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## The Rhetoric of Disagreement

Arjo Klamer and Donald McCloskey

Klamer and McCloskey are economists who live in Iowa City and talk together a good deal. They disagree a good deal, too—about the economy for example. McCloskey believes that competition runs it and that people are driven by self-interest. Klamer believes that power runs it and that people are driven by more than self-interest. They disagree also on what is to be done politically: McCloskey is a libertarian; Klamer is a social democrat.

And they disagree on how much economists disagree. McCloskey takes an American—even Midwestern—view that underneath it all our shared values can bring us together for barn raisings and economic analysis. Klamer takes a European—even Dutch—view that emphasizes diversity and conflict as social facts.

Their one point of agreement is their disagreement with the mechanical, scientistic notion of what economists do. They have noted the demise of positivism. Facts and logic, narrowly defined, are necessary but not sufficient for good economic science. The study of logical structure will not reveal all of what economists do.

Klamer and McCloskey agree on an alternative interpretation. They view economics as a rhetorical activity, in which economists deploy authorities, stories, and metaphors (models, for instance) to persuade each other (Klamer 1983b, 1988a; McCloskey 1985, 1988c, 1989c). To call economics "rhetorical" is not to attack the science. All writing with designs on its readers is rhetorical. A mathematical proof has a rhetoric, which is to say a

strategy of persuasion (see Davis and Hersh 1987). "Rhetoric" means here the whole art of argument; it does not mean ornament or hot air alone. In Continental terms, Klamer and McCloskey think of economics as a discursive practice (they disagree on whether it should be plural—"practices"). Human argument has four elements: facts, logic, metaphors, and stories. They are not alternatives. In most scientific argument they occur together and warrant rigorous study.

The rhetorical perspective points up a moral gap in the practice of economics. If togetherness and fact of the simplest sort do not suffice by themselves to produce good economics—and if God does not put in an appearance to settle the matter—by what principles can economists be guided? Klamer and McCloskey agree on the Maxim of Presumed Seriousness: that as serious scholars we must presume, until sound evidence contradicts it, that others are serious too. The official rhetoric of scholarship presupposes the Maxim of Presumed Seriousness. In linguistic terms, the Maxim is a "conversational implicature," which is to say, a rule for making sense of what another scholar says.

The Maxim has a consequence, the Principle of Intellectual Trade: considering that other scholars read different books and lead different lives it would be economically remarkable, a violation of economic principles, if nothing could be learned from trading with them. The Maxim and Principle are moral entry points into a conversation to which intellectuals and academics presumably have already committed themselves.

Just as differences in tastes or endowments are grounds for trade, disagreements about economics are grounds for serious conversation. Mutual respect prevents the conversation from degenerating into war. As Raymond Aron said, "Politics is dialectic when it unfolds between men who mutually acknowledge each other. It is war when it brings into opposition men who...wish to remain strangers to one another" (quoted in Alker 1988, 816).

**McCloskey:** You know, Arjo, disagreement in economics is exaggerated.

We economists are all children of the blessed Adam.

**Klamer:** So you claimed in your book on rhetoric, and continue to claim in later work (McCloskey 1985, 1988e). But I can't entirely agree. For many purposes I see distinctive tribes within the community of economists (Klamer 1987). The intellectual trade among the tribes is limited.

**McCloskey:** I know what you mean—the tribes of Veblen and Thoreau, Kropotkin and Chayanov, Marx and Menger and Marshall hold themselves apart. But they share much: entry and exit; the accounting of

general equilibrium; and at the very least a concern with how people earn their daily bread.

**Klamer:** You betray, Donald, the neoclassical's lack of interest in cultural and ideological differences. It undervalues the experience of people excluded from neoclassical discourse.

**McCloskey:** Wait a minute. We neoclassicals have no objection to the existence of other ways of thinking, such as the anthropological. But let the anthropologists do it.

**Klamer:** And then don't trade. Neoclassicals don't follow their own principle of intellectual trade.

**McCloskey:** Hmm.

**Klamer:** Neoclassical thinking is hegemonic in American academia, but even within the neoclassical camp there is massive miscommunication. James Tobin and Robert Lucas taken alone are both reasonable men, but they cannot talk reasonably with each other (see Klamer 1983, chaps. 2 and 5). Just try talking first with Harvard graduate students and then with Chicago graduate students.

**McCloskey:** I have, at some length.

**Klamer:** Well, so have I. You know then that it is like moving from one intellectual universe to another (see Colander and Klamer 1987; Klamer and Colander 1989). Such differences are not trivial.

**McCloskey:** I agree. (Though literally they *are* "trivial"—that is, concerned with the medieval *trivium* on which education is based: grammar, logic, and above all rhetoric.) The best way for a professor to raise a laugh at Harvard in the 1960s was to mention the name of Milton Friedman. The teacher didn't have to say anything about Milton; he just had to mention him. But it turned out that the best way to raise a laugh at Chicago in the 1960s and 1970s was to mention Ken Galbraith, or Joan Robinson; just mention.

