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John Tomer and Irving Fisher. 'Brothers' in Heterodox Economics, and Buddhism

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Abstract

Irving Fisher denied the existence of homo economicus, recognized the irrational elements in the determination of impatience (rate of interest), and that people lack perfect self-control, lack perfect foresight, and have bad habits. He also wrote about health, and psychic phenomena. Fisher was also a neoclassical-general equilibrium analyst with "mad" math skills. John Tomer had all of this in common with Fisher, except the neoclassical general equilibrium analyst with mad math skills. John was a follower of Buddhism. Fisher wrote many things which complement what John said about Buddhism, without ever mentioning Buddhism. This paper will explore the relationship between Fisher and Tomer.

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Introduction

Irving Fisher (1867-1947) included the entirety of human nature in his writings, especially in his 1906 book, *The Nature of Capital and Income*. This entirety of human nature includes the psychic element, or what is called the realm of consciousness. One can see a pattern in Irving Fisher's writings. He divides the world into three parts or layers. First, money, a material layer, which in one sense is the thing which moves commerce. Second, the material things of the world which money buys and sells, and which give our life our real standard of living, i.e., our housing, clothing, transportation, nutrition, etc. And, third, the non-material layer of our life, the ultimate source of our utility, our consciousness, or psychic phenomena.

Fisher is much known for his theory of interest, and his writings on capital, wealth, and income. His theory of interest distinguishes money interest from real interest; there isn't anything he refers to as psychic-interest. Income is divided into money and real income, and psychic income. Fisher considers the psychic form of income as being the ultimate or final form of income, as well as being final form of all economic phenomena. The money and the real form of income are simply intermediate forms of income which are 'liquified' into psychic income. Fisher's theory of money illusion rests in part on the distinction between nominal and real values of a currency.

One of Fisher's major contributions to economics according to Schumpeter is Fisher's 1906 book, *The Nature of Capital and Income*. Schumpeter says that "[The book]. . ., besides presenting the first modern theory of accounting, is (or should be) the basis of modern income analysis" (Tobin, 2005, p. 207). In the Preface to the book, Fisher said that it "… forms a sort of philosophy of economic accounting, and, it is hoped, may supply a link long missing between the ideas and usages underlying practical business transactions and the theories of abstract economics" (Fisher, 1906, p. vii). Fisher was a neoclassical-marginalist with unusually sophisticated mathematical skills. He was also a member of the American Psychological School of economics, along with Frank Knight, and several others. Fisher invented the indifference curve in 1892. He resurrected the quantity theory of money in his book The Purchasing Power of Money (1911). Fisher introduced the Austrian theory of intertemporal choice to the English-speaking world. He made contributions to index number theory, thus allowing a price index to be used as part of monetary theory. He anticipated the Phillips Curve 40 years before A. W. Phillips wrote about the tradeoff between inflation and unemployment. He distinguished money from real interest rates (or layers of economic activity). Explicit or not, his overall view of the economy contained a psychological element. And, he wrote extensively about psychic income. Wesley Clair Mitchell said about the psychic realm that,

> Since "the attainment of pleasurable conditions in mind or soul… is the aim of all economic activity," the economist must carry all his analyses back from money to goods, and from goods

> to the psychic income that goods yield. “All things at last become comparable in terms of psychic income in each individual’s judgment.” (Mitchell, Wesley Clair, *The Backward Art of Spending Money*, 1937/1999, pp. 156-57)

Irving Fisher was born in 1867, in Saugerties, New York, a small town about 9 miles east of the (famous) town of Woodstock. He died in 1947, in New York City. He received his B.A. in mathematics at Yale in 1888, and his Ph.D. in economics in 1891 was the first given by Yale. His much heralded doctoral dissertation was published in 1892 as Mathematical Investigations in the Theory of Value and Prices. James Tobin says that his dissertation was “a masterly exposition of Walrasian general equilibrium theory. Francis Edgeworth wrote in Economic Journal about the dissertation that “We may at least predict to Dr. Fisher the degree of immortality which belongs to one who has deepened the foundations of the pure theory of Economics” (Irving Norton Fisher, 1956, p. 49).

