

The Politics of Political Economists: Comment

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- Mises: economic statistics/quantitative economics generates a radical political viewpoint
- Stigler disagrees and says that the empirical student gets a real feeling for the workings of an economic system and has complexities of the economy burned into his soul

But Stigler overlooks some things:

- 1) Statistics are desperately needed for government planning because they are its only form of knowledge, whereas firms in the free market have little use for them, they only need prices and costs together with intuitive qualitative knowledge.
- 2) The rise of the use of statistics in economics coincides with the rise of government intervention (Fabian Society in GB used extensive empirical studies to further cause of socialism; Historical School also just gathered a truck load of data hoping to use induction to make sense of them, and they tended to have the explicit aim to work on reforming society; statisticians themselves participated in this political movement; the federal government's own account of growth of statistical agencies was also similar in connecting the use of statistics with government control of the economy in order to improve it)
- 3) The growth of statistics, originally developed for its own sake, ends by multiplying the avenues of government intervention and planning. Each new statistical technique soon acquired its subdivision and application in government.
- 4) Economic statisticians will tend to be impatient of 'armchair philosophizing' and will tend to advocate piecemeal, pragmatic, decide-every-case-on-its-merits type of government planning. This fits in perfectly with the muddled rather than abstract and clear nature of interventionist economies.
- 5) The very hallmark of the pragmatic approach is to look for problem areas in society and their approaches to solve them only lead to further problems thus calling for more radical intervention.

Stigler sees nonconservatives as socialists or communists. Rothbard sees nonconservatives as those who advocate interventionism. In Stigler's sense most economists are conservatives, in Rothbardian sense very few are. The difference then is not so much between economics and noneconomics, but between theory vs. empiricism. The latter tend to be interventionists (not socialists) and the former laissez faire advocates.