**Klamer:** Of course: it's still the case in the 1980s, as I've seen. Gossip, laughter, and sneering fills the halls and classrooms, despite the rhetoric of respect on the printed page.

**McCloskey:** So I have slowly come to realize. It's a shame. But surely there is some basis for conversation among the tribes—genetic if nothing else: we *are* all progeny of Adam Smith.

**Klamer:** I wish there were a basis. But I don't see it. We are not witnessing a communitarian, barn-raising project in economics right now.

**McCloskey:** Well, all right, economics has a problem of communication.

**Klamer:** That sounds too easy.

**McCloskey:** Listen to what I'm saying. By "communication" I don't mean the drainpipe image that most people carry around in their heads.

**Klamer:** Sure, we agree on that. The old image posits a drainpipe between two minds through which communication takes place. The image makes conversation seem easy: *mere* communication, *just* semantics, *simply* a matter of style. Under such a theory we would all agree, or agree to disagree, if we "defined our terms."

**McCloskey:** That's right. The drainpipe image suggests that we have prepackaged ideas, hard little bundles created in isolation and transmitted to other people along the pipes. Keep the pipes cleaned out and all is well: the Roto-Rooter theory of communication.

**Klamer:** A small part of communication is taken for the whole, ignoring such crucial matters as the standing of the speakers.

**McCloskey:** Yes. The theory of communication that you and I share is "rhetorical," which is to say that it recognizes that ideas change in the transmission. Communication is something that happens in a society between people, like the ideas forming in the minds of you and me as we speak. Or indeed like the creation of economic value in the agora, the marketplace.

**Klamer:** Sure again: "*Panu ge, Sokrates*," as Plato would say, "All right, Sokrates." In fact, there are deep similarities between speech and commerce, as we are discovering and as Adam Smith already knew: the "propensity to truck, barter, and exchange one thing for another," it seemed to him, was a "necessary consequence of the faculties of reason and speech" (1976, 1:17; cf. 1982, 336, an important connection between the two books). The old theories ignore the social character of communication even as they exercise it. Plato wrote in his dialogues—masterpieces of social drama—that mathematical theorems were remembered within an isolated soul from its previous life. Descartes talked in his masterfully persuasive confessions of all sure knowledge as coming from an individual's excoriating doubt, "shut up in a room heated by an enclosed stove where I had complete leisure to meditate on my own thoughts" (Descartes 1968, 35).

**McCloskey:** Yup. Though practising a social rhetoric, Plato and Descartes advocated a Robinson Crusoe theory of knowledge, a theory of the lone person preparing packages in isolation for transmission to other isolated people. I just read a remark of William James that's pertinent to this:

The knower is not simply a mirror...passively reflecting an order that he comes upon and finds simply existing. The knower is an actor...He

registers the truth which he helps to create. Mental interests...help make the truth which they declare (quoted in Myers 1986, 8).

**Klamer:** Yes. The master myth of modernism is the myth of the Object perceived by the Subject. Somehow we as individual Subjects are able to grasp the Objective—yet no one has been able to explain quite how, in twenty-five hundred years of trying.

**McCloskey:** The Objective/Subjective figure of speech has burrowed deep in our culture, and keeps intruding on conversations about rhetoric. The Objective is supposed to be what's really there; the Subjective is supposed to be what's in our minds. Unhappily, both are unknowable or, what amounts to the same thing for practical purposes, untellable. What we *can* know is what one might call the *Conjective*, which is to say, what we know together, by virtue of social discourse, scientific argument, shared language; even, if you wish, by virtue of the social relations of production.

**Klamer:** I do wish. But I like "conjective." It calls up a realm beyond what I have called the square and the circle. The square is the realm of logic narrowly defined, of strict, first-order predicate deduction; the circle is the realm of will and feelings, the subjective. Your "conjective" is the (social) soup in which the square and the circle float. "Conjective" also reminds one of "conversation," which we both like.

**McCloskey:** Good. The battle of square and circle, so characteristic of our recent culture, is seen to be lacking in point.

**Klamer:** On so much we agree. But I suspect your motives. Why do you bring up the social, cooperative, conjunctive character of scholarship? It reminds me of the rhetorical and social contexts in which economists speak. You need only recognize that there are many contexts and you will be driven to admit that diversity, opposition, and conflict are the salient facts. I suspect you of favoring the terms "conjective" and "conversation" because they evoke bourgeois civility. Like Jürgen Habermas you project the image of an ideal speech community; but unlike Habermas you seem to suggest we already live in it, or at least close by.