Fisher denied the existence of homo economicus among all people as he discussed, among other things, the irrational elements in the determination of impatience and hence the rate of interest. The lack of complete rationality included the inability of distinguishing the monetary from the real values and how this distorted decisions. He also wrote about people lacking perfect self-control, lacking perfect foresight, and using habits which lead to non-optimal decisions. Fisher wrote about health, and how to live in a healthy manner. He also wrote about economic-man, what we could refer to as economics and psychology, and psychic income. John Tomer had all of this in common with Fisher.

John Tomer was a Professor of Economics at Manhatten College. He was a pioneer in the field of behavioral economics, was a founding member and first president of the Society for the Advancement of Behavioral Economics (SABE). For the past 20 years, his Buddhist spiritual community, played an important role in his life. The breath and depth of his research interests can be seen in some of his books and journal articles. His books include Advanced Introduction to Behavioral Economics (2017). Integrating Human Capital with Human Development: The Path to a More Productive and Humane Economy (2015). Intangible Capital: Its Contribution to Economic Growth, Well-Being, and Rationality (2008). The Human Firm: A Socio-Economic Analysis of its Behavior and Potential in a New Economic Age (1999). Organizational Capital: The Path to Higher Productivity and Well-being (1987).

His journal articles include “Why Buddhist Economics Is Needed: Overcoming Large Scale Biophysical and Socio-economic Dysfunctions” (2017). “Economic Decision Making; How Our Mind Works” (2015). “Brain Physiology, Egoistic and Empathetic Motivation, and Brain Plasticity: Toward a More Human Economics” (2012). “Intangible Capital and Economic Growth,” International Journal of Behavioral and Healthcare Research, 3(3/4), 2012. “Beyond the Rationality of Economic Man, Toward the True Rationality of Human Man” (2008). “What is Behavioral Economics?” (2007). “Beyond the Machine Model of the Firm, Toward a Holistic Human Model” (1998).

John considered mainstream economics to be too narrow. He denied the assumption of homo-economicus. He denied the idea that organizations are nothing more than a machine. He believed that economics would be better if it were more interdisciplinary. He believed that the psychic realm was essential to life. Sections two through six focus on Irving Fisher’s work. John Tomer returns in Section seven.

The cycle of psychology

Fisher’s theory of economic depressions is perhaps best seen in two publications. The first is his book, *The Purchasing Power of Money* (1911). The second is his article, “The debt-deflation theory of great depression” (1933). The focus of his theory is over-indebtedness which is eventually followed by deflation. The cause of over-indebtedness, Fisher argued, is “related to certain changes in psychology, and his analysis anticipated much subsequent discussion in the tradition of behavioral economics” (Shiller, 2011, p. 2). In The Purchasing Power of Money, Fisher says that excessive borrowing during the expansion phase changes the purchasing power of money. Eventually the supply of credit stalls and prices drop.

Fisher says that there are four distinct phases to the cycle of psychology. First, people are “blinded” by the expectation of large dividends of increases in income in the distant future. Second, people hope to make profits in the immediate future. Third, the “vogue of reckless promotions” by taking advantage of people’s “irrational” expectations. Fourth, “Out-and-out” fraud against a “credulous and gullible” public. What Fisher was speaking about in these four phases was exaggerated and irrational expectations, and a too narrow definition of self-interest. Fisher recommended two programs for reducing or eliminating price changes which contributed to the cycle: price indexation, or inflation-indexed debt, and; the compensated dollar.

Richard Thaler on Fisher’s behavioral economics

Thaler says that Fisher is a pioneer of (modern) behavioral economics. Modern behavioral economics has three characteristic characteristics: rational behavior is the starting point in any theory of decision-making; individual behavior is analyzed empirically through any number of data collection methods, and; actual behavior is used to show cases when human behavior falls short of the homo-economicus ideal of economic theory. Thaler said of Fisher’s work on time preference, and the money illusion illustrates modern behavioral economics. (Thaler, 1997). In both cases Fisher distinguishes money from “real” prices and interest rates. In, *The Nature of Capital and Income* Fisher distinguished money (Level 1), from real (Level 2), and from psychic income (Level 3). Thaler says that Fisher’s work on time preference outlines a life-cycle model because it discusses borrowing and lending so as to smooth out consumption over time. Fisher’s work also discusses a behavioral critique of the life cycle model. Thaler says that “it is perhaps more impressive that he... anticipates the behavioral critique of this model” (Thaler, 1997, p. 439).

