Dictionai Economic uotations

Second Edition

Compiled by SIMON JAMES

A Dictionary of Economic Quotations

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More economists are alive today than ever existed in all ages past.

Robert V. Eagly 'Economics Journals as Communications Network', *Journal of Economic Literature*, September, 1975, p. 878

This book began as a small personal collection of quotations which grew steadily over the years. As well as many topics on economics, defined in a fairly broad sense, there are also quotations from the related areas of economic history, law, mathematics, politics and statistics.

The quotations are arranged by topic, a list of which appears on p. vii. The allocation of quotations is sometimes rather arbitrary, since quotations often refer to more than one topic, but the index of key words should enable the reader to trace a particular quotation without too much difficulty.

The key word index gives a two figure reference for each quotation in which the key word plays an important part. The first figure refers to the topic and the second to the quotation itself. A part (or sometimes all) of the quotation is also given to indicate the context. For example, one entry under 'value' reads: 'market is the best judge of v. 83.3'. This refers to the third quotation appearing under the 83rd topic, which is Markets. Within each topic, the quotations are arranged alphabetically by author or source.

An index of authors and sources appears at the end of the book, not because it is in any sense less important than the word index, but to make it slightly easier to find.

Although consistency in the presentation of the quotations has an elegant simplicity, fuller references are given where it seemed appropriate, mainly where a frequently quoted work has appeared in a number of editions. In addition, while dates of birth and death have been given wherever possible for deceased authors, no attempt has been made to provide the dates of birth for living persons.

The collection has no pretensions about being complete — that would have taken a lifetime, even supposing it could have been done at all. However, there are some obvious gaps. One in particular is the relative scarcity of contributions from contemporary writers — perhaps partly because individuals tend to quote from established

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sources. Nevertheless, suggestions for a later edition would be very welcome and are actively solicited. They should be sent to myself at the Department of Economics, University of Exeter, Exeter EX4 4RJ, Devon, U.K.

So many people have helped in one way or another in the production of this volume that it is quite impractical to mention them all. Even so, particular thanks are due to quite a number of people. I am very grateful for the extensive assistance provided by the staff of the British Library of Political and Economic Science and the staff of the University of Exeter Library. Krystyna Grycuk gave a great deal of general help in collecting, sorting, checking and indexing the quotations. Mr S.L. Heasell and Professor R.H. Parker read through the whole collection and offered many valuable comments and suggestions. A number of useful suggestions were also made by Mr R. Bartlett, Mrs Jane Black, David Blake, Peter Dolton, Dr H.E.S. Fisher, Mrs A. Hardie, Mr F.M.M. Lewes, Dr R.A. Lewis, Dr F.V. Meyer, David de Meza, John Micklewright, Christopher Nobes, Dr F.R. Oliver, and Dr J.H. Porter. Marion Bradford cheerfully converted piles of index cards into typescript, assisted occasionally by Vi Palfrey and Melanie Hall and Fiona Charlton checked some of the quotations. To everyone who helped, many thanks.

Finally, in checking quotations, it soon became clear that errors can creep in with alarming ease. I hope there are very few in the following pages.

Simon James University of Exeter

PREFACE TO THE SECOND EDITION

About 200 extra quotations, most of them from contemporary sources, have been added to the second edition. Although the additions are spread throughout the collection, the topics increased most substantially are: Econometrics, Economic Theory, Economics, Economists and Government. Many thanks are due to everyone who has suggested additions and to *The Economist* for publishing a letter requesting help. As before, more suggestions for a further edition would be very much appreciated.

Simon James University of Exeter

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1. Advertising / 2. Agriculture

1. ADVERTISING

- Advertising is a necessary consequence of sale by description.
 - Anonymous
- The advertisements in a newspaper are more full of knowledge in respect to what is going on in a state or community than the editorial columns are.
 - Henry Ward Beecher
 (1813-1887)
 Proverbs from Plymouth
 Pulpit
- Doing business without advertising is like winking at a girl in the dark. You know what you are doing, but nobody else does.
 - Steuart Henderson Britt Attributed
- It is not necessary to advertise food to hungry people, fuel to cold people, or houses to the homeless.
 - J.K. Galbraith
 American Capitalism, 1957,
 Ch. 8
- 5. The Hidden Persuaders
 - Vance Packard
 Title of Book, 1957
- Puffing [advertising] is of various sorts; the principal are, the puff direct, the puff preliminary, the puff collateral, the puff collusive, and the puff oblique, or puff by implication.
 - Richard Brinsley Sheridan (1751-1816)
 The Critic, Act I

2. AGRICULTURE

- And farmers fatten most when famine reigns.
 - Sir Samuel Garth
 (1661-1719)
 The Dispensary, Canto ii
- The agricultural class is the least of all disposed to innovation, and the most peculiarly attached to ancient customs and routine.
 - J.R. McCulloch (1789-1864)
 Principles of Political
 Economy, New ed., Pt. III,
 Ch. VI, p. 463
- 3. American farm leaders are correct in arguing that our agriculture still must look forward to a definite 'surplus' problem. What they tend to overlook, however, is of what our 'surplus' consists.