**McCloskey:** You insist on this European pessimism.

**Klamer:** And you on your American optimism. You see: we have found another cultural difference.

**McCloskey:** Touché.

**Klamer:** You must grant me that the conversation among economists sometimes becomes warlike. I have even seen you yourself get upset about some economic conversation. What do you think goes wrong?

**McCloskey:** Among economists as among others the conversation goes wrong in sneering. Habermas complains somewhere about the "strategy of mutually shrugging one's shoulders." Economists do a lot of shoulder shrugging; they have all been perpetrators and victims. Once during a conference I asked an economist at MIT to check one of two boxes: either offer a reasoned reply to my position on purchasing power parity, which he had sneered at, or go on sneering; with a smirk characteristic of the man he chose the box "go on sneering," much to the amusement of another economist nearby, who was courting his favor. Ha, ha. Very funny. But damaging to our joint purposes.

**Klamer:** We all have such stories, about what William James called "the smoking of cigarettes and the living on small sarcasms." He called it "the Harvard indifference."

**McCloskey:** Yes, though I knew many people at Harvard who chose never to sneer. Sneering is the obstacle to conversation in economics. The Chicagoans sneer at the Marxists, the Marxists sneer at the Neoclassicals, the Neoclassicals sneer at the Austrians, and the Austrians sneer at the Chicagoans.  $C > M > N > A > C$ .

**Klamer:** So much for academic conversation as a mechanism of rational choice.

**McCloskey:** You are too pessimistic. But I admit some grounds for pessimism. The main purpose of sneering is to protect the sneerer from having to learn anything new. The sneerer is an Expert, and as Harry Truman said, "An expert is someone who doesn't want to learn anything new, because then he wouldn't be an expert." Economists are proudly ignorant these days. If one can simply sneer at bourgeois economics (or Marxian economics or institutional economics or whatever), then one does not have to follow the Maxim of Presumed Seriousness. In her book, *Ordinary Vices* (Shklar 1984), the political theorist Judith Shklar talks at length about snobbery, the trick of "making one's superiority hurt." The sneer is an assertion of rank. The economist sneers loftily at the sociologist, asserting rank and a fully finished education.

**Klamer:** Note the hierarchy that springs from the rhetoric.

**McCloskey:** Yeah: the topmost are the worst; or rather the second to topmost are the worst. The philosopher Clark Glymour, who exhibits no deep acquaintance with English professors, begins his book on *Theory and Evidence* as follows: "If it is true that there are but two kinds of people in the world—the logical positivists and the god-damned English professors—then I suppose I am a logical positivist" (1980, ix). Similarly, another eminent American analytic philosopher said proudly that he had

never read a page of Hegel and furthermore (he added with a smile) proposed never to do so.

**Klamer:** Philosophers are not the only ones who do this. I know a leading macroeconomist who has never read Keynes and proposes never to do so. But he doesn't smile when he says it: his shallow philosophy of science, not laziness or malice, tells him that reading old books is beside the point. Anyway, what would happen if the sneering stopped?

**McCloskey:** The economists would do better, by forming a community with others interested in economic matters.

**Klamer:** Your newfound socialism of the intellect seems to me utopian. Sneering is more than an uncivil and unbecoming speech act, correctible through mere exchange. The sneering betrays deeper problems of knowledge and discourse.

**McCloskey:** Deeper in one sense. The deeper problems are philosophical. The sneering, I like to say, is supported by 3 x 5-card philosophies—"Go forth and Falsify," for example, or "Measure regardless" or "Depend on the *A Priori*." Without them, and without the accompanying passion, the disagreements would fade.

**Klamer:** The 3 x 5-card philosophies are vicious, I agree. They make people insist that they can settle their disputes by attending to the 3 x 5 card. Others fail to use the same card. Then the failure unleashes anger. Positivism, for example, makes the positivist believe that the only alternative to narrowly defined logic and fact is whim.

**McCloskey:** Yeah: the chocolate ice cream theory of morality. Moral choices are *mere* matters of opinion, like one's taste for chocolate ice cream.

**Klamer:** That's right. Scientific conversation is supposed to forbid such expressions of taste, since they are "mere," and supposedly undiscussable. To introduce them is to declare war. You and I would wish such people would recognize a realm beyond and including autistic logic—the conjective as you say, the social and rhetorical grounds for what we believe, between the square and the circle. But I doubt that such recognition would eliminate the sneering.

**McCloskey:** Sure it would. And does. How do you think schools form in economics? A group talks intensively to each other, *respectfully*. They allow each to influence the other. They stop sneering and start listening. They build something in the space between the circle and the square. I've seen it happen, in the bar of the Quad Club at Chicago, say, or at Iowa in

the Project on Rhetoric of Inquiry. Such a community of scholars comes to have few disagreements, if the talking goes on long enough.

**Klamer:** There you are admiring "community" again. I certainly share your admiration for it! I do occasionally come across people setting aside their harsh feelings and discussing economics openly. I have even seen you talk at length with Marxists.

