the principal trait of the economic man) because in the statement the term "wealth" has no definite concrete meaning; it is merely an abstract term covering everything which men

do actually (provisionally) want. The only other important economic law of conduct, the law of diminishing utility, is almost as abstract; its objective content is covered by the statement that men strive to distribute income in some way most satisfactory to the person at the time among an indefinite number of wants and means of satisfaction rather than to concentrate upon one or a few. Such laws are unimportant because they deal with form only and say virtually nothing about content, but it is imperative to understand what they do and what they do not mean.

If one wishes to study the concrete content of motives and conduct he must turn from economic theory to biology, social psychology and especially culture history. Culture history is not, therefore, a method of economics, as the historic quarrel would lead one to think, but a different field of inquiry. It gives a *genetic*, and not a *scientific* account of its subject-matter. History has, indeed, tried to become a science and the effort has brought forth numerous "philosophies of history," but it is open to grave doubt whether "laws" of history exist and whether the entire project is not based on a misconception.[3]

If a science of economics is limited to the abstract form of conduct and the treatment of conduct in the concrete takes the form of history rather than science, what is to be said of ethics? In addition to the explanation of conduct in terms of motives and the explanation of the motives, common sense does raise another kind of question, that of the *evaluation* of motives. But we are met at the outset with the logically insuperable difficulty

3. It is impossible to discuss at length the relations between historic (genetic) and scientific explanation. The distinction is perhaps sufficiently well established to justify using the terms without a lengthy philosophic analysis. Our point of view is not that either of these is "higher" than the other; we merely insist that they are different and that each can fulfill its special purpose best by recognizing the difference.

that the criticism of an end implies some *standard*, which can logically only be another end, which to enter into logical discourse must be viewed as a datum, like the first. Hence, scientifically, we can never get beyond the question of whether one end conflicts with another and if so which is to be sacrificed. But this mere comparison of ends as given magnitudes belongs to the economic calculation involved in creating the maximum amount of value or want-satisfaction out of a given fund of resources; hence there seems to be no place for anything but economics in the field of value, and scientifically there is none. If we are to establish a place for ethics really distinct from economics and independent of it, it must be done by finding ends or standards which are something more than scientific data.[4]

For those to whom ethics is only a more or less "glorified" economics, virtue is correspondingly reduced to an enlarged prudence. But the essential element in the moral common sense of mankind seems to be the conviction that there is a difference between virtue and prudence, between what one "really wants" to do and what one "ought" to do; even if some religious or other "sanction" makes it ultimately prudent to do right, at least it remains true that it is prudent because right and not right because prudent or because there is no difference between the two. A considerable part of the literature of ethics consists of debate over the validity of this distinction and of moral common sense, which is to say over whether there is any such thing as ethics or not, and the question creates perhaps the most fundamental

4. It was remarked early in the present discussion that one leading school of ethicists (the hedonistic) merely enlarge the principles of economics and do not believe in any other ethics. Economists have usually held to this view — the principle is the same whether their good is called pleasure or want-satisfaction, so long as it is held to be quantitative — and now the same position is being taken up by the realistic school of philosophers who regard value as a real quality in things. Cf. R. B. Perry, The Moral Economy.

division between schools of thought. There was no difficulty for the Greeks, who had no word for duty or conscience in their language, and there is none for the modern "pagan" who considers these things as outworn puritan superstitions. It must appear dogmatic to seem to take sides on the question without working out an entire philosophic system in justification of the position, but we wish to point out that *if* there is to be a real ethics it cannot be a science, and to cite a few reasons for believing in the possibility of a real ethics.

The first of these considerations is the argument developed in this paper that the view of ends as scientific data breaks down under examination. The second is that the rational, economic, criticism of values gives results repugnant to all common sense. In this view the ideal man would be the economic man, the man who knows what he wants and "goes after it" with singleness of purpose. The fact is, of course, the reverse. The economic man is the selfish, ruthless object of moral condemnation. Moreover we do not bestow praise and affection on the basis of conduct alone or mainly, but quite irrationally on the motives themselves, the feelings to which we impute the conduct.