 Fundamentally America's long-term agricultural problem is not one of 'surplus' cotton, wheat or grapefruit. Rather it is one of 'surplus' farmers.
 - William H. Nicholls
 Quoted in P.A. Samuelson,

 Economics, 8th ed.
- Among the many surpluses generated by the CAP [European Common Agricultural Policy], there is a surplus of proposals for changing it.
 - Joan Pearce
 The Common Agricultural
 Policy, 1981, Ch. 1, p. 1
- He, [the farmer] more than any other class of the community is benefited by the depreciation of money, and injured by the increase of its value.

1

2. Agriculture / 3. Altruism / 4. Avarice

- David Ricardo (1772-1823)
 Works, ed. Sraffa, Vol. III,
 pp. 136-137
- While agriculture prospers all other arts alike are vigorous and strong, but where the land is forced to remain desert, the spring that feeds the other arts is dried up.
 - Xenophon (c.440-c.355 B.C.) The Economist, trans. Dakyns, Ch. V

3. ALTRUISM

- The desire of power in excess caused the angels to fall; the desire of knowledge in excess caused man to fall; but in charity there is no excess; neither angel nor man come in danger by it.
 - Francis Bacon (1561-1626)
 Essays, XIII, Of Goodness
 and Goodness of Nature
- 2. It is more blessed to give than to receive.
 - Bible, Authorised Version Acts, Ch. 20, v. 35
 - Philanthropist, n. A rich (and usually bald) old gentleman who has trained himself to grin while his conscience is picking his pocket.
 - Ambrose Bierce (1842-1914?)The Devil's Dictionary
 - 4. The selection of presents for children is never easy, because in order to extract real pleasure from the purchase, it is necessary to find something that excites the donor as much as it is likely to excite the recipient.

- Sir Compton Mackenzie
 (1883-1972)
 Poor Relations, 3
- 5. The offer of alms increases the supply of beggars.
 - Simon Newcomb

 (1835-1909)
 Attributed see Melvin W.
 Reder, Journal of Economic Literature, March 1982,
 p. 28
- Do not do unto others as you would that they should do unto you. Their tastes may not be the same.
 - George Bernard Shaw
 (1856-1950)
 Maxims for Revolutionists
- He who gives money he has not earned is generous with other people's labour.
 - George Bernard Shaw (1856-1950)Ibid.
- No benevolent man ever lost altogether the fruits of his benevolence.
 - Adam Smith (1723-1790)
 The Theory of Moral
 Sentiments, 1759, Pt. VI,
 Sec. II, Ch. I
- Our charity begins at home, And mostly ends where it begins.
 - Horace Smith (1779-1849) Horace in London, Bk. II, Ode 15

4. A VARICE

1. The avarice of mankind is insatiable.

4. Avarice / 5. Banking

- Aristotle (384-322 B.C.)
 Politics trans. B. Jowett, Bk.
 II, Ch. 7, 1267a
- 2. Nothing satisfies the man who is not satisfied with a little.
 - Epicurus (341-270 B.C.)
 The Extant Remains, trans.
 C. Bailey, p. 137
- The world has enough for everyone's need, but not enough for everyone's greed.
 - Mahatma Gandhi (1869-1948)
 Attributed
- None of the most furious excesses of love and ambition are, in any respect, to be compared to the extremes of avarice.
 - David Hume (1711-1776) Essays, Of Avarice
- The retainers of Avarice shall bury and conceal their riches, and thereby restore to the earth what they take from her.
 - David Hume (1711-1776)
- 6. Avarice, the spur of industry.
 David Hume (1711-1776)
 Ibid., Of Civil Liberty
 See also 4.9
- Nothing but the impossibility of general combination protects the public wealth against the rapacity of private avarice.
 - James Maitland (1759-1839)
 An Inquiry Into the Nature and Origin of Public Wealth, 1804, Ch. II, p. 54
- 8. The root of Evil, Avarice,
 That damn'd ill-natur'd, baneful
 Vice,

Was Slave to Prodigality,
That noble Sin; whilst Luxury
Employed a Million of the Poor,

And odious Pride a Million more:

Envy itself, and Vanity.
Were Ministers of Industry;
Their darling Folly, Fickleness,
In Diet, Furniture, and Dress
That strange ridic'lous Vice, was
made

