

The Literary Book of Economics

Michael Watts (Editor)

Wilmington, Delaware: ISI Books, 2003 (348 pages)

I admit at the outset of this review that I am a literature professor who crosses over into economics, often plodding through territory or discussions foreign to my indigenous academic discipline. I like being the outsider, the dabbler, the amateur who can occasionally offer a new angle on old economic conversations. Michael Watts, the compiler and editor of *The Literary Book of Economics*, is my antitype, an economist who reads widely in the literary sphere and who seems also to savor working across traditionally hostile, guarded disciplinary boundaries.

In fact, Watts has taken upon himself a difficult and admirable role: to play mediator between the spheres of literature and economics. He seems fully aware of the inherent tensions in such bridge-building, as the title of his introduction—"The Inevitable but Uneasy Relationship between Economics and Literature and Drama"—reveals. It is here that he sets out his task as one of mutual clarification: "Although such antipathy is in some cases related to individual personalities or particular historic events, more often it stems from factors deeply rooted in the different professions themselves." Watts's elaborations, scattered throughout the introduction, the various chapter headings, the epilogue, and his two appendices, allow him to create an intriguing, albeit quirky, argument for why these two spheres can and should interact.

These didactic portions of the book are helpful, as Watts argues in his own voice and with a pleasant candor, but his central purpose in the book is to let literary passages speak for themselves, to show how they offer imaginative manifestations of economic principles. Here, the going is rougher. Watts has constructed the main part of the book upon twenty-one economic categories, for each of which he offers at least one literary excerpt. At times, he seems hard-pressed to explain how each excerpt fits or elucidates the particular concept to which it is yoked. More than once during my reading, I wrestled with the validity of drawing literary excerpts out of their organic contexts and saddling them with such technical interpretive constructs. Yet, Watts is far less abusive to the texts than many theory-laden literary critics, and his overarching purpose does justify a certain degree of license.

As to the effectiveness of the individual excerpts, I would offer a further critique. The most didactic pieces of literature—the allegories, the doctrinaire poems, and even the overly explanatory historical pieces—do not best achieve Watts's purpose. Although Mandeville's "Grumbling Hive" and Edward Bellamy's "The Parable of the Water Tank" (in section C "Self-Interest and Economic Systems") provide interesting notions of collective economic activity, they seem to evolve from a muse other than the literary, as do the excerpts from Alexander Pope's elegant, informative, and (here I reveal my distress with eighteenth-century British poetry) painfully didactic verse (which is variously cited in section F "Entrepreneurship and Profits" and section H "Substitution and Income Effects, Elasticity"). Watts also turns several times to two

contemporary best-sellers, Sebastian Junger's *The Perfect Storm* and Jon Krakauer's *Into Thin Air*, texts that offer sharp insights into the North Atlantic fishing industry and the Himalayan mountaineering industry, respectively—the categories range from section D “Property Rights and Incentives” to section I “Public Goods, Externalities and the Coase Theorem.” However, all the citations are explanatory background material, and we never glimpse the dramatic narratives at the heart of each book. We never experience the very elements that make such books literary.

As it turns out, it is precisely when Watts is most willing to risk the inclusion of an excerpt that tells its truth only implicitly, where the narrative elements transcend mere explanation, that his book works best. I know that I am in danger of speaking as a literary mystic here (for which my own model of literary dabbler in economics, T. S. Eliot, would likely upbraid me), but I find this book most coherent when it is least inhibited by the need to explain. The literary is most revelatory about the economic when it is least like economic discourse. Some of the high points among Watts's excerpts come from familiar sources—John Steinbeck, despite his overt socialism, is well represented because his narrative gift reaches beyond mere doctrine. In the selection from *The Pearl* (section G “Markets, Prices, Supply and Demand”), Steinbeck offers a piercing account of the intoxication of new wealth in the thoughts of the poor diver who has found a magnificent pearl: “Then to the lovely gray surface of the pearl came the little things Kino wanted: a harpoon to take the place of the one lost a year ago, a new harpoon of iron with a ring in the end of the shaft; and—his mind could hardly make a leap—a rifle—but why not, since he was so rich” (133). Steinbeck's two great novels, *East of Eden* and *The Grapes of Wrath*, are also represented multiple times, including a particularly fine piece from the latter under the heading of section D “Property Rights and Incentives,” where a displaced sharecropper argues with the man hired to plow his land and knock down his shanty: “‘It's mine. I built it. You bump it down—I'll be in the window with a rifle. You even come too close and I'll pot you like a rabbit.’ ‘It's not me. There's nothing I can do. I'll lose my job if I don't do it. And look—suppose you kill me? They'll just hang you, but long before you're hung there'll be another guy on the tractor, and he'll bump the house down. You're not killing the right guy.’”

