

# Intimidation by Rhetoric

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*Knowledge and Persuasion in Economics*

Donald N. McCloskey

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Professor Donald McCloskey of the University of Iowa in recent years has spectacularly “reinvented” his career. At first, he built a solid reputation as a journeyman economic historian. Later, he cleverly used that base to make a histrionic Great Leap Skyward, to become one of economics’ best known gadflies, critics, and methodologists. In particular, McCloskey has invented a new methodology called “Rhetoric,” an import from literary theory. In his latest book (p. xv), his third on rhetoric and economics, he “sets economics beside philosophy,” turning his attention to philosophy, and attempting to refute his myriad of critics within the economics profession.

“Rhetoric” is kissin’ cousin to the short-lived “hermeneutics” movement in economics, and indeed he helped contribute to that movement.<sup>1</sup> Like his friends the hermeneuticians, McCloskey insists that economics must be an eternal and perpetually “open” “conversation.” Like the hermeneuticians, he is a nihilist and a

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<sup>1</sup>Donald N. McCloskey, “Storytelling in Economics,” in Don C. Lavoie, *Economics and Hermeneutics* (London and New York: Routledge & Kegan Paul, 1990), pp. 61–75. For a critique of hermeneutics, see David Gordon, *Hermeneutics vs. Austrian Economics* (Auburn, Ala.: Ludwig von Mises Institute, 1986); Murray N. Rothbard, “The Hermeneutical Invasion of Philosophy and Economics,” *Review of Austrian Economics* 3 (1989): 45–59; and Hans-Hermann Hoppe, “In Defense of Extreme Rationalism: Thoughts on Donald McCloskey’s *The Rhetoric of Economics*,” *Review of Austrian Economics* 3 (1989): 179–214.

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village relativist. The difference is that McCloskey is far shrewder than they. In two ways: first, because he has a lock on the term "rhetoric," and can ring the changes on that word; and second, because he is far more elusive and evasive, far more the "artful dodger," than his stodgy and plodding hermeneutical comrades.

Rhetoric, McCloskey tells us, is the art of persuasion, and McCloskey has certainly learned the dark side of this art. The first phase of his rhetorical game was to trumpet himself as a great writer, ridiculing various established economists for terrible, jargon-filled writing. Here, McCloskey was shooting fish in a barrel; most economists have horrendous writing styles, *and they know it*. Hence, McCloskey was hitting mainstream economists where they were most vulnerable. As a result, McCloskey was able to establish himself in the minds of the profession as a great stylist and writer. Using rhetoric as intimidation, he was able to bully the rest of the profession into handing him, without real evidence or analysis, this crucial accolade.

In actual fact, McCloskey is not even a good, much less a great, writer. His new book, for example, is an inchoate mishmash of assertion, gossip, anecdote, phony Socratic dialogue, off-hand attack, and unsupported rumor. Gossip, of course, is easier, and certainly more fun, to read than theoretical argument, and McCloskey has now established himself as the Cindy Adams of the economics profession, methodological branch. Indeed, it is curious that a distinguished university press should lend its imprint to this farrago, presumably because they too were intimidated by McCloskey's self-promotion as a great stylist. Actually, two truly fine writers are both *bêtes noires* of McCloskey: Stigler and Schumpeter. Both were all that McCloskey is not: lucid, penetrating, and gifted with a graceful style and witty turn of phrase. But presumably, they were too old-fashioned and "linear" for our rhetorician.

Having once established himself as a great writer, McCloskey now could wield a powerful if implicit club over his critics. For it turns out, monotonously and one after the other, that none of McCloskey's critics understands him. Every one of them is mired in his preconceptions, in some cases his mind "hard wired" to reject the McCloskeyan light. Either they don't understand philosophy, or they understand philosophy all too well. If they are neoclassicals or various brands of positivists, they are blind to McCloskeyan insights. If they think that "rhetoric" or "metaphor" is unscientific, then don't they know that all science is

“metaphor” anyway, that presumably there is no difference between the law of gravitation and one of McCloskey’s gossipy pronouncements.

