

MARSHALL
s t u d i e s
b u l l e t i n

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Alfred Marshall

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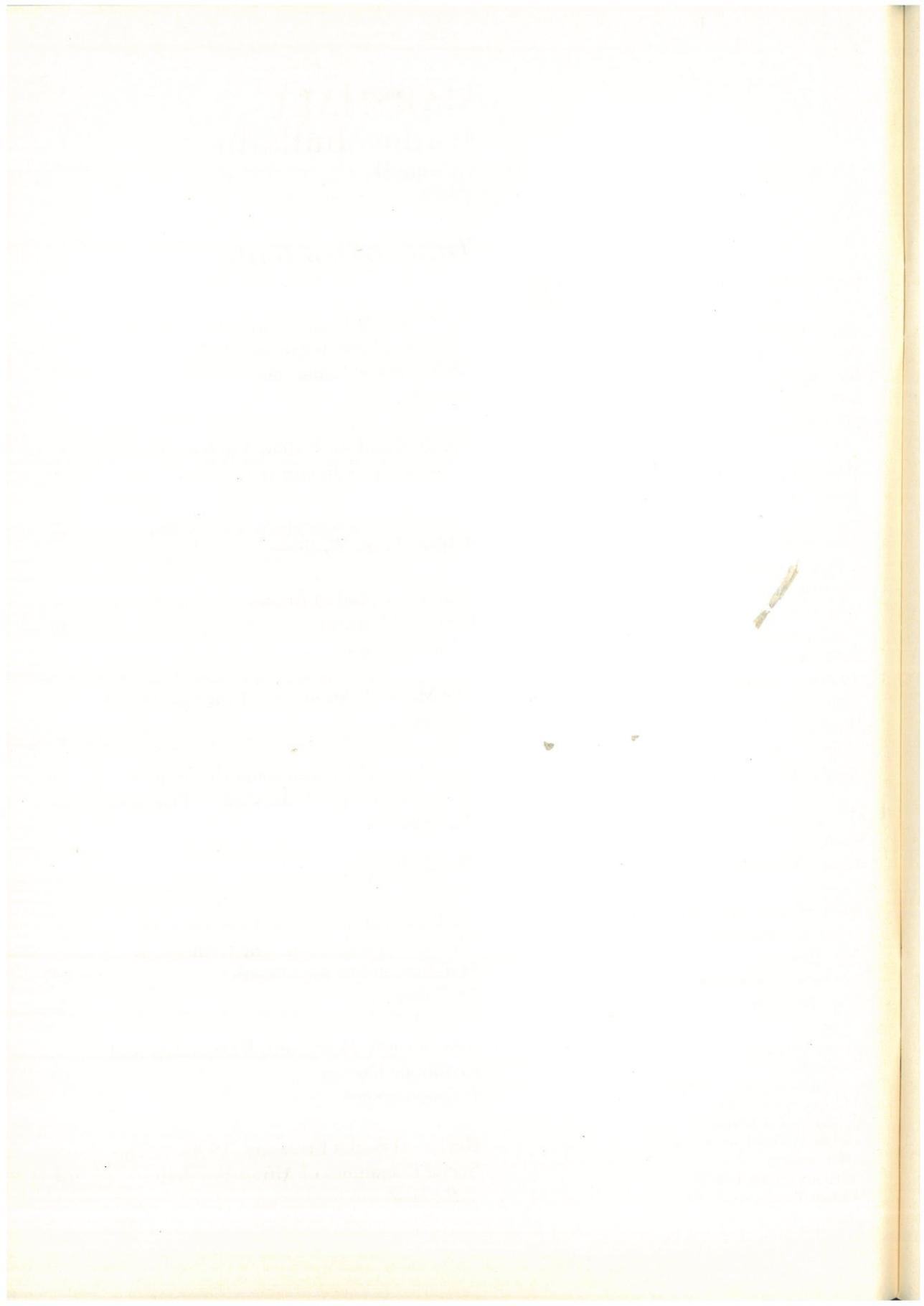
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The Corrigenda and Addenda to Marshall's Third and Fourth Edition of *The Principles of Economics**

