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Voodoo Economics

Donald McCloskey
Economics, Iowa

Economists sometimes let themselves be defined by the public's fascination with soothsaying. Around 1600, in England, it was reported that "among the common people he is not adjudged any scholar at all, unless he can tell men's horoscopes, cast out devils, or hath some skill in soothsaying" (Thomas 1971: 227). Nowadays, the press and public treat the economist as a soothsayer, if a dubious one, to the point of believing that economics intends chiefly to forecast.

The forecasting of human events—which is not, in truth, the chief activity of economics—has always been magical. The physical and biological sciences offer prediction and control over their materials; the social sciences have been trying for a long time to apply it to theirs. My theme is that, in human affairs, there is wisdom but not omniscience. Social engineering fails because forecasting and other magic fails. I would argue that economics itself says this.

But so does poetry, and some poets say it directly. "The unscrawled fores the future casts," sings Wallace Stevens of impending death, is "damned hoobla-hoobla-hoobla-how" ("Notes toward a Supreme

This paper originated in Thomas Greene's seminar on poetry and magic at the School of Criticism and Theory, Dartmouth, Summer 1988. The breadth of reference and the ideas about poetry are Greene's, not mine. I thank the members of the seminar for critical advice. The CRIP conference and the Iowa Project on Rhetoric of Inquiry were kind and helpful. I thank Allan Megill, Ellen Messer-Davidow, John Nelson, Robert Paul, James Redfield, and Richard Shweder for written comments. A version appears in my *If You're So Smart: The Narrative of Economic Expertise* (Chicago: University of Chicago Press, 1990). © 1990 by The University of Chicago.

Fiction: It Must Be Abstract, II" [1972: 209]; Stevens, who read Latin well, puns the nonce-plural of fore-, as in *forecasting*, with Latin *fore* = *futurus esse* = "to be about to be," from which "the about-to-be's" = the future; and perhaps also Latin *fores* = the double doors in the poet's bedroom through which the moonlight scrawls).

Forecasting the future seems at first more scientific and grown-up than the mere casting of spells, which commands carpets to fly or wishes Daddy dead. But forecasting the future and manipulating it are identically magical. The desire to forecast the future and the desire to change it are two sides of the same desire. The one forecasts the future from the flights of birds or the entrails of chickens and is armed by the forecast to prevent evil. The other, less prestigious because less intellectual, already knows the future evil and arms itself with magic spells and amulets to prevent it.

Believers in magic think that a profitable forecast about human action is easily obtained. They are mistaken. That is why economics, contrary to the common sneer, is not magic and "hoobla-hoo." I want to use, for present purposes, a distinction between children and adults, primitives and moderns, without any claim that such distinctions are written in the stars or fit the seams of the universe. Grown-up economics, at least, says that, like many other desirable things, a forecast is scarce. The customer of the expert cannot easily know which great empire will fall or when the market will turn. "Doctor Friedman, what's going to happen to interest rates next year?" Hoobla-hoo. Some economists allow themselves to be paid cash money to face the questions, but they know they can't answer them. Their very science says so.

The subject, then, is the economics of magic—not sleight of hand but real magic. Real magic claims to have solved scarcity. It leaps over the constraints of the world. If you desire a ride to Baghdad, here is a magic carpet; if you desire your enemy dead, here is a magic doll; if you desire unlimited riches, here is a forecast of interest rates. As the expressive jargon of economics puts it, magic leaps outside our "production possibilities." The "fiat" in a spell is the desire to get outside what is ordinarily possible.

The magic begins with such desire. Stevens again:

But the priest desires. The philosopher desires.
And not to have is the beginning of desire.
To have what is not is its ancient cycle.
It is desire at the end of winter, when
It observes the effortless weather turning blue. . . .

("Notes: Abstract, II" [1972: 208])

It is the desire motivating both childish magic and adult arts and sciences, a desire which notes the effortless turning of seasons and dreams therefore of achievement without effort.

An economist would name the desire a “utility function” or, less fancily, “tastes.” People have a taste for going to Baghdad, free of charge, or a taste for avoiding the bad luck from breaking a mirror—the term is “apotropaic” magic, “averting” magic. Fear of the future motivates economic advising. The hiring of economists by politicians and business people, otherwise hard-nosed, is apotropaic magic.

