AMONG ECONOMISTS
Reflections of a Neo-Classical Post Keynesian

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Translation:
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FOREWORD

Jan Pen, born in 1921, studied economics at the University of Amsterdam. He gained his doctor's degree under Professor Hennipman. From 1947 to 1956 he worked at the Ministry of Economic Affairs. Since 1956 he is Professor of Economics at the University of Groningen. He was nominated a Fellow of the Royal Academy of Sciences in 1972. He received an Honorary Degree at the Free University of Brussels in 1974.


Jan Pen delivered the fourth Hennipman Lecture on April 4, 1984. The Hennipman Foundation is happy to include in the series 'Lectures in Economics' this monograph on methodological questions which is a substantially elaborated version of the lecture.

J.J. Klant
born of the marriage between ecology and economics: the theory of the New Scarcity. Reference has already been made above to the scenarios of pollution and exhaustion. They offer ample facilities for selective observation, cognitive dissonance and rhetoric. That metaphors play a part in this is obvious. I do not want to consider this matter here; it is too important to be dealt with briefly, and I would be carried along by conflicting feelings, such as Angst, irritation at the ease with which industrialists smooth the problem away, and irritation at the apparent delight with which those who share my sentiments predict the world's downfall. Sometimes I think that we have too few ecological data at our disposal to draw sombre conclusions, sometimes I think the opposite. The prospect is moreover overshadowed by the risk of large, mushroom-shaped clouds.

Instead, another debate of a colligative nature: the neo-classicists versus the Keynesians. Economists have more experience with that. The point I want to stress is this: both stories are plausible and perhaps even convincing. This suggests an obvious imperfection in economic theory. Here progress can be made only by quantitative research into the economic structure. That progress requires an eclectic procedure, in which we try to combine the usable elements of both views.

(1) This, dear reader, is irony. How many of my professional colleagues are really familiar with topology? And am I, for that matter?
(2) Gestalt is not the sum of the observations, but more than that. When you listen to a Bach fugue, you hear more than the sum of the notes. Moreover, modern neurology takes the point of view that observations do not enter via the sense organs, which function as 'doors of perception' — it is the other way round. First and foremost is the nervous system, which is seen as a system controlling both behaviour and perception. The sense organs are instrumental in constructing and updating a map of the outside world. This means that all observations are selective; the nervous system determines what can and will be observed. These ideas are defended by J. Droogleever Fortuyn, On the Neurology of Perception, Clinical Neurology and Neurosurgery, Vol. 81-82, 1979, p. 97. According to him Gestalt is still too limited an idea — it is too static, and underestimates the permanent updating of the world. Viewed in this light it is not surprising that different people have a different view of the outside world. Since economists possess nervous systems, this neurological insight perhaps explains something of the controversies.

(3) There are many examples of blather or demagogy. Blather reminds me of Marshall McLuhan's 'the medium is the message' and Michel Foucault's indigestible pap of 'mots et choses', but they are not economists (although Foucault is full of information on what economists think, according to him). George Gilder believes that economists want to eliminate uncertainty, and he considers that a very bad thing. These examples are innocuous compared to the remarkable tract by Lyndon H. LaRouche and David Goldman: The Ugly Truth about Milton Friedman, New York, 1980. They try to prove that Friedman is a fascist (for his defence of Hjalmar Schacht), but also that Austrian economics, W.S. Jevons, Alfred Marshall, Wesley Clair Mitchell, Oxford 'Kookonomics', the National Bureau of Economic Research and the University of Chicago are all members of one big conspiracy that goes back to Jeremy Bentham, and is directed against America. The crash of 1929 was deliberately caused by the British and by a group of American bankers led by Paul Warburg. Hovering in the background are the Mont Pelerin Society and the Fabian Society. All these threats can be countered by a new economic theory, the LaRouche-Riemann model, in which the 'free energy ratio' plays a central though unclear role. I thought at first that this book was a parody (the British Empire was founded on the opium trade and homosexuality) but that is not so. It is a form of colligation with serious intentions and LaRouche seems to be running for President of the United States.

(4) On metaphors there is an extensive literature which here follows a hypothesis — is largely unknown to economists. I myself have found valuable sources in J.J.A. Mooy, A Study of Metaphor, Amsterdam, 1976, and the collection Metaphor and Thought (edited by Andrew Ortony, Cambridge, London, New York, Melbourne, 1979). Constantly recurring