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—*Gary Becker, 1992 Nobel Prize winner in economics*



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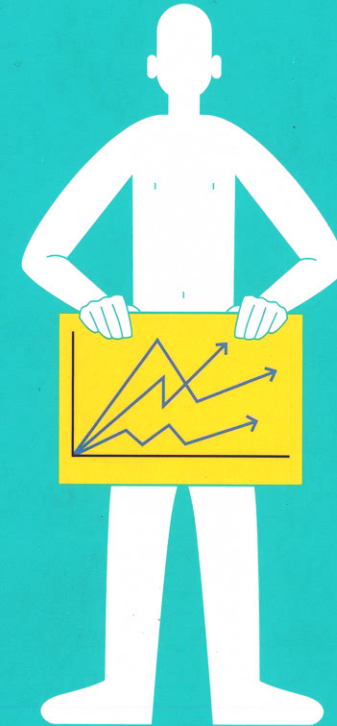
naked economics
UNDRESSING THE DISMAL SCIENCE
charles wheelan



naked economics

UNDRESSING THE DISMAL SCIENCE

FULLY REVISED
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"Wheelan has an anti-Midas touch. If he touched gold he would turn it to life."
—from the Foreword by *Burton G. Malkiel*

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—Gary Becker, 1992 Nobel Prize winner in economics

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naked economics

Undressing the Dismal Science

fully revised and updated

CHARLES WHEELAN

Foreword by Burton G. Malkiel



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For Leah

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Foreword

by Burton G. Malkiel

It is widely believed that Scotsman Thomas Carlyle labeled economics the “dismal science” well over one hundred years ago because it seemed boring, uninteresting, unclear, and full of “on the one hand, on the other hand.” Indeed, Harry Truman is reported to have said that to avoid ambiguity, he wanted to have “one-armed economists.” In fact, Carlyle had something very different in mind. What Carlyle reminded us was that scarcity was pervasive—that we have to make choices between competing satisfactions, between jam today and jam tomorrow, and between conflicting values and goals. Above all, the dour Scot emphasized that everything has a cost and nothing can be produced without work and sacrifice.

To be sure, many people do believe that economics and economists are dismal in the popular sense, that is, extraordinarily dull. As one definition goes: “An economist is someone who is good with numbers but does not have the personality to be an accountant.” The tarnished image of economists is in large part earned by their tendency to opaque writing, their use of often inscrutable diagrams, and their excessive use of mathematics. Moreover, they often fail to admit what they don’t know.

Why is economics the butt of so many jokes, and why do students