Cognitive, money, illusion

In his 1928 book, *The Money Illusion*, Fisher anticipates Kahneman and Tversky’s work on cognitive illusions, the “tricks” that the mind plays on us. In, Shafir, Diamond, and Tversky’s 1997 article “Money Illusion,” the authors discuss the cognitive illusion which creates confusion in our minds between nominal and real values, i.e., the money illusion. The confusion between nominal and real values means that people fail to perceive that the value of a dollar (franc, pound, or peso) increases or declines. This is expressed in the saying that “a dollar is a dollar” (Fisher, 1928/2011, p. 5). Fisher offers another example of an illusion about which we are all aware. This is the illusion that the sun rises in the east and sets in the west. The illusion is created by the fact that the earth spins on its axis, while we believe that the earth is not moving. The money illusion is not only a cognitive illusion, it is an anathema, an abomination to economists. The reason: the money illusion “implies a lack of rationality that is alien to economists” (Shafir, Diamond, and Tversky, 1997, p. 341).

Time preference

In, *The Theory of Interest* (1930), Fisher defined *time preference*, or *impatience*, as the “preference for a dollar’s worth of early *real income* over a dollar’s worth of deferred *real income*” (Fisher, 1930/1965, p. 65). He says that the rate of interest has a significant psychological element to it.

> The problem of the rate of interest is entirely a problem of spending and investing, of deciding between various possible enjoyments constituting income, especially between relatively small but immediate enjoyments and relatively large but deferred enjoyments. There is an eternal conflict between the impulse to spend and the impulse to invest. (Fisher, 1930, p. 29)

Again, part of the psychological element is the distinction between the money and real interest rate, a distinction we often fail to recognize. The money rate is the rate of interest in terms of money. The real rate is the rate of interest in terms of goods. The equation showing the relationship between the two rates, when the rate of inflation is low, is real rate = money rate – rate of inflation. As already mentioned, Fisher also distinguished three types of income. Psychic income is our enjoyment income. a “psychological entity” which cannot be measured directly. It can be approximated, indirectly, by the cost of living. In, *The Theory if Interest*, Fisher said that “You cannot measure in dollars either the inner event of your enjoyment while eating your dinner or the outer event of eating it, but you can find out definitely how much money that dinner cost you” (Fisher, 1930, pp. 6-7). More generally he said, “... the psychic experiences of the individual mind – which constitute ultimate income for that individual. The outside events have significance for that individual only in so far as they are the means to these inner events of the mind” (Fisher, 1930, p. 4).

Rational and irrational determinants of time preference

Fisher explains time preference as determined by the size and trend of income, and the personal factors of habit, life expectation/uncertainty, concern for others, and fashion. Low income increases the preference for current income; income is a rational component of time preference. The irrational component is that people become “blind” to future needs. As Fisher and many others have said, man lives by bread alone, if he has no bread. Accompanying blindness to our future needs, foresight and self-control are reduced and we begin to “trust to luck” for the future (Fisher, 1930, pp. 72-3). Foresight, which is about thinking, reduces impatience. On the other hand, a society of “reckless” people increases impatience. Self-control is about willing. A weak will tends to have the same effects as someone with an inferior foresight: they increase impatience. In the cases of a weak self-control or inferior foresight, the person can’t resist the “lure of the saloon” after work. The “grooves of habit” can increase and decrease impatience. “Rich men’s sons” tend to be prodigal and hence impatient. People living in a society with a tradition of thrift tend to be more patient. Life’s uncertainty and the chance of death is a rational factor increasing impatience. On the other hand, increasing the life span reduces impatience. Caring for the welfare of others, i.e., family, is “Probably the most fitful cause of impatience; it is a “potent yet illusory social force” (ibid., p. 88). Fashion is about imitation; Fisher cites Gabriel Tarde’s 1899 book *Social Laws*. Fashion can make people less impatience so they can save and imitate millionaires. On the other hand, fashion can increase impatience so that millionaires can live ostentatiously.