Peter Groenewegen
University of Sydney

Marshall's obsession with being correctly understood about the meaning he wished to convey in his magnum opus is well known. It is visible in the seven revised editions of that book after its first publication which successively appeared in 1891, 1895, 1898, 1907, 1910, 1916 and 1920. Many, but by no means all of the changes these editions made can be followed in what is known as the ninth, variorum edition of the work, published in 1961 in two volumes as prepared by Marshall's nephew, Claude Guillebaud. Examples of some of its more interesting oversights are easily given¹. Perceptive readers of the 1922 and subsequent "reprints" of the 1920 eighth edition will have noted minor changes which can only have been made after 1920. The more prominent of these is the reference to an article by Taussig which appeared in the *Quarterly Journal of Economics* of May 1921 on the subject of speculative demand². That this is a post-1920 change can be verified from a copy of the eighth edition preserved in the Marshall Library which contains a corrigenda in Alfred

* Professor Ronald Coase first drew my attention in correspondence to the existence of such a variant, a copy of which I myself had inadvertently purchased some years ago. I am indebted to Professor John Whitaker for drawing Marshall's correspondence with Macmillan on the subject to my attention and to the British Library of Economics and Political Science for permission to reproduce the letter to Cannan in their possession. The Archivist, Dr. Raspin, also kindly provided me with a photocopy of the Additional Corrigenda to the third edition, not in Cannan's copy but from the copy of the Webbs. This is reproduced below. Research assistance generously provided through the Australian Research Council is acknowledged in aiding the preparation of this note.

1. Alfred Marshall, *Principles of Economics*, ninth variorum edition, edited C.W. Guillebaud, London, Macmillan, 2 volumes, 1961. For examples of omissions on Guillebaud's part, see George Stigler, 'Marshall's Principles after Guillebaud', in *Alfred Marshall. Critical Assessments*, edited J.C. Wood, London, Croom Helm, 1982, vol.2, pp.223-30.

2. See Alfred Marshall, *Principles of Economics*, "eighth edition", p.99 n.2; cf. ninth variorum edition, edited C.W. Guillebaud, London, Macmillan, 1961, vol. 2, p.245, which states rather ambiguously that the reference to Taussig's article ('Is Market Price Determinate' *Quarterly Journal of Economics*, 35, May 1921, pp.394-411) was first inserted "in the eighth edition" without indicating this was done after 1920 and presumably first in the 1922 printing of that edition.

Marshall's handwriting with about half a dozen minor corrections, including the suggested addition of the Taussig reference to Book III, Chapter 3. This striking illustration of Marshall's penchant for minor alterations to the text close to his eightieth birthday explains the existence of a minor variant between the 1920 eighth edition proper and the reprints from 1922 which incorporate the corrections just mentioned.

There is a similar type of variant in the third and fourth editions. These arise from a 'corrigenda and addenda' prepared some time *after* the publication of the edition in question, as in the case of the changes to the eighth edition incorporated in its variant of the 1922 printing. Such alterations in the case of the fourth edition were to be inserted either by the publisher, Macmillan, in copies still unsold, or by known owners of the edition who were to be sent copies largely at the initiative of the author. As the longest enduring edition of the *Principles* published during the author's life time, the fourth edition exists therefore in two versions. Copies of the fourth edition sold by Macmillan from the early months of 1903 contained a "corrigenda et errata" slip, inserted immediately after the final page of the Table of Contents (p.xxix) and before the start of the actual text, the traditional place at which Macmillan had inserted author's 'corrigenda' prior to publication in the three previous editions³. Other copies, presumably those sold between 1898 and 1902, are without this addition, and in fact carry no corrigenda at all, as is in fact the case with all the later editions. The only exceptions to this rule would be copies of the fourth editions owned by those of his readers whom Marshall had favoured by personally sending them such a slip of corrections. Marshall explained the rationale for his proposal in a letter to Macmillan dated 13 December 1902:

As my edition IV will run several years, I have thought it best to prepare a sheet of Addenda and Corrigenda. I propose to print it off, with some amendments, after Xmas; and to send some copies of it with a line of gum down the back - so that it can easily be made to stick in its place - to some of those whom I know to be using the book. But the main body of them would go to you with the request that you would kindly have them inserted in the unsold copies⁴.

