

THE PHILOSOPHICAL REVIEW

ECONOMIC THOUGHT AND ECONOMIC EVOLUTION DURING THE LAST 150 YEARS¹

I WOULD not have dared to accept the honor of your invitation to speak before you about such a wide and very difficult topic as the philosophy of economy, were it not for the kind permission, simultaneously obtained, to reduce the range of the subject so as to suit better my personal competence and the restricted possibilities of explanations in dealing with a complex matter within the short time of a lecture.

I renounce at once the tempting task of setting the development of economic thought in the past and the present into the frame and development of philosophical thought in general during the last one hundred and fifty years. Neither do I understand my topic to cover any detailed statements concerning the controversies about the nature of economics as a historical and, possibly, as an ethical science or, on the other hand, as a theoretical science closely akin in logical nature, technique of observation, experiment, and quantitative analysis, to natural science. What I am going to try to do is to show the particularly intimate dependence of the entire system of predominant economic thought during the nineteenth and early twentieth centuries on a set of logical as well as actual assumptions, and to point out the important influence which the change in the actual assumptions has had on the problems which were put before economists and on the way in which they tried to tackle them.

In other words, I am going to deal with social economics as

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