Life cycle and behavioral life cycle hypotheses

The life-cycle hypothesis (LCH) describes spending and savings patterns over a person’s (or a family’s) lifetime. A basic idea is that people try to smooth consumption over their lifetime by borrowing when their income is low and saving when income is high. In what Fisher calls the First Approximation (FA) to the theory of interest, the loan market is perfectly competitive, i.e., you can borrow and/or lend as much as you choose without affecting the interest rate. However, “In the actual world, of course, no such perfect market exists” (Fisher, 1930, p. 100). Other assumptions of the FA is that people have perfect foresight. Fisher drops the assumption of complete foresight in the Second Approximation (SA). In dropping the assumption of complete foresight Fisher rejects most of the assumptions of the life-cycle hypothesis. First, that each household knows their future size and life expectancy of each member. Second, that each household knows the net income over the lifetime of each member. Third, each household knows the available credit in the present and future. Fourth, they know future emergencies, opportunities, and social pressures affecting their spending. Fifth, each household’s vision is so certain that it can be used in making rational planning decisions. Fisher rejects the notions of homo-economicus.

The Nature of Capital and Income

Behavioral economics is a study of HUMAN behavior in an economic environment. It is my contention that Fisher discussed HUMAN behavior by writing about, among other topics, cognitive errors, impatience, the mind and human consciousness. Fisher wrote about psychic income and consciousness in Chapter 10 (“Psychic Income”) of *The Nature of Capital and Income*. So many reviewers of *The Nature of Capital and Income* act as if the book chapters are 1-9, and then 11-18.

As to the title of his book, he says that wealth consists of “material objects owned by human beings” (Fisher, 1906, p. 3). A stock of wealth at a particular point in time is capital. A flow of services from capital through time is income. Capital is wealth, income consists of the services of wealth. Thus,

> Wealth is wealth only because of its services; and services are services only because of their desirability in the mind of man… The mind of man supplies the mainspring in the whole economic. It is in his mind that desires originate, and in his mind that the train of events which he sets going in nature comes to an end in the experience of subjective satisfactions. It is only in the interim between the initial desire and the final satisfaction that wealth and its services have place as intermediaries. (ibid., p. 41)

A house is capital; the shelter it provides is income. A piano, a house, and food are capital, or wealth. Music, shelter, and nourishment are income, the services of capital, or wealth. Here again are the three forms of income: money (money), real (“enjoyable commodities and services”), and psychic (“subjective services”).

However, capital yields services and disservices (outgo, expenses, or costs). A disservice is either the creation of an undesirable event or the prevention of a desirable event by wealth. A house gives shelter but also the disservices of labor (expense), paint, insurance, caretaking, and taxes. The owner of a house does not want the house to need repairs. The need for repairs reduces the value of the house. Hence, repairs are a disservice to the house. A saddle horse (remember, the book was published in 1905) provides the services of a “daily ride,” but also the disservices of being stabled, fed, and shod (whatever that is). Land provides food but the disservices include fertilizer, seeds, and labor. A railway yields transportation but requires coal, labor, and other supplies if it is to keep going. If the value of services exceeds (is less than) the value of the disservices then net income is positive (negative).

Double Entry Bookkeeping. Schumpeter refers to Fisher’s calls this work “the first economic theory of accounting” and says “it is (or should be) the basis of modern income analysis” (Tobin, 2005, p. 27). Tobin wrote that Fisher’s concept of capital as any material thing which yields services is “simple and comprehensive.” Services are ultimately psychic, subjective satisfactions in “the stream of consciousness” of a human being.