Marshall referred only once to these inserts in private correspondence which has been preserved. Writing to J.B. Clark in November 1902 he mentioned 5,000 'corrigenda and addenda' slips for the fourth edition he was getting printed for

3. See Alfred Marshall, *Principles of Economics*, first edition, 1890, p.xxviii; second edition, 1891, p.xxxi; third edition, 1895, p.xxxii.

4. Alfred Marshall to Macmillan, 13 December 1902 (Marshall Archive 3:17).

inserting in the total print run of the edition, a rather optimistic expectation when at least 2,000 copies of the book had been sold at the time the inserts were ready⁵. Subsequent correspondence between Marshall and Clark suggests Clark received one of the inserts for his copy of the fourth edition. Clark's letter of 3 February 1903 makes an oblique reference to one of the corrections it contains when responding to Marshall's criticisms in his letter of 15 December 1902, largely concerning Clark's treatment of statics and dynamics⁶. A further letter to Macmillan (dated 7 January 1903) indicates that Marshall had intended to pay Macmillan for costs associated with the errata slips and that there had been some confusion and misunderstanding on this subject between author and publisher.

This letter is particularly interesting for its implication that Marshall had also offered to pay for the costs involved in an errata slip for the third edition. Given the fact that only 2,000 copies of that edition had been printed in 1895 and that these had been sold within approximately three years, it is interesting to discuss the circumstances in which this errata was in fact prepared and printed, as Marshall's letter to Macmillan enunciates⁷. There was in fact a very good reason in the case of this small edition for Marshall to proceed with such a post-publication correction strategy. This was to correct both a glaring and embarrassing error on his part, which in explanation to the injured party, he went so far as to confess as "my crime". The letter to Cannan in question from a very penitent Marshall is so interesting that it can be quoted *in extenso*:

My dear Cannan,

I am very sorry, indeed chagrined, about my reference to you. I do not think the text makes you responsible for the error, unless it is coupled with the entry in the index; and it may be hoped few people will couple them. Those who would be likely to do that, would be likely to know that you were not to be held responsible for the error. If I had noticed the entry in the index, I should have altered it, but I am sorry to say I could not bring myself to read the index through. I merely suggested the

5. Alfred Marshall to John Bates Clark, 11 November 1902 (only partially reprinted in *Memorials of Alfred Marshall*, ed. A.C. Pigou, London, Macmillan, 1925, pp.413-4); sales estimates for the fourth edition by end 1902 are based on David Macmillan, 'Marshall's *Principles of Economics*: a bibliographical Note', in *Alfred Marshall. Critical Assessments*, vol.2, p.130.

6. John Bates Clark to Alfred Marshall, 3 February 1902 (J.B. Clark Collection, Butler Library, Columbia University, New York); Alfred Marshall to John Bates Clark, 15 December 1902 (partly reprinted in *Memorials of Alfred Marshall*, p.415).

7. Alfred Marshall to Macmillan, 7 January 1903 (Marshall Archive 4:18).

general plan on which it should be made and tested it in a few places.

As to the passage in the text, I have no excuse to make. But I know how my error came about. When I read in the newspaper what they would catch of the drift of your paper at the British Association, I thought you had not gone into the question of the growth of suburbs. I had stayed at New Brighton in the seventies; and had been much impressed by the drift of the population outwards, which I had gathered was increasing under the influence of improved means of communication. I meant then to say on my authority that the suburbs were growing fast, and on yours that the number of immigrants into them is less than that of the emigrants from Liverpool proper.