The grown-up way to satisfy the desire to avoid evil or achieve riches is to get to work within the world’s limitations and satisfy it. Robinson Crusoe did not spend time casting spells (though he mourned a while), but stripped the wreck and built a stockade, reinventing the arts and sciences and re-educating his desires. Children desire that avoiding evil or achieving riches not be so hard. Little children think that, if they wish hard enough, it will be so: “Let Daddy *die*.” In his old classic on the sociology of magic, Marcel Mauss noted that “between a wish and its fulfillment there is, in magic, no gap” (Mauss 1972 [1902–1903]: 63). A little child believes in the omnipotence of thought because he has not yet distinguished his private dreams from the collective dreams we name reality. Adults who cannot make such distinctions are said to be mentally ill.

In *Ancient Egyptian Magic*, Bob Brier describes the pharaoh, before a sea battle, sinking toy models of enemy ships in his bathtub (1980: 51). Magic often depends on such a metonymy. It re-presents what the magician wishes to happen. The pharaoh brings to mind an economic advisor’s representing an economy with a model, then sinking the deficit in the bathtub.

An important magical power of words is naming. Metonymic magic, like the pharaoh’s toy boats or the voodoo priest’s dolls, reduces the thing to an object or, more conveniently, to a word and then sets to work. Knowing the name of the man to be cursed puts him in the magician’s power. “The deep tradition of efficacious words” in poetry and magic, notes Hugh Kenner, “stems from an authority of naming.” *Dubliners* was unprintable, not so much because it used the word “bloody,” but because it named actual pubs in town, the names “frozen in the eerie finality of type” and doubly dangerous (Kenner 1987: 16, 17, 28). Giving each American soldier a name plate has a deeper purpose than providing introductions for the lonely crowd. In Vietnam one night, a young white lieutenant faced alone a roomful of black enlisted men, properly name-plated, as was he. Observing that he had no business there, he edged towards the door. One of the name-plated soldiers moved into his way: “You’re in trouble, sir.” The lieutenant gathered his nerve, flipped his lapel to show his name plate, and snarled as he pushed out the door, “You remember my name, son, because I’m sure as hell going to remember yours.” He got out because the name plate worked its magic.

The power of naming illustrates the drift of the signifier towards

the signified. We symbol-using animals like to name things. After a while, we get to thinking that having their names is as good as having the things themselves. British people learn to name the flora of their pleasant land down to each wildflower on the verge, which gives them a mastery foreign to Americans. Andrey Bely wrote that “the process of naming . . . is a process of invocation. Every word is a charm. By charming a given phenomenon I am in essence subjugating it. . . . For living speech itself is unbroken magic. . . . The word ignites the gloom surrounding me with the light of victory” (1985 [1909]: 94ff.).

But the victories through words and names, of course, are cheap. This is the economic problem with magic. If mere saying is enough, and if the saying is not somehow restricted, then evil eyes proliferate. Thomas Greene has recently articulated a theory of poetry which has parallels to economics (Greene 1989). The difficulty for the symbol-using animal is to use symbols without the “pressure of desire,” Greene says, which allows the symbols to become a riot of magical, desire-granting charms. To similar effect Harold Bloom quotes Santayana (an influence on Stevens, incidentally) as thinking of poetry as being “religion [read magic] without practical efficacy and without metaphysical illusions” (Bloom 1976: 175). Like good economics, poetry says so. It says, Greene observes, that the age of miracles is past.

Economics too says that desires cannot be granted easily and that magic is without practical efficacy. A functionalist and sociological argument for what economics says would be that a society filled with evil eyes could not function and therefore would not exist. Magic-haunted societies are in fact often paralyzed by conflict, as Salem was in the 1690s, playing with magic under children’s rules. (Though one could also say that a society in conflict will enact the conflict on a magical stage.) A society that is going to come to terms with the reality principle must somehow limit the omnipotence of thought.