Fisher used an example of a house and a hammer to illustrate double-entry bookkeeping. The house has loose shingles. Renailing the shingles is not what the house was made for. Hence it is a necessary evil, a disservice to the house. The hammer which renails the shingles performs a service; the hammer was meant to (re)nail. Repairing the house contains both a service and a disservice, what Fisher calls a “double-faced events,” an interaction, and intermediate or preparatory services, what business calls double-entry bookkeeping (Fisher, 1906, p. 144).

To avoid “double-counting” we cannot count the house (the “instrument”) and the what we get from the house (its “uses”) both as either capital or income. The house is capital, the uses, or services are income. Fisher shows with great detail and over many pages examples similar to the house and the hammer. He reminds economists that

> A little attention to business bookkeeping would have saved economists from such errors; for the keeping of records in business involves a practical if unconscious recognition of the time principle here propounded. The “capital account” of a railway, for instance, gives the condition of the railway at a particular instant of time, and the “income account” gives its operation through a period of time. (Fisher, 1906, pp. 59-60)

These events or interactions, he says, constitute most of what enters into income and outgo (cost) accounts. These interactions he calls the “transformation of wealth,” i.e., production activities (ibid., p. 145). These transformations involve a “transforming instrument” and a “transformed instrument.” For example a paint brush and a painter are transforming instruments while the house is a transformed instrument. The former are credited as they produce a service, while the house is debited as it involves a disservice. A cobbler performs a service by transforming leather into shoes; the shoes are debited because they create costs or a disservice. These events or interactions only occur “out there,” only in the external to the person environment. For every income (credit) there is an outgo (debit). Until you get into my mind or consciousness. He says that “The only services which are not merely the positive side of interactions are mental satisfactions – desirable conscious experiences – often miscalled ‘consumption’… ” (ibid., p. 145).

Mental satisfactions are our "final income," and it is this final income which "the economist is usually in search" (ibid., p. 165). At least behavioral economists are in search of this final income.

> In this final net income all interactions between articles of external wealth drop out, – all the transformations of production, such as the operations of mining, agriculture, and industry, all the operations of transportation, and all business transactions or exchanges. For, in all such cases, the debits and credits inevitably occur in pairs of equal and opposite items. The only items which survive are the final personal uses of wealth, ordinarily called "consumption." Let us rather call them enjoyable objective services. (op. cit.)

But it doesn't end at objective services. It ends with subjective services.

> It is usually recognized by economists that we must not stop at the stage of this objective income. There is one more step before the process is complete. Indeed, no objective services are of significance to man except as they are preparatory to subjective satisfactions. The final subjective services come through the human body. No agent outside the body can yield them. All that persons or things outside of man can do is to stimulate his bodily organism. Even what are called services of amusement or instruction cannot directly amuse or instruct the mind; they can only affect the body. An instructive book, for instance, renders its service simply and solely by reflecting light into the eye of the reader. It is necessary that these stimuli on the optic nerve should be transmitted through the nervous system before any mental instruction takes place. So a piano can of itself produce no sensations of tone. It merely produces external vibrations, which, through the ear and auditory nerve, ultimately result in sensation. All sound, sight, taste, smell, touch, come about through reactions of the nervous system to external stimuli. (ibid., pp. 165-6)

To go where no economist had gone before. (John Tomer came after Fisher). What is subjective income?

> We define subjective income, then, as the stream of consciousness of any human being. All his conscious fife, from his birth to his death, constitutes his subjective in- come. Sensations, thoughts, feelings, volitions, and all psychical events, in fact, are a part of this income stream. All these conscious experiences which are desirable are positive items of income, or services; all which are undesirable are negative items, or disservices. (ibid., p. 168)

The final and most "important" form of income is our stream of consciousness. Fisher is not done going where no economist has gone before, or after. He says that capital is desirable; desirability is a "state of mind at an instant of time" (ibid., p. 326). Creating and maintaining capital requires effort, the disservices of capital, the opposite of income called outgo. Income yields satisfactions and these are experienced over time. He concludes, that

> We thus see in the mind of man a microcosm of the objective economic world, consisting of desires, efforts, and satisfactions, corresponding respectively in the objective world to capital, outgo, and income. (op. cit.)