But McCloskey is nothing if not an evasive and slippery brokenfield runner, always presenting a moving target. To those neoclassical economists who attack him as a nihilist and an enemy, he protests that, no no, he too is down deep a neoclassical, except a neoclassical on a higher and more sensible methodological level. To the leftists and institutionalists who embrace McCloskey for the same reason, he protests similarly that while *his* critiques of mainstream economics seem to be the same as theirs, he is really a mainstreamer. One by one, none of his critics get it; everyone is blind, confused, out of it.

Ordinarily, if we find a writer, in whatever discipline, whom no one seems to understand, the onus will quickly begin to fall upon the writer himself: maybe no one understands him because he is incoherent, self-contradictory, in short, incomprehensible. But McCloskey had already cunningly precluded that reaction by entrenching himself as a uniquely great writer, so that the fault must always lie with his critics.

Throughout all of McCloskey’s razzle-dazzle, however, he really only has one arrow in his rhetorical bow. To McCloskey, the good is to be “open,” the bad to be “closed,” a viewpoint that he embraces as *Sprachethik*, a typical McCloskey ploy—making a term more portentous by putting it into a foreign language. And sure enough, at bottom McCloskey has only one rebuttal to his host of critics; *they*, without exception, are “closed,” whereas *he*, of course and by definition, is “open.” Q.E.D. And it is not very long into his discourse that we come to realize what, for McCloskey, is the practical definition of these two words: someone is “open” if they agree with him, “closed” to the extent that they disagree.

In short, in addition to being its Cindy Adams, Donald McCloskey is even more the Humpty-Dumpty of the economics profession. “When I use a word,” said this distinguished rhetorician who unfortunately had the satirical bent that the *serioso* McCloskey totally lacks, “it means just what I choose it to mean—neither more nor less.” To which the egg-shaped one significantly added: “The question is which is it to be master—that’s all.” Unfortunately, McCloskey has gotten away with his rhetoric of mastery far too often.

If we come down from the lofty heights of methodology, how accurate is McCloskey as an observer or historian of modern economic thought and opinion? Let us consider two examples. One

is his treatment of the allegedly "closed Austrianism" of myself and of *The Review of Austrian Economics* [RAE]. In this case we find the rhetorician as purveyor of unsubstantiated rumor: "The *Review* is known in Austrian circles as carefully excluding all but Rothbard's views" (McCloskey, *Knowledge and Persuasion*, p. 314). How does he establish this statement? McCloskey's one piece of "evidence" is that Hans-Hermann Hoppe, reviewer of McCloskey's *The Rhetoric of Economics* in the RAE, and not coincidentally one of its most effective critics, "is an academic colleague of Rothbard's," that is, at the University of Nevada, Las Vegas. Now, surely, McCloskey is familiar enough with academic life not to be employing this statement as anything but rhetorical deceit. Surely, he must know that to be in the same economics department as someone else does not imply agreement. Indeed, of the dozen and a half members of the UNLV economics department, Hoppe and I are the only ones whom any reasonable person would dub as an "Austrian" in any sense, whether "open" or "closed." McCloskey's only other argument is characteristic: the weasel phrase "known in Austrian circles." McCloskey, as a supposed scholar and historian, might have checked the record of the RAE before treating gossip as fact. If he had done so, he would have found that the RAE has included articles by such distinguished economists as Leland Yeager, Richard Timberlake, Lowell Gallaway, Richard Vedder, Charles W. Baird, Robert Higgs, Israel M. Kirzner, Bruce Caldwell, W.H. Hutt, and Gordon Tullock, not one of whom could be called, by even the most fevered imagination, a "closed Austrian" à la the dread Rothbard: "careful exclusion"?

