

Cossa: *Introduzione allo Studio dell' Economica Politica*, Milano, 1892, p. 15.)

It is precisely this negation of a "general theory" that would deny the right of political economy to be called an independent theoretical discipline.

Science in general may pursue either one of two goals; it either describes things actually existing at a certain time and in a certain place, or it attempts to derive the laws of phenomena when such are capable of expression in the formula: if A, B and C are present, D must follow. In the first case, science is idiographic in character; in the second, it is nomographic.⁸

It is clear that the *theory* of political economy is of the second type of science; its object is chiefly to solve nomographic tasks, but since the Historical School scorns to set up general laws, it practically destroys political economy as a science and replaces it with a "mere description" of idiographic type; in other words, it makes this science identical with economic history and economic statistics, with idiography *par excellence*. This science was unable to find a place for its only correct idea—evolution—within the framework of *theoretical* investigation, and therefore the science, like the Biblical fig-tree, has remained unfruitful. Its positive importance is to be found only in the collecting of materials for theoretical treatment, and in this sense the labours of the Historical School are quite valuable. It is sufficient to point out only the important works issued by the *Verein für Sozialpolitik* on the subjects of handicraft, petty trade, and the agricultural proletariat.⁹

Karl Menger, the father of the Austrian School, has given an excellent characterisation of this School: "The point of departure, as well as the highest achievement of its [the Historical School's.—*N.B.*] evolution, is an external combination of solid *historical* knowledge and a careful but leaderless eclecticism in the domain of *our* science." (Karl Menger: *Die Irrtümer des Historismus in der deutschen Nationalökonomie*, Vienna, 1884, *Vorwort*, p. IV.)

Quite different is the picture presented by the Austrian School, which entered the field of science as a pronounced opponent of historicism. In the polemical conflict which was