The entire external world has a counterpart in that three pound organ resting between our ears – the brain. Another quote from Schumpeter about *The Nature of Capital and Income* is that, "[Fisher] deduced rationally a set of definitions of Wealth, Property, Services, Capital, Income that was new by virtue of the very fact that it fitted a rational schema" (Irving Norton Fisher, 1956, p. 127). It was rational up until the point of explaining how psychic phenomena is the ultimate form of economic activity!

Health and psychic income

> A large part of our subjective income is due to our conditions of health or disease. . . [A] healthy body is absolutely essential for receiving and enjoying the income from external wealth. . . Economists, by fixing attention exclusively on physical phenomena, leave out the most essential element of all, the vigor of human life. The true "wealth of nations" is the health of its individuals. (Fisher, 1906, p. 368)

> I feel a little ashamed to admit that as an economist and as a student of society I had been blind, as the average man or woman of today is blind, to what heath conservation means. Suddenly I discovered I had tuberculosis and took a long enforced vacation. When after three years I went back to Yale, I was unable for two years to do even half a man's work. . . At length by dint of conscientious application of a dozen or more specific points of hygiene, not only did I succeed in winning back my previous working power, but acquired more than I had ever dreamed of acquiring. (op. cit.)

In his 1915 book, How to Live: Rules for Healthful Living Based on Modern Science , Fisher uses the words consciousness or conscious to mean being aware of, or paying attention to something. For example, he that that "ordinarily breathing should be unconscious, but every day deep breathing exercises should be employed. A hundred deep breaths a day is one physician's recipe for avoiding tuberculosis" (Fisher, 1915, p. 11). The book provides information about housing, clothing, sleeping, food intake, posture, teeth and gums, and you name it. The importance of health as a form of human capital in determining income is expressed here:

> A man with a good constitution has a more agreeable stream of consciousness, or subjective income, than one without... It is evident that the wealthy man who confessed that he would exchange all his millions for a young and vigorous body may be the recipient of a large objective income, but not enjoy as much subjective income as Walt Whitman, who had scarcely a dollar in the world...
>
> A nation consisting of weak, sickly, and short-lived individuals is poor compared with a nation whose inhabitants are of the opposite type. Hence it is that the devices of modern hygiene, sanitation, and preventive medicine, which tend to increase human working power and enjoying power, are of greater economic import than many of the luxurious and enervating devices commonly connoted by "wealth." We see, then, that subjective income means simply one's whole conscious life. Every item of it comes via the body of the person. (ibid., p. 176)

In, *Integrating Human Capital with Human Development*, John Tomer speaks about "health capital." Health capital is only one of many nonstandard types of human capital. Tomer the humanist and non-standard economist believed that the economist's definition of human capital – education, and health expenditures – was too narrow. In addition to health capital, Tomer also identified social capital, personal capital, moral capital, and patience capital. Health capital, which is broader than the traditional definition of human capital in the form of health expenditures, is a "stock consisting of the accumulated individual learning that contributes to his or her physical health and some aspects of mental health" (Tomer, 2016, p. 125). Included in health capital is eating slowly; getting enough sleep; sufficient exercise, and; avoiding alcohol and illicit drugs. If this reminds you of Fisher's 1915 book *How to Live...*, then, wait, there's more. Tomer also writes about addictions, which are harmful habits, a pattern of behavior characterized by compulsive behavior, which is harmful. Tomer spends considerable space discussing the addiction to food leading to obesity and type 2 diabetes. As a cause of obesity he mentions processed food, citing as an example, French fries, and the entire fast food industry. Obesity leads to dysfunctional socioeconomic development. Tomer, the Buddhist, was at home with Fisher's discussion of psychic income. Fisher would be at home with Tomer's discussion of health capital. Economics will be better off if their behavioral economics is kept alive.

John Tomer, and Irving Fisher - Buddhists

John Tomer, maybe one-of-a-kind: an American economist from New Jersey (not San Francisco, Boulder, or Seattle), who aligned himself with Buddhism. Many years ago, in a previous lifetime, I studied with an Indian guru (a Hindu, not a Buddhist), and taught meditation for many years, including while I was in graduate school. So, I understand what Tomer writes about in his 2017 article, "Why Buddhist Economics Is Needed: Overcoming Large Scale Biophysical and Socioeconomic Dysfunctions." I am only going to review some of the main points, and show in what ways Fisher said similar things, but without ever using the word Buddhism, or the term Buddhist economics.