The second example of his accuracy is the embarrassingly ignorant and self-contradictory way in which McCloskey treats the great Joseph Schumpeter. First, he claims Schumpeter as a paradigmatic neoclassical upholder of the Whig Theory of the history of economic thought, that is, a believer that any dominant economic thought is superior to that at any earlier period of time, since the history of thought consists in testing one's theories, improving one's logic, and marching step-by-step, over time, into the light of more and more complete truth.

There is indeed a grain of truth in pinning this label on Schumpeter (he certainly believed in the progress of economic thought, and he revered Walras, the founder of the neoclassical paradigm, as "the greatest economist of all time"), but to dub him a Whig historian can only be called a grotesque caricature. Later in the book (p. 146), McCloskey mentions Schumpeter's famous

attack on “the Ricardian Vice,” without realizing that one of the basic themes of Schumpeter’s famed *History of Economic Analysis* was a bitter and sustained attack upon Smith and Ricardo, their scuttling of the Scholastic and Continental tradition of scarcity-and-utility analysis of value, and their consequent shunting of economics onto a path (“classical economics”) from which it took economics a century to recover (in the form of Walras and the other “marginalists”). Whatever it is, a belief in a century-long and profound worsening of dominant economics can scarcely be called a “Whig theory”!<sup>2</sup>

Trying to squeeze Schumpeter into the positivist Stigler–Blaug mould, McCloskey then gets the “Ricardian Vice” all wrong, claiming that for Schumpeter, this vice is “applying blackboard propositions, untested, to the world” (McCloskey, *Knowledge and Persuasion*, p. 146). McCloskey cites page 473 of Schumpeter’s volume, but if we turn to that page we find a completely different account (as how could we *not* from a fervent adherent of Walras’s surely “untested” set of general equilibrium equations). For Schumpeter’s criticism is not at all that Ricardo’s theory was not empirically tested. Schumpeter denounces Ricardo, because, unlike his Continental predecessors and indeed unlike Walras to come, he was in no sense concerned with a “comprehensive vision of the universal interdependence of all the elements of the economic system.” Instead, Ricardo

cut that general system to pieces, bundled up as large parts of it as possible, and put them in cold storage—so that as many things as possible should be frozen and “given.” He then piled one simplifying assumption upon another until, having really settled everything by these assumptions, he was left with only a few aggregative variables between which, given these assumptions, he set up simple one-way relations so that, in the end, the desired results emerged almost as tautologies. For example, a famous Ricardian theory is that profits “depend upon” the price of wheat. And under his implicit assumptions . . . this is not only true, but undeniably, even trivially so. Profits could not possibly depend upon anything else, since everything else is “given,” that is, frozen . . . The habit of applying results of this

<sup>2</sup>Indeed, Schumpeter’s *History of Economic Analysis* (New York: New York University Press, 1954) was notable in its pioneering resurrection of Scholastic economics from its long misrepresentation and neglect at the hands of the dominant British and American tradition—scarcely the work of a Whig historian!

character to the solution of practical problems we shall call the Ricardian Vice.<sup>3</sup>

In the past two decades, the collapse of arrogant positivism in the philosophy profession, and the severe decline of the allied Keynesian–Walrasian neoclassical paradigm in economics, has led to a veritable “crisis situation” in all areas of economic theory, in particular among the methodologists who are concerned about the philosophical and methodological groundwork of economics. This crisis situation has been a healthy one, for it has mainly dislodged the previously ruling and false paradigms, and allowed room for the jostling of many new doctrines, competing for attention and dominance. But the flip side of this salubrious situation is that standards in general are lowered, and a lot of nonsense and absurdity gets to pass as sober and profound contributions to the discipline. Donald McCloskey and his inchoate and ill-informed “rhetoric” is an outstanding example. It is precisely in exciting times of methodological crisis that we need to have our built-in claptrap-detectors honed and sharpened. To the extent that they are, McCloskey’s work will receive the clear-eyed treatment it so richly deserves.

<sup>3</sup>Ibid., pp. 472–73.