**McCloskey:** Don't tell anyone, will you? They'll take away my Chicago card.

**Klamer:** Hah! But such exchanges between radically opposed points of view are the exception. Ideology affects the exchange even among well-intentioned people.

**McCloskey:** What do you mean?

**Klamer:** Rhetoric can uncover the way ideology operates in discourse. Given the limits of strictly deductive reasoning, economists must always argue by means of metaphors, analogies, exemplars, authorities, and stories. You've made this clear yourself.

**McCloskey:** Yeah; the scientific tetrad: fact, logic, metaphor, and story. What of it?

**Klamer:** Ideology itself is couched in the metaphors and stories that economists use.

**McCloskey:** Hmm. Well, that's true enough. The Marxists see struggle everywhere, a story of *Sturm und Drang*.

**Klamer:** Yes. And you, like other neoclassical economists, think of human behavior in terms of individual calculation. Your basic metaphor is that of a Robinson Crusoe allocating scarce resources according to an optimizing algorithm.

**McCloskey:** You mean the Samuelson program in modern economics?

**Klamer:** Yes. Samuelson's master metaphor is that people come to life equipped with utility functions (which they know) and constraints (which they realize), then solve an engineering problem.

**McCloskey:** Yeah: maximize under constraints. First-order conditions. Comparative statics. Methodological individualism. Sweet stuff.

**Klamer:** Or "neat," another adjective that your comrades like to use, borrowed from the physicists. My point is that the choice of your metaphor and your story is ideological: it privileges one way of thinking about the world while excluding others. Thinking in terms of individualistic calculation can therefore be obnoxious. In many situations it can also be paralyzing.

**McCloskey:** I don't see why. In some times and places the talk of individualism has been radically liberating.

**Klamer:** True enough, but this is not 1776. Take one of our current projects, the writing of an elementary textbook for Macmillan. I grant you that each of us has his own reasons for collaborating. Call it self-interest if you wish, but our collaboration would break down if we were to specify equivalents in our exchanges too closely, calculating the optimum strategy to the third digit. Such behavior would be obnoxious, and make the collaboration impossible.

**McCloskey:** I agree. In fact, a quarter of every economics department behaves in just such a way, excessively loyal to their model. That's what makes administering an economics department so difficult, this loyalty to the selfish model of humans.

**Klamer:** Sure. Real collaboration depends on trust and on negotiations more subtle than a game. It takes us back into the realm of the conjective. Or think of a worker who gets fired because the foreman does not like her color or sex. Your neoclassical metaphor and story will leave the worker without a language to legitimize outrage and to mobilize for political action. After all, the black woman is paid "what she's worth," (i.e., zilch to the white male employer).

**McCloskey:** Wait a minute...

**Klamer:** Accordingly, in spheres of both friendship and hostility the neoclassical rhetoric represents a dangerous or repressive ideology. In these cases people run up against the ideological walls of neoclassical discourse. Robert Heilbroner, by the way, made a similar point about your book in the *New York Review of Books* (reprinted in Klamer, McCloskey, and Solow 1988).

**McCloskey:** I don't entirely agree. The language of markets and rational behavior would be a powerful weapon in the hands of the angry worker. Where businesses stick to profit maximization the market forces will eliminate discrimination.

**Klamer:** That is a highly problematic argument.

**McCloskey:** It may or may not be now; in the past it has often worked. But here's another argument against giving up the neoclassical model of a labor market. The alternative rhetorics of outrage and mobilization have their own down side, too. They lend power to the state, with its clubs and jails and staged rallies.

**Klamer:** I doubt it has to. But apart from that, would you advise Bishop Tutu to preach the virtues of markets and self-interest?

**McCloskey:** It would not be bad advice. Look at Japan, Korea, Hong Kong, and latterly Russia and China. Workers of all countries unite: demand capitalism.

**Klamer:** Even if you were right and a free market system would punish those who discriminate, I don't think that neoclassical thinking provides much insight into what is currently happening in South Africa.

**McCloskey:** I'm not so sure. Look at McCloskey, *The Applied Theory of Price* (1985), Second edition, page 496, problem 5.

**Klamer:** The major problem with neoclassical economics is its methodological individualism. Amitai Etzioni has a nice image here (Etzioni 1988). He says that methodological individualism is like studying the behavior of a school of fish by taking one fish out of the school and watching what he does in a fish bowl by himself. It's the Robinson Crusoe story, a powerful one in economic literature. You take the businessperson out of the culture to study him, as indeed Defoe did, but you can't take the culture out of the businessperson (Crusoe was as bourgeois as they come, a regular Babbitt of his time). Likewise, you are not likely to take the racist culture out of white South Africans by unleashing market forces. We need to grasp the cultural and political context in which South Africans make their choices.