Tomer says that "Buddhism deals with the spiritual realm. It concerns wisdom about how best to live one's life in light of the realities of human existence" (Tomer, 2017, p. 146). It is based on the Four Nobel Truths. (1) suffering exists; physical, mental and emotional suffering exists. (2) the cause of suffering; ignorance of important life truths that cause people to be attached to things of the world and believe that these things will bring permanent happiness causes suffering. We are born in a state of ignorance, i.e., a lack of knowledge, and it is this lack of knowledge that causes problems in life. (3) there is a way out of suffering; stop the attachment to the things of the world. (4) there is a way to stop the suffering; this is known as the Noble Eightfold Path. At the heart of this path is living mindfully. Mindfulness involves practicing concentration meditation about our-self and others which helps us to live with compassion, peace and joy.

However, humans are born in ignorance, or a lack of knowledge, and it is from this that suffering arises. The reason is that a lack of knowledge leads us blindly by our cravings for pleasure; a lack of knowledge creates bad habits which control our life. And when this happens we don't really know what is a real benefit and what is an illusory benefit. The Buddha makes a distinction between outer (material) wealth and inner (spiritual) wealth. Inner wealth includes our ability to appreciate our life and our relationships. Another important part of the Buddha's philosophy is that all things in existence are interconnected and exist in a state of interdependence. Intelligent reflection is what is needed for intelligent action. And, intelligent action is what is good for one-self and for others. Can we act with intelligent reflection? According to the Buddha humans are naturally endowed with an ability for personal and social development.

According to the Buddha relationships are an end in themselves rather than a means to an end. In mainstream economics, according to Tomer relationships are a means to an end. According to the Buddha, economic activity should lead to a "good and noble life" of both the individual and society.

Irving Fisher. "Buddhist"

Fisher's book, How to Live... offers a few examples of "Fisher the Buddhist." Knowledge, says Fisher is not enough; knowledge must be accompanied by practice. For example, deep breathing, a meditation technique, is discussed by Fisher. He says that ordinary breathing is unconscious. However, a person should practice 100 deep breaths a day, where this type of breathing is done consciously. That is, a person pays attention to their breath. The breathing technique is called pranayama, where the word prana means the breath. This technique slows down your breathing and puts you into a deeper state of relaxation. The practice is to cover one nostril and breath out and then in through the other. You then cover the other nostril and breath out and then in through the other, and then repeat, over and over again. To be clear, Fisher actually describes pranayama without mentioning its name.

Fisher discusses a healthy mental attitude, which is a foundation of Buddhism. "A healthy mental attitude implies many elements, but they are all roughly summed up in the word 'serenity'" (Fisher, 1915, p. 30). Agreeing with the Buddha, Fisher says that "Probably no other one hygienic requirement is of greater importance than this" (op cit). Serenity is achieved through the "healthymindedness," a word similar to the concept central to Buddhism – mindfulness. And, consistent with Buddhism, Fisher says that serenity "should be striven for not only in order to produce health, but as an end in itself, for which, in fact, even health itself is properly sought" (ibid, p. 31; italics emphasized).

Suffering – discontent, melancholy, worry, fear, and irritability – arise from some condition in the body. A healthy body "awakens mental capacities" (ibid., p. 31). Epictetus, the first and second century Greek stoic philosopher asserted that exuberant health is a prerequisite for being a philosopher of the highest order. Ralph Waldo Emerson and Walt Whitman asserted that "spiritual exaltation" was related with physical health. As the body affects the mind so does the mind affect the body. Fisher says that "When the mind turns from shadow to sunshine, the body will tend also to assume the radiance of health" (ibid., p. 33). As the Buddha said, humans have the ability end suffering. Fisher said the same thing: serenity is an art. "Each must learn for himself how best to avoid anger, fear, worry, excitement, hate, envy, jealousy, grief, and all depressing or abnormal mental states. To do so is an art which must be practiced, like skating or bicycle-riding. It can not be imparted merely by reading about it" (ibid., p. 32).

