

## THE RELATION BETWEEN STATICS AND DYNAMICS

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### 1. *Forecast of the Argument*

THE task which forms the subject of this essay is essentially that of one who wishes to carry forward the work of his greatest teacher from the point at which that teacher left it. From this standpoint the main problem is how to proceed from static to dynamic economics. This problem will be viewed in the light of the fact that we possess a substantially complete static economics, while dynamics is in its infancy; of the further fact that statics is essentially provisional, a stepping-stone to dynamics, simplifying the problem by attacking first those features which do not involve change; and of the final fact that dynamics must restore realism by putting in everything that statics leaves out, so far as possible within the limits of human understanding.

In this view of the purpose of statics and the scope of dynamics, the writer is directly following his father's teachings on these matters. Naturally, in attempting to do justice to such an all-inclusive view of dynamics, it becomes necessary to utilise material derived from a multitude of sources, often widely divergent in character.

As to method of procedure, the question arises whether we should start with static conclusions, add dynamic elements one at a time and make allowances for the resulting "disturbances" of static equilibrium, or whether we should follow a more fundamental method, going back to the premises and replacing static by dynamic assumptions and then building upon them. This will, of course, require inductive methods in establishing the premises of a dynamic study; after which the problem remains whether, having got such premises, we shall be in a position to proceed deductively, or whether more induction will be necessary in reaching the conclusions of the dynamic study. The further question arises, to what extent it will be found that dynamics