That very Wheel that turned the Trade

- Bernard De Mandeville (1670-1733)
 The Fable of the Bees or Private Vices, Publick Benefits, 2nd ed. 1723, p. 10
- 9. The main spur to trade, or rather to industry and ingenuity, is the exorbitant appetites of men, which they will take pains to gratifie, and so be disposed to work, when nothing else will incline them to it; for did men content themselves with bare necessaries, we should have a poor world.
 - Sir Dudley North (1641-1691) Discourses upon Trade, 1691, p. 14
- Poverty wants much; but avarice, everything.
 - Publilius Syrus (fl. 1st century B.C.) Attributed

5. BANKING

- A banker is a man who lends you an umbrella when the weather is fair, and takes it away from you when it rains.
 - Anonymous
- 2. Banking is the smelting of capital.
 - Anonymous

5. Banking / 6. Bargains

- 3. If you can pay me, I don't want it; but if you can't, I do.
 - Anonymous, bank customer
- A large bank always tends to become larger and a small bank to become smaller.
 - Walter Bagehot (1826-1877)
 Quoted in J.A. Hobson,
 The Evolution of Modern
 Capitalism
- The Old Lady of Threadneedle Street.
 - James Gilray (1757-1815)Title of a cartoon, 1797.
- In banking it was axiomatic that the richest customers paid least for borrowed money; highest interest rates were for the poor.
 - Arthur Hailey
 The Moneychangers, 1976,
 Pt. 2, Ch. 7
- 7. A 'sound' banker, alas! is not one who foresees danger and avoids it, but one who, when he is ruined, is ruined in a conventional and orthodox way along with his fellows, so that no one can really blame him.
 - John Maynard Keynes (1883-1946)
 'The Consequences to the Banks of the Collapse of Money Values', in Essays in Persuasion, 1933, Pt. II, p. 176
- 8. If you owe your bank a hundred pounds, you have a problem, but if you owe a million it has.
 - John Maynard Keynes (1883-1946)
 Quoted in *The Economist*, 13 February, 1982, p. 11
- 9. One rule which woe betides the

- banker who fails to heed it, ... Never lend any money to anybody unless they don't need if
- Ogden Nash (1902-1971) Attributed
- There have been three great inventions since the beginning of time: fire, the wheel, and central banking.
 - Will Rogers (1879-1935)
 Quoted in P.A. Samuelson,
 Economics
- 11. Whereas in Russia the coercive machinery is represented by the G.P.U. with its rifles and dungeons, in capitalism it is represented by the banking system with its cheques and overdrafts.
 - Wilhelm Röpke (1899-1966)
 Crises and Cycles, 1936,
 p. 107
- 12. The judicious operations of banking, by substituting paper in the room of a great part of this gold and silver, enables the country to convert a great part of this dead stock into active and productive stock.
 - Adam Smith (1723-1790) Wealth of Nations, ed. Cannan, Vol. I, Bk, II, Ch. II, p. 304

6. BARGAINS

- The theory of the modern bargain appears to be that of the mediaeval judicial combat: let each do his worst, and God will protect the right.
 - John Bates Clark (1847-1938)

Philosophy of Wealth, 1887, Ch. IX, p. 159

- What is ordinarily termed a good bargain is, morally a bad bargain.
 - John Bates Clark (1847-1938) Ibid. p., 162
- Here's the rule for bargains 'Do other men, for they would do you'. That's the true business precept.
 - Charles Dickens (1812-1870)
 Martin Chuzzlewit, Ch. 11
- 4. Necessity never made a good bargain.
 - Benjamin Franklin (1706-1790) Poor Richard's Almanac, 1735
- A bargain is something you have to find a use for once you have bought it.
 - Benjamin Franklin (1706-90)
 Attributed
- 6. Good bargains are pick-pockets.
 - Proverb, in Thomas Fuller, Gnomologia, 1732, No. 1701
- 7. Make every bargain clear and plain,

That none may afterward complain.

- Proverb,
 in John Ray, English
 Proverbs, 1670
- 8. I'll give thrice so much land
 To any well-deserving friend;
 But in the way of a bargain,
 mark ye me,

6. Bargains / 7. Borrowing

I'll cavil on the ninth part of a hair.

William Shakespeare (1564-1616)King Henry IV, Pt. 1, Act III

7. BORROWING

- A loan shark is a rapacious fish that attacks people when they are beyond their financial depth.
 - Anonymous
 Quoted in William Davis,
 Money Talks
- If you would know the value of money, go and try to borrow some; for he that goes a-borrowing goes a-sorrowing.
 - Benjamin Franklin (1706-1790)
 Poor Richard's Almanac, 1754
- 3. There can be no doubt that it is a rule of borrowing and lending that to him that hath shall be lent
 - J.R. Hicks
 The Social Framework,
 1942, Pt. III, Ch. IX
- The human species, according to the best theory I can form of it, is composed of two distinct races, the men who borrow, and the men who lend.
 - Charles Lamb (1775-1834)
 Essays of Elia, The Two
 Races of Men
- Show me a millionaire and I will show you invariably a heavy borrower.
 - William Nickerson Attributed

7. Borrowing / 8. Bureaucracy

- 6. Borrowing thrives but once.
 - Proverb
- 7. Neither a borrower nor a lender be;

For loan oft loses both itself and friend.