More economically, one could argue that people will not put a high value on what is cheap. Magic must be more expensive than merely snapping one’s fingers, or else it will not be accounted powerful. To deal with uncertainty we need magic, and we need it especially when poor. The winners of the state lotteries are mostly poor and naive. The magic cannot be too easy. A valuable magical spell is believed, and therefore one way to get it believed is to make it expensive, boldly asserting its value. ESSL Corp. (P. O. Box 66054, Los Angeles, CA 90066) sells the most expensive of six programs available from various companies to guess the next numbers on the lottery. The program sells, not for its cost of production (a few dollars) or for its value in use (nothing), but for the persuasively substantial price of \$59.95. Psychoanalysts require that the patient pay a lot because otherwise the therapy will not work. The patient quite properly has to make a sacri-

fice to get well. Otherwise he will not wish to bring the analysis to an end. The magician's fees rise until the only way to escape them is to declare oneself cured, or even *be* cured.

In other words—and this is the essential point—magic has to be expensive. The economic idea is called “rent-seeking.” Magic promises something for nothing. It is like the government.

We clever moderns know that magic does not work. If magic is to survive (this is a third functionalist argument), it must be made expensive, or else people will complain that they snap their fingers in the magical way but still get sick. The rhetoric of magic demands that the magic be difficult to perform, or else its failure to work will be too evident. Magic promises profit, the same way an economic forecast does. Therefore, the business of magic will attract entry, at length driving down its profit. The argument is characteristically economic, but it is also characteristically biologic: ecological niches do not lie around unexploited. At length, the costs of making the last bit of magic will equal its value in free rides to Baghdad or in daddies conveniently disposed of.

The character of magic fits the argument. The standard theory, that magic is the primitive man's science, is useful but not nuanced (but see Madison 1982: ch. 3). As Keith Thomas remarks, the theory “does not of course make clear why magical rituals should take one form rather than another” (1971: 648). The economic argument does better:

Magic is often practical. It is businesslike, not therapeutic or ornamental: it expects to work. It is therefore humorless. The rhetorical form is that of a speech in court, with exordium, narratio, refutatio, and conviction. By contrast, nothing follows immediately from a religious ceremony or a poetry reading or a proper economic analysis. The audience just goes home. “It is small wonder that the sorcerer's claim to produce practical results should have so often proved more attractive than stern clerical insistence that all must be left to God's inscrutable mercies” (ibid.: 264). From a witch's sabbath all manner of evil conveniently follows.

Magic is often arrogant. No business here of “thy will be done.” The god or spirit is to leap to it and is to be punished if he does not. The fiat in a spell does not pray to God; it summons the powers. The Old Irish “Deer's Cry” (attributed to St. Patrick) proceeds for some fifty lines of praise for God, looking like a hymn, a lyrical assertion of a faith suitably humble. It reveals its magic so far only by repetition. But abruptly it gets to the magical point, proclaiming, “I *summon* to-day all these *powers*” (my emphases), and then lists them in detail (among them, the important powers “against spells of women and smiths and wizards”) (Patrick 1947 [c. 7th C.]: 14).

Magic is often secret. Mauss argues that “religious rites are performed openly, in full public view, [but] magical rites are carried out in secret. . . . And even if the magician has to work in public he makes an attempt to dissemble, . . . [to] hide behind simulated or real ecstasies” (Mauss 1972 [1902–1903]: 23). One can doubt Mauss’s assurance that magical and religious ceremony is sharply different, yet agree that secrecy is common for the magical type. The secrecy makes for scarcity, no less than a secret recipe for baking bread or a secret method for casting iron thin enough for pots.