**McCloskey:** Your example puts me in mind again of the conjective *versus* the objective/subjective. But I still think methodological individualism is a sweet method of analysis, and gets us a long way. May I remind you that even some Marxists believe so, John Roemer and Jon Elster for example.

**Klamer:** Hmm. Their work complicates my argument. I agree that methodological individualism does not have a one-to-one relationship with a particular ideology. I have some problems with the Roemer-Elster approach—and so by the way do some of the contributors to *Rethinking Marxism* (see Norton 1988; Ruccio 1988; Amariglio, Callari, and Cullenberg 1989; Amariglio, Resnick, and Wolff 1989). But let me confine the case to the mechanistic metaphor that neoclassical language uses to think about the individual.

**McCloskey:** Go ahead. What's the problem?

**Klamer:** It's the second problem. The problem is the unexamined rhetoric of "self-interest." In fact one's personal interest has to be argued, with oneself and others. Anyone Christmas shopping or looking for a new job or doing anything that is not habitual knows this.

**McCloskey:** I can agree with that. We are each of us committees.

**Klamer:** And "the firm's" interest has to be negotiated, too. A friend of ours in commercial publishing was contemplating moving to a job at a

university press. His problem was that "bottom-line publishing" as he called it was in his eyes tougher, braver, more in the fight than university-press publishing. He hesitated long. It was not the calculation of advantage that was the hard problem; it was the arguing out of advantage, the social/cultural debate that raged within his utility function.

**McCloskey:** Well, sure. There's nothing in the neoclassical economics of Alfred Marshall that would deny such a line of argument. The rhetoric of negotiation in a Marshallian argument might be rather simpleminded (Axel Leijonhufvud compares the Marshallian industry to a bunch of wind-up mice), but it could be accommodated.

**Klamer:** Can the vagueness of our knowledge of the future be accommodated in the metaphor of a calculating machine? That's the third disability, after the rigid individualism and the unreflective character of the individual. The individual deals in huge, cloudy symbols, not in budget lines.

**McCloskey:** I agree neoclassical economics can't easily handle constraints that only reveal themselves in the future, though we're trying. The point is in fact an old Austrian one, which has been rediscovered in the new classical macroeconomics. The problem in economic life is not calculating what to do *after* knowing all that you need to know. The problem is coming to know. The Austrians see the economy with a metaphor of fog, the fog in which we maximize what the neoclassicals so confidently describe as "objective functions."

**Klamer:** I'm surprised you agree. Or are you just reporting on the Austrians.

**McCloskey:** No, I'm agreeing. Most of us wander in a fog of indecision. The bright sunlight in which the rational man strides forward is hard to credit. I can't see how an academic could argue otherwise. After all, he or she is employed to help others acquire the knowledge.

**Klamer:** Partial equilibrium analysis ignores the problem entirely. Game theory, in vogue now for the fourth time in its brief history, makes what it realizes are simpleminded assumptions about the knowledge of players. Neoclassical analysis reduces the problem of knowledge to one of information. But having data is one thing, knowing what they mean quite another.

**McCloskey:** Search models have attempted to model learning—though I admit that they don't go far in recognizing the depths of ignorance. But one can defend the notion that for large and unsubtle choices people make decisions that are rational as an approximation. I have argued so in economic history.

**Klamer:** Surely the general equilibrium and game-theoretical analysis is a lot of formal effort for little gain of social insight?

**McCloskey:** Yeah, I guess so. I can give you another, nonmathematical example, just to show that it's not the mathematics that's the problem. Since Hobbes we have been transfixed by the following abstract question: can a collection of violently selfish and unsocialized people form spontaneously a true community? I'd maintain that this is an existence theorem we can do without, as economists. Whether or not hypothetical sociopaths from Mars, lacking human culture, would form a community is of little interest if the actual problem facing us is forming communities out of Frenchmen or Americans. We need theorems about what happens when already socialized people face temptations to cheat or to kill.

**Klamer:** I'm surprised you go along with all this. Have you given up the Chicago School?

**McCloskey:** Certainly not: I've been a Chicago economist since the third year of graduate school at Harvard, having deconverted by stages from sophomore socialism. Surely you can see this in my economic history or my microeconomics textbook.

**Klamer:** Yes, I can. You talk about rational choice and the magic of markets. It's very neoclassical, very Chicago.

**McCloskey:** Only in a sense. By "neoclassical" you mean the mainstream model of Paul Samuelson and his students. That's one tribe of neoclassicals, and I admit the mainstream is how our students are trained. They are trained to think that economics is a matter of engineering math. (Not in my book, though.)

