

ECONOMIC ACTIVITY ANALYSIS¹

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The volume edited by Professor Oskar Morgenstern reflects the important metamorphosis that has been making its way slowly but steadily into economic science for the last two decades or so. It may very well serve the purpose of making a prospective graduate student form an idea of the range of the analytical weapons he would be expected to include in his scientific panoply, should he aspire to an undisputed title of economist by the time he enters the profession. By merely reading the table of contents of *Economic Activity Analysis*, he would realize that he would be expected, if not to possess the dexterity of mathematicians like Y. K. Wong, M. A. Woodbury, C. Bernstein, R. Bott, J. P. Mayberry, T. M. Whitin and K. Menger (the contributors of purely mathematical or highly mathematical papers included in the volume), at least to be able to understand their contributions and to use the tools forged by them. And, if he would thumb the middle part of the volume, he would discover that this implies familiarity with concepts such as "modular-absolute convergence," "non-commutative complex Banach algebra with unit-element," "modulus functions of real or complex valued matrices," or "the Cauchy-Hadamard condition"—to mention only a few of the terms that may strike a blank in the mind of the prospective graduate student. A trend exists in our science that has already divided economists into two categories: the economists and the *so-called* economists—or to use the *boutade* of Professor D. H. Robertson—into initiated economists and fellow-idiots. Economists have already reached the point where they cannot converse with each other as they used to do a few years ago. And the surprising fact is that this is not due entirely to the, let us call it, reluctance of the non-mathematical economist to learn the language of his mathematical *confrères*. It is due in part to the fact that the mathematical economists often fail to grasp fully the economic problem and, fascinated by the elegance of algebra and calculus, denude this problem of all its economically relevant aspects. The volume edited by Morgenstern offers some illustrations of this tendency.

The book under review is composed of three parts which follow a preface-type introduction. Morgenstern's claims that the various papers included in the volume "are closely related to each other and should be read together" is, as we shall see, only partly justified. But *Economic Activity Analysis* does not seem to suffer from this shortcoming more than similar "collections" that have become increasingly fashionable in econometric literature during the last few years. On the other hand, the number of economists who, like Morgenstern, can journey through the volume with uniform speed and unwavering interest is extremely limited; few would attempt therefore to read all the papers "together."

¹ This essay is a review article on the book, *Economic Activity Analysis*, edited by Oskar Morgenstern. (New York: John Wiley & Sons, Inc.; Chapman & Hall, Ltd., 1954. Pp. xviii, 554. \$6.75.)