Magic is often exclusive. “Nobody can become a magician at will; there are qualities which distinguish a magician from the layman” (ibid.: 27). Again the economics works to raise the price. The list of candidates for magical powers must be restricted to make it expensive. As Socrates says, in his elitist way, “Not everyone is an artisan of names, but only he who keeps in view the name which belongs by nature to each particular thing” (Plato, *Cratylus*: 390E). Such an expert can see into the mind of God, being “a master of name giving” (ibid.: 389D). The candidate for magician must be unusual in some way. Smiths, barbers, shepherds, foreigners, infidels, primitives, and other special, lonely people can become magicians (Mauss 1972 [1902–1903]: 28ff.), meaning that one man’s tribe is another man’s league of sorcerers. The Jews were thus persistently suspected of magic, and the Lapps could sell bags of wind to European sailors (ibid.: 32). Specialness, not rarity, is the key—for women were commonly considered magical (because excluded from religion and from science), and there were plenty of them. Keith Thomas speaks of the advantage priests had over ministers in appropriating magic in the sixteenth and seventeenth centuries: “Precisely because the Church had its own magic . . . it frowned on that of others. . . . Set apart by his learning, his unique ritual power, and his official virginity, the priest was admirably qualified to be a key figure in the practice of popular magic” (1971: 274). A magician learns the language of the spirits, at great cost. He knows the words the gods speak (Mauss 1972 [1902–1903]: 38ff.; *Cratylus*: 391E [cf. 401A, and the gods loving a joke, 406C]). The magician undergoes an expensive initiation, like a doctor. And, like a doctor’s, the expense can eat up the profits.

Magic is often nontransferable. “[A] person who has bought a charm cannot dispose of it at will outside the contract” (Mauss 1972 [1902–1903]: 43). The nontransferability of charms and curses is the more revealing because it contradicts another feature of magic, that charms and curses are *done*, as Greene puts it, irrevocable, rattling down the generations (thus the curse on the house of Pelops in the *Oresteia*). Magic is a speech act, but more like the speech act of marrying a

couple than the speech act of promising to repay a loan. A marriage cannot be sold secondhand; a promise to repay can. A secondhand marriage ceremony would be a cheapened act, which is the point.

Magic is often particular and local. Certain days are efficacious, certain difficult circumstances must be achieved, and so forth. “If the Hindu magicians are to be believed, some of their rites could be practiced successfully only once every forty-five years” (ibid.: 46). Naturally: if magic could be done on any day, in any place, it would not have the scarcity that protects its claim of power. There would be too much of it around, selling cheaply.

Above all, magic is often elaborate. It is notoriously so, hoobla-hooblahoo, an image of mysterious wisdom won by toil. The rites can last hours or days or weeks. Magic is repetitious, covering every possibility—or else it does not work, since tiny failures to follow the prescription protect the magician from responsibility. “It is natural for a magician to take refuge behind questions of procedure and technicalities, to protect himself in case of failure in magical prowess” (ibid.: 50; cf. Thomas 1971: 641).

Magical ceremonies are usually more elaborate than religious ceremonies. The scarcity in some religions (ours, for example, though not the civic religions of the Greeks and Romans) is accomplished by a restricted priesthood and, especially, by the limited efficacy of the prayer, corresponding to the fiat in a spell. The Christian sects with less elaborate preparation for their priests expect less from prayer. The extreme cases are Amish priests, chosen by biblical lot, or Quakers, with no priests at all. The sects that believe prayer works cheaply, every time, are regarded by mainstream religions as magical—for example, the cults of saints in the south of Italy or pentecostal sects in the United States.

The bargain with the gods in charms, spells, and religious sacrifices is a curious part of this, since it is usually small and valueless. People do not actually sacrifice much of value, except the time of the magician. Worthless entrails are all the god actually gets in blood sacrifice (Levy [n.d.]). The rest is eaten by the humans. Thus, in a Navaho chant, from a ceremony lasting many days, “I have made your sacrifice / *I have prepared a smoke for you*” (from “The Night Chant,” excerpted in Rothenberg 1985: 84).

If the economic argument is correct, one would expect a rule of equal scarcity. Cheap sacrifices would use elaborate ceremony by a restricted class of magicians or priests to make the total costly. On the other hand, expensive sacrifices (human sacrifices, especially) would be cheap and quick, contrary to what one might otherwise expect, in view of the gravity of the matter. The sacrifice of Polyxena on the

tomb of Achilles, “the shedding of human blood upon a grave, / where custom calls for cattle” (Euripides 1958a [c. 425–24B.C.]: l. 262), the climax of the play, is short in the text and unelaborate in form (ll. 520–80; cf. 1958b [c. 405B.C.]: ll. 1540–80).