**Klamer:** But surely that's your own tribe, the Chicago School.

**McCloskey:** No. You stress differences but then overlook important differences within the neoclassical nation. I admit there has sprung up recently a *nouvelle* Chicago, the computer generated and time-series nourished Max Expected U, a younger brother to Samuelson's Max U. But my Chicago is "Good Old Chicago." Theodore Schultz is an example, an empirical economist who uses maximization lightly, as a mild presumption that people try to do what's good for them, mostly. Robert Fogel is another, the next recipient of the Nobel Prize, pursuing behavior through two centuries of primary sources. James Buchanan is another instance, a philosopher-economist, criticizing the metaphor that "the individual responds to a set of externally determined, exogenous variables": "its flaw lies in its conversion of individual choice behavior from a social-institutional context to a physical-computational one" (1979, 29).

**Klamer:** How about Friedman's methodology paper? That provided the standard justification for Max U.

**McCloskey:** Yes, it did. And you can find plenty of people in the Chicago tradition who fell for the line. But Friedman himself doesn't actually follow his methodology. He has a lot of Frank Knight in him.

**Klamer:** Yes. Frank Knight is a bit of a revelation to one who thinks of Chicago in 1980s terms. He took the problem of knowledge seriously. And in his writings you will look in vain for formal presentations of mechanical calculators.

**McCloskey:** Right: notice how reluctant Friedman has been to write down the maximizing model for his monetarism. I can assure you it's not because he didn't know the math: there's still a test in mathematical statistics that he invented in 1937. Knight was Buchanan's teacher, too. And there is the old-style National Bureau of Economic Research connection in the careers of Fogel (the prize student of Simon Kuznets), in Friedman himself, and in the other patient workers in the observatories. The Good Old Chicago School was skeptical of formalization and was devoted to collecting facts: Marshall himself exhibits these tendencies. Look at Milton's books with Anna Schwartz on the money supply. One could mention Ronald Coase, the inventor of law and economics, or A. C. Harberger, the inventor of modern cost/benefit analysis, or Merton Miller, the inventor of modern finance, or Gordon Tullock, the inventor of political economy, or Earl Hamilton, the inventor of cliometrics, or Margaret Reid, the inventor of household economics, or Greg Lewis, the inventor of analytic labor economics, or Leland Yeager, the inventor of modern international finance. They are conservatives (in a manner of speaking), but not such easy targets for sneering as are the devotees of Max Expected U.

**Klamer:** I must say you are right about Coase. Maybe I'd better have a look at some of the others.

**McCloskey:** Yes. The Good Old Chicago School is alive and well and living in economic history, law and economics, and other fields that do not view economics as a blackboard subject.

**Klamer:** I've done you an injustice by associating you with the neoclassical camp of Samuelson and Lucas.

**McCloskey:** Wait a minute. I admire Samuelson's contribution to economics, and Lucas's, too. It's their students and then their students and now their students who have wandered away from the Good Old truths. After all, Samuelson was an undergraduate at Chicago long ago, and

Lucas shifted from the History Department at Berkeley to get his Ph.D. in economics from Chicago, under the old dispensation.

**Klamer:** Still, there's a sharp rhetorical difference between the Samuelson tradition and the one with which you associate yourself. While Samuelson et al. pursued a highly abstract theory of economic exchange, your brand of economics is more historical and calls for case studies. Their favorite metaphor is that of a mechanism while yours is organic. Samuelsonian economics values completeness and consistency whereas yours allows for the inadequacy of theory in recognition of human imperfections.

**McCloskey:** Maybe. I view the exact models as rough little instruments for measuring those "organic" beasts on the fly. I don't want to cut up the conversation so. Max U is a silly fellow sometimes, but sometimes he's just what we need for a problem. About Max Expected U I'm less sure, but even he must have a thing or two to say to us: the Principle of Intellectual Trade applies even to the work of those who would spurn it. The "historical" and "case-study" approach of the Good Old Chicago School, if that's quite how to describe it, should not be seen as a rejection of economic theory: it's not back to the German Historical School, with its naiveté about the relation between fact and theory.

**Klamer:** The difference in rhetoric, which you are acknowledging exists, is not merely a matter of preferring one metaphor over another. Even if we ignore its ideological implications, the mechanistic, Samuelsonian metaphor has argumentative consequences. It makes the formalistic style of reasoning seem natural; it makes it seem more scientific. This also explains the common failure of your Let's-forget-about-the-formalities-and-just-talk scenario. The rational expectations types sneer at such conversation, as "not serious." They consider the "informal" analysis as undeserving of the label Science. Conversation is pushed right outside the realm of the negotiable.

**McCloskey:** That's a little harsh, although I admit that their conversation does seem to revolve around what's happening in electrical engineering these days.

**Klamer:** I would argue that changing the discourse is not a matter of individual choice. Formalist discourse in economics is embedded in a larger, more comprehensive discourse. Its values and aspirations correspond to a modernism that has dominated music, physics, philosophy, visual arts, architecture, and mathematics since 1900 (Klamer 1988a, 1988b). Modernism is responsible for the formalism, axiomatization, avant-garde-ism, and professionalism in all these fields. Samuelson and Lucas owe their persuasiveness to a modernist environment. The Good Old

Chicago School has been put in the shade because its organic way of reasoning did not suit the mood of the last thirty years.