A life of equanimity is a life free of suffering. How does one attain equanimity? Fisher says that "The secret of equanimity consists not so much in repressing the fear or worry, as in dropping or ignoring it – that is, diverting and controlling the attention. It does no good to carry a mental burden. 'Forget it!' The main art of mental hygiene consists in the control of attention. Perhaps the worst defect in the Occidental philosophy of life is the failure to learn this control. The Oriental is superior in such self-training" (ibid., p. 33). But of the 15 parts of Fisher's philosophy about how to live, (at least) two are very Buddhist, if you will: breath deeply (pranayama yoga), and maintain serenity (meditation). Fisher says that: "The human body is a 'harp of a thousand strings,' which are intended to harmonize. If one of them is out of tune, it is likely to cause discord throughout, while to tune up one helps the harmony of all" (ibid., p. 34). Being out of tune is caused by bad habits, caused by a lack of knowledge. Fisher says that we must overcome the "inertia of acquired habits. After one has changed his habits, it is just as easy to live rightly as to live wrongly" (ibid., p. 37). "Right Livelihood" or ethical living, is one of the Eight Fold Paths of Buddhism.

What is the philosophy behind consumption? "The values of Buddhism are oriented to the objective of attaining human well-being, not to satisfying endless desires or attempting to maximize the satisfaction of desires. When well-being becomes the goal, it helps to control economic activity, thereby limiting excess... This is because with the focus on well-being people can take the time to reflect on their true purposes. And then they tend to produce or consume the 'right amount', i.e., not too much. Instead of economic activities being controlled by market events like shortages or scarcities, they are controlled by an appreciation of moderation" (Tomer, 2017, pp. 6-7). Fisher agrees about the value of moderation. The last two rules for healthy living are under the heading, "Activity." Rule number 14 states that, "Work, play, rest and sleep in moderation and in due relation to each other" (Fisher, 1915, p. 34).

In mainstream economics the self is permanent and unchanging, in Buddhism the self consists of continually changing physical and mental constituents. According to Buddhist teachings, individuals can reduce their suffering by letting go of their clinging to their selves' desires. Thus, Buddhists understand the individual to be "selfless," even though the self is understood to be an essential determinant of a person's individual interactions.

Buddhists have high regard for consumption decisions that are based on wisdom and intelligent reflection, not decisions based on ignorant desires for pleasure which often have harmful effects and do not contribute to true well-being. Food, for example, is eaten "not simply for the pleasure it affords, but to obtain the physical and mental energy necessary for intellectual and spiritual growth toward a nobler life" (Tomer, 2017, 150). Fisher agrees. "As age advances, the consumption of meat and all flesh foods should be decreased and that of fruit and vegetables... should be increased" (Fisher, 1915, p. 13). Food, for example is eaten "not simply for the pleasure it affords, but to obtain the physical and mental energy necessary for intellectual and spiritual growth toward a nobler life" (ibid., p. 42). Fisher says that "It is physical, not mental work, which uses up the greater part of our food. The common impression that brain-work or expenditure of mental energy creates a special need for food is erroneous. The sedentary brain-worker often gains weight without eating very much" (Fisher, 2017, p. 13). And, "As age advances, the consumption of meat... should be decreased and that of fruit and vegetables... should be increased" (op. cit.). And, "For, on account of false notions of the strengthening effect of meat, too much meat is used by young and old, and by children, and this is harmful..." (ibid., p. 14). Fisher spends considerable space in How to Live breaking down each food based on how much fat, protein, and carbohydrates it contains. The reason he does this is not for the purpose of how good it tastes but how it affects health. What I find so fascinating is the Weight Watcher program, formed in 1963, categorizes food by fat, protein, carbohydrates, and fiber.

Here are just a few examples of "Fisher the Buddhist." John Tomer considered himself to be a follower of Buddhism. Both men were not afraid to go outside mainstream economics and both expended our consciousness about economics.

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