We cannot dwell on the moral habitability of the world under different hypotheses or argue the question whether such implications constitute "evidence" for the hypothesis in question. The disillusioned advocate of hard-headedness and clear thinking would usually admit that the "moral illusion" has stood the pragmatic test and concede its utility while contending that it is scientifically a hoax. But it is pertinent to observe that the brick-and-mortar world cannot be constructed for thought out of purely objective data. There is always a feeling element in any belief. Force and energy are notoriously feelings of ours which we read into

things, yet we cannot think of anything as real without force as a real. Apparently we are incapable of picturing anything as existing without putting a spark of our own consciousness into it. Behind every fact is a theory and behind that an interest. There is no purely objective reason for believing anything any more than there is for doing anything, and if our feelings tell us nothing about reality then we know and can know nothing about it. From this it is an easy step to see that the intolerable repugnance of the idea that not only duty and right, but all effort, aspiration and sacrifice are delusions is after all as good a reason for believing that they are not as we have for believing that the solid earth exists in any other sense then seeming to us to do so.

But the main argument for the validity and necessity of a real, non-scientific, transcendental ethics comes out of the limitations of scientific explanation. We have seen that the "scientific" treatment of conduct is restricted to its abstract form, that its concrete content can only be explained "historically." But in dealing with human problems we are constantly thrown back upon categories still more remote from the scientific, upon relations which cannot be formulated in logical propositions at all, and we must admit that a large part of our "knowledge" is of this character. That figurative language does convey a meaning, however, is indisputable, and it is commonly a meaning which could not be expressed literally. When Burns says that his Love is "like a red, red rose," etc., when Kipling tells us of Fuzzy-Wuzzy that "'E's a daisy, 'e's a ducky, 'e's a lamb," their words meaning something, tho it is not what they say! William James has commented on the effectiveness of these comparisons whose physical basis is undiscoverable, illustrating by the statement that a

certain author's style is like the atmosphere of a room in which pastilles have been burning. Let anyone take even a science text-book and try to translate all the figurative expressions into literal, purely logical form, and he will realize how impossible it is to describe the world in terms which mean definitely what they say.

Of this general description must be the criticism of values, as it is the character of æsthetic and literary criticism. Our values, our standards, are only more obviously of the same character which our desires reveal on examination — not describable because not stable, growing and changing by necessity of their inner nature. This is, of course, intellectually unsatisfactory. The scientific mind can rest only in one of two extreme positions, that there are absolute values, or that every individual desire is an absolute and one as "good" as another. But neither of these is true; we must learn to think in terms of "value-standards" which have validity of a more subtle kind. It is the higher goal of conduct to test and try these values, to define and improve them, rather than to accept and "satisfy" them. There are no rules for judging values, and it is the worst of errors to attempt to make rules — beyond the rule to "use good judgment"; but it is also most false to assert that one opinion is as good as another, that *de gustibus non disputandum est.* Professor Tufts has put the question in a neatly epigrammatic way which emphasizes its unsatisfactoriness from a rational, scientific standpoint: "The only test for goodness is that good persons on reflection approve and choose it—just as the test for good persons is that they choose and do the good." [5]

5. See essay on "The Moral Life," in the volume entitled Creative Intelligence, by Dewey and others. Professor R. B. Perry in a review as beautifully illustrates the inevitable scientific-economic reaction to this viewpoint. See Quarterly Journal of Ethics, vol. 28, p. 119, where Professor Perry, referring to the statement quoted above, says: "... it cannot appear to its author as it appears to me. I can only record my blank amazement."

If the suggestions above thrown out are sound, there is room in the field of conduct for three different kinds of treatment: first, a scientific view, or economics and technology; second, a genetic view, or culture history, and third, for a Criticism of Values. The discussion of the latter will, like literary and artistic criticism, run in terms of suggestion rather than logical statement, in figurative rather than literal language, and its principles will be available through sympathetic interpretation rather than intellectual cognition.[6]

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6. There is obviously a need for a better terminology, if history and criticism are to have their methods properly named and if they are to be adequately distinguished from the "sciences." Such adjectives as genetic and normative, used with the word science are objectionable, but perhaps the best we can do. They do not sufficiently emphasize the contrasts.

It should be noted that some writers have attempted to make ethics scientific on the basis of somewhat different logical procedure from that sketched above. They regard the end of conduct as the production of some "state of consciousness" (pleasure or happiness) but assume that the common sense being does not know the effects of acts and hence that special study of past experience (on the basis of the *post facto* satisfactoriness of results) is necessary to secure rules for guidance. This reasoning does not separate ethics from economics, however, as it is again a mere question of technique for securing recognized ends.