**McCloskey:** I suppose so. The same could be said of most Marxists as well. They too are modernists.

**Klamer:** I agree, though there are Good Old Marxists, too. Resnick and Wolff (1987) and Amariglio (1988, 1989) argue this way. Marxists, they say, have bought into the modernistic ideals of universal truth and scientific laws. Have you read their stuff?

**McCloskey:** Yes, a little, at conferences. Mainly I depend on vague memories of a Marxist youth. I pay professional attention to the historical studies of people like Billazonick, Bernie Elbaum, Steve Marglin, and associates. What *are* the Rethinkers doing?

**Klamer:** They do stuff very similar to our rhetorical work. They break open the rigid discourse of Marxism. They attack the essentialism and foundationalism in Marxist intellectual practice. You see how similar it is? We're attacking foundationalism, too.

**McCloskey:** Yes, I do. Do they also get accused of being insanely "relativistic," and wanting to bring to earth a regime of "anything goes"?

**Klamer:** Sure, of course: just the way the American pragmatists were attacked, and indeed the way the political anarchists you say you admire were attacked.

**McCloskey:** Ah, yes: Godwin and Kropotkin!

**Klamer:** The Rethinkers have some useful terms. For example, the concept of "overdetermination": any particular event is caused by many things.

**McCloskey:** You mean the world is not economical in its chains of causation?

**Klamer:** Indeed. And they use the notion of an "entry point" to a discourse. They use class as an entry point, the way neoclassicals use rational individuals. The entry point of course contributes to the determination—indeed, the overdetermination—of the science.

**McCloskey:** Hmm. You mean there's an "entry point" to neoclassical rhetoric, too?

**Klamer:** Yes. Rhetorically one could identify it with the commonplaces assumed at the beginning of a speech.

**McCloskey:** Let me reduce it to neoclassical terms. I'd say that the entry point is like the choice of a set of prices with which to value national income, the index number. It picks a point of view.

**Klamer:** The Rethinkers would not like such reductionism.

**McCloskey:** I do admire what I've seen. What I most admire is the Rethinkers' openness to conversation. It never ceases to astonish me how few people in academic life are actually interested in testing their arguments in conversation: that's why most people like the false rhetoric that frees them from having to persuade doubters, which they call "testing." My test is your fallacy, but in any case we don't have to meet each other on common ground.

**Klamer:** There's another rhetorical issue, with sociological consequences. The conversation of economics is defined to exclude people like the Rethinkers.

**McCloskey:** I know what you mean. The cry "that's not economics" means "I don't know what you are talking about and propose not to find out."

**Klamer:** Yes; and "I propose not to hire you, either."

**McCloskey:** A disgrace. Economists are willing to play hardball in the job market without remorse. They think again that it's made morally right by their model of the market. Anyway, we agree—we rhetoricians and Rethinkers—on what does not work: the platonic and cartesian programs of abstraction. Modernism is impractical, whether in flat-roofed boxes of buildings that leak and drop their window panes on passersby or in an economics designed on similar modernist principles.

**Klamer:** Right you are.

**McCloskey:** It doesn't work because the "human sciences" (in the useful French expression) cannot be *profitably* predictive. The ambition to construct an economic science modeled on electrical engineering, say, runs up against its own discovery: that people anticipate the future, and trump whatever cards the others play. In economics if we were so smart as to be able to predict the future of interest rates, for example, we would be rich. Economics contradicts its own ambitions. So too in linguistics, as economists can understand in terms of game theory or rational expectations:

[T]here is a fundamental way in which a full account of the communicative power of language can never be reduced to a set of conventions for the use of language. The reason is that wherever some convention or expectation about the use of language arises, there will also therewith arise the possibility of the non-conventional *exploitation* of that convention or expectation. It follows that a purely...rule-based account of natural language usage can never be complete (Levinson 1983, 112).

**Klamer:** That's a great quotation.

**McCloskey:** Yeah, I thought so too. It undercuts the modernist ambition to write down complete systems. Kurt Gödel and Alonzo Church showed



that it doesn't work even for math. But what's beyond modernism in economics?

**Klamer:** And beyond modernism in art and architecture.

**McCloskey:** Well, what? My neoclassical principles do not permit me to claim to see the future.

**Klamer:** The alternative is not *postmodernism*, which seems to me merely jokey and nihilistic, merely the last act in the decay of modernism. The alternative is "interpretive" economics, an economics (or art) that attempts to grasp the meanings of economic life.