Magic, then, is childish. Childishly, it gives way to the pressure of desire. Scarcity is wished away. But economics knows that scarcity cannot really, truly, be wished away. The scarcity must show up somewhere, as it shows up in most features of magic. The supposed profit arising from the evaded scarcity gets absorbed. Economics says: at the margin the hoo-bla-hoo must absorb the profit from being able to ride the magician’s carpet to Baghdad, if he could only get the damned thing running.

I

Some economists cannot keep this argument in mind. They fall back into thinking they are magicians, who can earn supernormal profits. Economists, for example, are routinely asked at cocktail parties what is going to happen to the interest rate or the price of housing or the price of corn. People think that asking an economist about the future is like asking the doctor at the party about that chest pain. You get an expert to do his job free and you make a lot of money. Take corn: Any agricultural economist in the Midwest spends much of his airtime delivering expert opinion on what will happen next month to its price. Surely he must know, this expert, if anyone does. It would be poor news to be told that, after all, no one does know, or can.

An economist who claims to know what is going to happen to the price of corn, however, is claiming to know how to pick up \$500. If he knows better than the corn market knows, then he can buy and sell future corn profitably. With a little borrowing on the equity of his house or on his reputation for sobriety, he can proceed to pick up \$500 thousand, then \$500 million, then more. Nothing to it. If an agricultural economist could predict the price of corn better than the people in the corn pit at the Chicago Board of Trade, he would be rich.

Yet he does not put his money where his mouth is. He is not rich. It follows by strict implication that he is not so smart.

It has been easy, therefore, to assemble statistical evidence that expertise cannot provide riches. Take Wall Street: As one might expect if one knew that magic does not work, stock markets in fact jiggle about in unpredictable ways. If they were predictable by some professor of economics, she would be rich. The evidence is by now overwhelming that stock prices follow no profitable pattern. In 1933, Alfred Cowles, one of the founders of modern statistical economics, posed the question in a title, “Can Stock Market Forecasters Forecast?” (1933). He an-

swered, “It is doubtful.” Cowles himself had abandoned a forecasting business in 1931, ashamed of his failure to foresee the Great Crash.

An economist who, nonetheless, wants to pass as a magician will reply that he is not rich simply because he did not start rich. He does not have access, he complains, to the big loans to make big money. Yet consortiums do have access to the big loans, and if the wisdom comes simply from being an economist, it ought to be simple to assemble a consortium of economists. A consortium of famous economists at Stanford and the University of Chicago in the early 1970s, for example, believed that interest rates, which were then at shocking, unprecedented highs (6, 6.5, my Lord, even 7.5 percent), just had to come down. The price of bonds, in other words, just had to go up. It had to be a good time to buy bonds. The economists complained at lunch that their bankers would not lend them money to exploit the sure thing. But in the event, sadly, the bankers were right. Interest rates did not fall; they rose. The consortium of economists, relying on its collective expertise, lost its collective shirt.

The routine is the usual one. In optimistic America there are plenty of tipsters willing to help the suckers. I myself have lost a shirt or two on real estate deals bound to succeed and on a consortium of economists speculating in the foreign exchanges. From the British economist John Maynard Keynes (who lost money regularly before breakfast, but had King’s College backing him up), to the American economist Irving Fisher (who reduced Yale’s endowment to half of Harvard’s by touting stocks in 1928), down to the latest scheme of some economist to make money from mathematical models of gold speculation, economists have not earned the confidence of bankers. As it was put by the economist Paul Samuelson, a student of these matters, “It’s a mug’s game for a dentist—or an associate professor of econometrics—to think that he and the telephone can have an edge over those who count the cocoa pods in Africa and follow the minute-by-minute arrival of new information” (1986 [1982]: 541).

Cato the Elder reported of the haruspices, who examined livers in Rome with an expertise approaching the econometric, that they could not but laugh on meeting one another (Cicero, *De Divinatione*, II, xxiv, 52). Economists know lots of similar gags about their inability to predict profitably: forecasting is very difficult, especially if it is about the future; an economist is an expert who can tell you tomorrow why the thing he predicted yesterday didn’t happen today; the most hope I can have in a forecast is to be intelligently wrong or fortunately right.