The strongest pieces in Watts's book turn out to be the satires, with the inimitable Mark Twain's argument about comparative currency from *A Connecticut Yankee in King Arthur's Court* shrewdly exhibiting “Real versus Nominal Values” (section R). Even better is the justly famous “A Modest Proposal” by Jonathan Swift—a pinnacle in the genre of satire and also in unveiling the difficulties of “Cost Benefit Analysis” (section U) (though the obscure second excerpt for this section, Pär Lagerqvist's “A Hero's Death,” is also bitterly funny and effective).

Clearly, there is much interesting matter in this text, and I experienced more than once the joy of discovery that Watts is seeking to evoke in his readers as a text and its attendant economic idea seemed to coalesce. Perhaps the hidden gem amidst the authors unfamiliar to me was the contemporary American novelist Ivan Doig, whose

novels—*Ride with Me*, *Mariah Montana*, and *Dancing at the Rascal Fair*—probe the dark plights of ranchers and farmers of the West (in both past and present) with a wit and passion reminding me of the one author, Wendell Berry, whose absence from the text seems the greatest loss.

Watts finishes the book as he began it, with an explanatory epilogue craftily titled “Mutual Gains from Exchange Between Economics and Literature and Drama, or Mutual Neglect Through Academic Protectionism?” This is a spirited essay, arguing mainly for economists to grow more sensitive to human concerns. Wilhelm Röpke is upheld as an example of how an economist, aided by a broad liberal arts training, can provide “a more humane understanding and appreciation of people’s wants and constraints, especially in presenting and explaining economics to policymakers and the public at large” (309). There is a place for the poet in such a remedial process as well, as Watts well captures in this quote by Philip Wicksteed: “The man who can make his fellows desire more worthily and wisely is doubtless performing a higher task than the one who enables them more amply to satisfy whatever desires they have” (313). This mutual exchange is the vision that fuels both Watts’s elaborations and his diligent searching out of literary texts that reveal at least one half of the enterprise. His two appendices, each a brief foray into intellectual history, reveal first “How Economists Have Used Literature and Drama” and also “How Literary Critics and Historians Have Used Economics.” These are research pieces, and they dampen the tone from Watts’s own rather vigorous essays and the literary potpourri he offers.

Indeed, a constant tension between natural engagement and over-elaboration is woven throughout this book, and, at least for an economics amateur such as myself, the road can be tiring. However, it is a road well worth traveling because of the solid technical insights from Watts and especially because of the frequent glimpses in the excerpts of economic ideas come to life.

—Michael R. Stevens

Cornerstone University, Grand Rapids, Michigan

American Creed: Philanthropy and the Rise of Civil Society, 1700–1865

Kathleen D. McCarthy

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This is an impressive book. It is one thing to relate the history of an institution or other easily bounded entity—a person, a war, a party, a well-defined chunk of chronology and geography. It is another thing, and a far more difficult task, to trace the history of an idea, trend, or an elusive social ethos. However, this is exactly what Kathleen D. McCarthy has done in her latest book, *American Creed: Philanthropy and the Rise of Civil Society, 1700–1865*, and has done with great success.