And borrowing dulls the edge of husbandry.

- William Shakespeare (1564-1616)
 Hamlet, Act I, Sc. III
- Who goeth a borrowing Goeth a sorrowing.
 Few lend (but fools)
 Their working tools.
 - Thomas Tusser
 (1524?-1580)
 Five Hundred Points of Good Husbandry,
 'September's Abstract'
- Let us all be happy, and live within our means, even if we have to borrer the money to do it with.
 - Artemus Ward (1834-1867)
 Science and Natural History

8. BUREAUCRACY

- 1. Life is full of special cases.
 - Anonymous
- This island is almost made of coal and surrounded by fish.
 Only an organizing genius could produce a shortage of coal and fish in Great Britain at the same time.
 - Aneurin Bevan (1897-1960)
 Quoted in V. Brome
 Aneurin Bevan, Ch. 12, p.
 178
- 3. It is common for professional economists, when they first

- come in contact with administrators, to feel that the administrator is grossly ignorant of elementary economics. Sometimes this is justified; but it is equally true that the professional economist may be grossly ignorant of administration.
- Sir Alec Cairneross
 Essays in Economic
 Management, 1971, p. 201
- 4. It is an undoubted truth, that the less one has to do, the less time one finds to do it in. One yawns, one procrastinates, one can do it when one will, and therefore one seldom does it at all.
 - Philip Dormer Stanhope,
 Earl of Chesterfield
 (1694-1773)
 Quoted by Collins Gem
 Dictionary of Quotations
- 5. The CSE (Civil Service entrance) examinations are unavoidable for anyone trying to join the Civil Service. Based on the results, the Treasury has first choice of the cream, which enables that department to foul up the British economy with impeccable academic references.
 - Frederick Forsyth
 The Devil's Alternative,
 Ch. 2
- It is not easy nowadays to remember anything so contrary to all appearances as that officials are the servants of the public; and the official must try not to foster the illusion that it is the other way round.
 - Sir Ernest Gowers (1880-1966)
 The Complete Plain Words, Ch. 3

- 7. Substitute a functionary for an independent trader, and he finds himself precluded from doing anything which he cannot explain and defend, if called upon, to his official superior ... There is a tendency for any official hierarchy to be limited to those decisions that can be readily communicated in language from one functionary to another.
 - R.G. Hawtrey (1879-1971)
 The Economic Problem,
 1926, Ch. XXVIII, pp.
 339-340
- Where distinction and rank is achieved almost exclusively by becoming a civil servant of the state ... it is too much to expect that many will long prefer freedom to security.
 - F.A. Hayek
 The Road to Serfdom, 1944,
 Ch. IX
- You can cut any public expenditure except the Civil Service, those lads spent a hundred years learning to look after themselves.
 - Sir Richard Marsh
 Observer, Sayings of the
 Week, 19 September 1976
- Work expands so as to fill the time available for its completion.
 - C. Northcote Parkinson Parkinson's Law
- 11. For this real or imagined overwork there are, broadly speaking, three possible remedies. He (A) may resign; he may ask to halve the work with a colleague called B; he may demand the assistance of two subordinates, to be called C and

- D. There is probably no instance, however, in history of A choosing any but the third alternative.
- C. Northcote Parkinson Ibid.
- The Law of Triviality. Briefly stated, it means that the time spent on any item of the agenda will be in inverse proportion to the sum involved.
 - C. Northcote Parkinson Ibid., 'High Finance'
- 13. The economist would like to introduce an 'invisible hand' to pat the bureaucrat on the back when he acts in the correct manner; and possibly an invisible foot for a different part of the anatomy if he does not.
 - Morris Perlman
 'Party Politics and
 Bureaucracy in Economic
 Policy' in Gordon Tullock
 The Vote Motive, 1976, p.
 76. See 83.17
- 14. The Peter Principle; In a hierarchy every employee tends to rise to his level of incompetence.
 - Laurence J. Peter and Raymond Hull
 The Peter Principle, 1969, Ch. 1
- 15. In time, every post tends to be occupied by an employee who is incompetent to carry out its duties ... Work is accomplished by those employees who have not yet reached their level of incompetence.
 - Laurence J. Peter and Raymond Hull Ibid.