The jokes bite deep. They go beyond private profit. Even magicians who generously propose to share their magic for the common good are funny and dangerous. The economists and calculators of the 1960s

said that we knew how to be social engineers. We knew how to run the economy and clean up the slums and save Vietnam from the Communist menace. It was a mere matter of engineering technique. But to engineer something, you must be able to predict it. And to predict profitably, you must be a magician. Profitable predictions are as good as magic carpets, love potions, and efficacious prayers.

II

Now poetry, says Thomas Greene, is something different from magic. Poetry gets beyond the childish omnipotence of thought. The poems look like spells but undercut the fiat with intrusions of voice, doubts that it will work, hints of the poet's personality, and other postmagical sensibilities. Sappho pretends, in "A Prayer to Aphrodite," to accomplish the same thing as the Egyptian love spell, but is notably less businesslike, more personal, less repetitive, more revealing. The poem claims to be a love charm but is, in fact, a lyric poem. It tells, irrelevantly for the magic, that "you, Blessed One, smiling with your immortal face, asked what happened to me." It is pathetic, not arrogant: "do not crush my heart"; "come here, if ever in the past, hearing my cries of love from afar"; "I was begging you to come"; "my mad heart"; "my crushing cares" (1971 [c. 590 B.C.]: 144–45). Likewise, Theocritus II, in "The Spell," inserts the magic into a narrative worthy of Browning, filled with irony and self-expression (1923 [c. 280 B.C.]: 24–39). Poems have many voices (if only the poet's in addition to the narrator's), but a spell has only one (James Fairhall made this point to me). The reader—and, of course, it is a reader, not an audience of the shaman's patients or of the local anthropologist—is made to reflect on the poem's pseudo-magic.

In a poem, says Greene, "the emergent self is acculturated; it learns the limits of its own power" (1989: 131); "the inchoate wish is *schooled*: it is taught to speak and it is taught to accept limitation" (*ibid.*: 142). Like a child's game, it is "an elementary lesson in resignation" (*ibid.*: 131). "Poems tend to be pseudo-rituals which teach the subject to settle for the absence of magical power" (*ibid.*). Stevens:

From this the poem springs: that we live in a place
That is not our own and, much more, not ourselves
And hard it is in spite of blazoned days.

("Notes: Abstract, IV" [1972: 210])

Poetry does not imitate reality. It imitates speech acts, especially magical ones: curses, invocations, apostrophes, praise, prayer. Every poet and critic knows it.

The awareness of its own lack of effectiveness makes poetry grown-up and postmagical. Poetry recognizes that the words are not the

things themselves. It is adult, not expecting to reproduce by mere human words the effortless magic of blue-turning spring. The reader of a book in “The House Was Quiet and the World Was Calm” “leaned above the page, / Wanted to lean, wanted much most to be / The scholar to whom his book is true. . .” (Stevens 1972: 279). But, of course, it is only wanting, not achieving.

In view of how grim it is to be adult and economic and aware of scarcity, it is not perhaps surprising to find in poetry, as Greene does, a ubiquitous “nostalgia for magic.” Poetry sometimes looks back on a time of omnipotent thought:

The poem refreshes life so that we share,
For a moment the first idea . . .
The poem, through candor, brings back a power again
That gives a candid kind to everything.
(“Notes: Abstract, III” [1972: 209])

But only “for a moment,” “a kind.” Candid, gleaming white, it claims to be, / But still it’s hoobla-hoo. / Nostalgia might lament the truth, / But after all it’s true.

Grown-up economics as a science is, like poetry, a force of acculturation. It says: you can’t get that. The churches of the sixteenth and seventeenth centuries, writes Thomas, put “strong emphasis upon the virtues of hard work and application,” and “helped create a frame of mind which spurned the cheap solutions offered by magic, not just because they were wicked, but because they were too easy. Man was to earn his bread by the sweat of his brow” (1971: 278). Like poetry, and unlike magic, economics in the century after Defoe dwelt on scarcity. It said grimly that all good things must be scarce in equilibrium, all magical opportunities used up. It said that any present age is one of iron because the gold has always already been picked up.