**McCloskey:** I agree on the rejection of postmodernism as usually understood. We don't help ourselves much by handing over our lives to Parisian intellectuals. Anyway, they sneer at our attempts at French. And I agree with your call for an interpretive economics. It's what most economists do anyway, I'd argue.

**Klamer:** We need an economics for human beings, not for gods. Gods see through to the Truth; humans interpret. When Ronald Coase wanders around in law books looking for a way to understand externalities that makes sense, when Michael Burawoy participates on the shop floor looking for a way to see the struggle for control, when Billazonick gets down to the old records of capitalism on the ground, when Bob Solow strains for a reasonable interpretation among the econometric models and journalistic rumors of the day—they're all doing *interpretive* economics, with a variety of purpose-built methods.

**McCloskey:** It's American.

**Klamer:** There you go again with your Midwestern chauvinism. Claude Lévi-Strauss called it "bricolage," handimanship, making do with the tools one has and getting on with the job. Its opposite is the pursuit of universal laws and perfectly general systems, which would be useless if we found them, except to make us slaves.

**McCloskey:** I entirely agree. The modernists have Plato and Descartes and Bertrand Russell to admire. We have our own ancestors: Protagoras, Aristotle, Cicero, Quintilian, and then a stream of modern critics and maverick philosophers from James and Dewey to Kenneth Burke, Michael Polanyi, Stephen Toulmin, Alisdair MacIntyre, and Richard Rorty. Consider John Ruskin, for example, the nineteenth-century critic of architecture. The search for the Ideal, he noted, has been an incubus on classical and Renaissance (and now modernist) architecture. He attacked the domination by the Genius, seeking in his garret a universal system to

impose on us all. See if it doesn't apply to modernism in economics. Of the Renaissance he wrote:

its main mistake...was the unwholesome demand for *perfection* at any cost...Men like Verrocchio and Ghiberti [try Marx or Samuelson] were not to be had every day...Their strength was great enough to enable them to join science with invention, method with emotion, finish with fire...Europe saw in them only the method and the finish. This was new to the minds of men, and they pursued it to the neglect of everything else. "This," they cried, "we must have in our work henceforward:" and they were obeyed. The lower workman secured method and finish, and lost, in exchange for them, his soul (1853, 228-29).

**Klamer:** Another good one. It certainly applies to modernism in economics.

**McCloskey:** I thought you'd like it. Your "interpretive economics" would be in Ruskin's terms "Gothic economics"—an end to searching for a grail of a unified field theory, an awakening from Descartes's Dream. As Ruskin said,

it requires a strong effort of common sense to shake ourselves quit of all that we have been taught for the last two...centuries, and wake to the perception of a truth...that great art...does *not* say the same thing over and over again...[T]he Gothic spirit...not only dared, but delighted in, the infringement of every servile principle (166-67).

**Klamer:** I should read that book. Anyhow you surprise me. By endorsing the interpretive approach, you've come some way from Good Old Chicago.

**McCloskey:** I think not. You just aren't sufficiently acquainted with Theodore Schultz and Milton Friedman and Robert Fogel, who all do Gothic and interpretive economics.

**Klamer:** I suspect that interpretive economics will take us to places that are different from the ones your favorites like to inhabit. For instance, it will call attention to the rhetorical dimensions of economic life itself. It will encourage us to explore the social/cultural/political contexts in which people make decisions. Consequently, interpretive economics may displace the individual decisionmaker as the central character. The work of Mary Douglas may be an indication, and of Albert Hirschman.

**McCloskey:** And other social scientists with a larger agenda than imitating electrical engineers. But that's for another day. We must quit: onward and upward.

**Klamer:** Yeah: time's up. Notice, though, that you've come round to arguing for a difference—between Max U and Good Old Chicago.

**McCloskey:** Well, there are *some* differences, naturally.

- Klamer: And you've also argued for the softhearted values of community.
- McCloskey: I tell you, you're definitely going to get my Chicago card taken away from me.
- Klamer: If you subscribe to "interpretive" economics they will do more than that. Consorting with anthropologists is a serious offense in the Social Science Building.
- McCloskey: Dammit: not among the Good Old Chicago School.
- Klamer: Yeah. That's one major insight I've gotten from our dialogue—that all "neoclassical" economics is not Samuelson's *The Foundations* writ small.
- McCloskey: Most American economists would recognize themselves to be "interpretive" if they tried it out. Anyway, I've learned a thing or two from our little conversation. Yes, there are intellectual differences, some of them bitter and unresolvable by this generation. I already knew there were social differences. Mainly, though, I've learned that interpretive economics is a way of exploring the conjective, beyond the square or the circle.
- Klamer: Peace and tolerance. The Principle of Intellectual Exchange works once again.
- McCloskey: Before you go, look here over at the blackboard. I've got a sweet diagram of an Edgeworth box that shows the mutual benefit from intellectual exchange. Now suppose, to start with, that both parties are self-interested...

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