Grown-up economics is the science of the postmagical age. Far from being “unscientific” or hoobla-hoo, it is deeply antimagical. It keeps telling us that we cannot do it, that magic will not help. After magic, Greene argues, poetry is scattered, dissociative, disjunctive, many-voiced (cf. Bloom [1976: 168], describing Stevens as “the most advanced rhetorician in modern poetry and in his major phase the most disjunctive”). Irony and self-consciousness would fit any page of John Maynard Keynes: “Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back” (1936: 383).

Economics, like poetry, however, sometimes exhibits the nostalgia

for magic. There's the danger. Economics can go wrong and betray its postmagical sophistication by surrendering to what Greene calls the temptation of magic. If poetry surrenders, we are perhaps not seriously damaged—although the poetry then stops performing its maturing function and can even rouse men to magical beliefs in, say, the white man's burden or some corner of a foreign field that is forever England. Such notions are mischievous enough. But an economics that is nostalgic for magic is radically dangerous.

Now, of course, words are in fact efficacious in economics because markets live on the lips of men and women. Every economist knows this. Money is not a thing but an agreement. Corporations are not corporeal. Exchange is a conversation of bids and asks. The economy depends today on the promises made yesterday in view of the expectations about tomorrow. We can, in fact (and in word), create prosperity by declaring it to be just around the corner. One is tempted to conclude that economies and economics are “mere” matters of words, that announcing a five-year plan or a new economic policy is the same thing as achieving it, that words, after all, do have the magical power to make us safe and happy.

Grown-ups must resist the temptation. Grown-up economics is not voodoo but poetry. Or, to take other models of maturity, it is history, not myth; politics, not invective; philosophy, not dogma. An illuminating economics—which is to say, much of the rich conversation since Adam Smith—is historical and philosophical, a critical theory, a virtual psychoanalysis of the economy, adjusting our desires to the reality principle. On this score Marxian and bourgeois economics can be similarly childish in giving in to temptation. A Marxian economist of an old-fashioned sort trumpeting the predictive power of Marxism makes the same childish error as a badly educated mainstream economist does in thinking that the future of grain prices is predictable. A grown-up epigram would be: the point is to know history, not to change it. The grown-up economic scientists, of whatever school, have never believed in profitable casting of the fores.

The postmodern economist is modest about profit-worthy detail, the detail from which she could buy low and sell high. She must be modest especially about the proud claim of economics in the 1960s, the claim to fine-tune the economy, making detailed adjustments to money and taxes in order to offset a depression just around the corner. As economists and other expert knights of Camelot realize now, after much tragedy, if an economist could see around the corner, she would be rich. A fine-tuner would see dozens of \$500 bills lying around her neighborhood. The knowledge that would make fine-tuning possible would make the economists who claim to have it fabulously wealthy. The economists go on relating impossibly detailed scenarios into the

microphones of television reporters, but in their hearts they know they are wrong.

III

The useful category for criticizing modernist culture, in other words, is not science/nonscience but magic/nonmagic *à la* Greene. Like any dichotomy, it is properly subject to deconstruction. Yes, magic can work in a society of words and wishes. Yes, the wishing of children does not merely vanish in the face of reality, but continues in adulthood to work with the reality for creative ends. Yes, nonmagic is argument and, therefore, is words and, therefore, word magic, all the way down.

But dichotomies can be used without foundations. They can be used, for example, to contradict other and worse dichotomies. It was customary in modernist circles of the 1930s to identify the enemies of modernism with Nazism. But the truth is that the Nazis drew much of their power from a modernist science grown magical. The buildings and displays of Auschwitz put one in mind, not of tarot cards and crystal balls, but of modernist laboratories and industrial processes gone mad in an attempt to lay down the future.

Likewise, when the modern historical sciences yield to the temptation of myth—the myth of national destiny, for example, or the myth of social engineering—they become silly and magical and dangerous. The danger comes from the sentimentalist armed with a myth of science and poetry gloriously magical. Proper, nonmagical science and poetry are here to tell us what we cannot do without cost. They resist the claim that scientists and poets depend on voodoo.

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