Then comes my crime. I pushed the third, fourth and fifth books of my volume through the press at the steady rate of five sheets a week, in the main I hoped I might get clear of Volume I before the long vacation, and given that, or at all events the fact of it which I put abroad - to Vol. II, which had been moribund. And in my hurry I referred to your article in the *Economic Journal* without reading it carefully and without discovering that your article on p.112 includes suburbs. I am afraid my not having seen your National Review article - for which many thanks - is no excuse. For though you go more into detail there, the central fact is clear enough in the E.J.

If I print a supplementary table of corrigenda - an awkward proceeding, though there is much to be said for it in this particular case, I shall go through the awkward bit and not round it and shall state that you had shown that emigration has been greater than immigration for the last ten years of census returns for Liverpool, suburbs included.

I should probably say no more, but if I were writing at length on the subject, I should add that I see no clear reason why we should go back ten years only rather than twenty and that Liverpool is not a representative town, because the number of men required to discharge a million tons of cargo is less than it was; and because for many purposes Liverpool, Cardiff and Southampton ought to be regarded as one town.

But of course all of this is no excuse for my carelessness that aggravate me all the more that it imputes error to another who is himself so especially careful about his facts⁸.

8. Alfred Marshall to Edwin Cannan, 6 November 1895 (British Library of Economics and Political Science, Cannan Collection 1020:46-53); the references to the third edition are as follows: in the offending footnotes on p.280 Marshall mentioned in the letter, he stated: 'The suburbs of Liverpool are growing so fast at the expense of the city, that its annual increase is less than its excess of births over deaths: those who go out of it exceed in numbers those who emigrate into it, as was shown by Mr. Cannan in the *Economic Journal*, vol.IV.' The index (p.814) referred to this note as 'Cannan, on growth of suburban population.' The journal article referred to is a summary of Cannan's paper, 'The Growth of Manchester and Liverpool',

As Cannan recalled thirty years later in his obituary of Alfred Marshall, the letter in question was followed by two more postcards about the possibility of issuing supplementary corrigenda and a year later by a letter containing the actual slip of additional corrigenda, the contents of which showed Cannan "how heavy this trifle still weighed" with Marshall. By way of explanation Marshall's letter to Cannan stated,

An accumulation of heinous errors in my Edn III has at last driven me to the unwelcome step of issuing additional Corrigenda. I counted the urgency of that relating to Liverpool as much the greatest because it corrected at once an error and a libel⁹.

I am not aware of any record of how many of the additional corrigenda for the third edition were in fact printed, and how Marshall asked Macmillan to dispose of them. Given the strategy employed for the fourth edition, on which such details are extant and have been quoted, it seems likely that these followed the precedent set with the third edition. The number of copies of that already scarce edition containing such additional corrigenda must be exceedingly small. From the annual sales data of the work provided by David Macmillan, that number would have to be rather less than 1,000 copies, even if Marshall sent copies of this additional corrigenda personally to people he knew were owners of the third edition, as he indicated he would do for the similar device designed to correct errors in the fourth edition¹⁰.

Surprisingly, no reference is made to Marshall's use of this device of additional corrigendas for the third and fourth editions in the several discussions by Guillebaud of the changes made in Marshall's *Principles* after 1890¹¹. This is all the more surprising since his note on changes in the third edition with respect to changes in population of the suburbs of Liverpool draws attention to the relevant portion of Cannan's obituary in which a direct reference to the existence of such additional

Economic Journal 4 (13) March 1894, pp.111-4. In fairness to Marshall, the tables on p.112 carry no explanatory notes, which data are provided in the accompanying text.

9. Edwin Cannan, 'Alfred Marshall 1842-1924', in *Alfred Marshall. Critical Assessments* vol.2, pp.67-8, from which the excerpt of the second Marshall letter on the subject is quoted.

10. See David Macmillan, 'Marshall's *Principles of Economics*: A Bibliographical Note', p.130.

11. See C.W. Guillebaud, 'The Evolution of Marshall's *Principles of Economics*', in *Alfred Marshall. Critical Assessments*, vol.2, pp.166-85; 'The Variorum Edition of Marshall's *Principles of Economics*' in *ibid.*, pp.203-18; ninth variorum edition, edited by C.W. Guillebaud, vol.2, esp. pp.15-34.

corrections is made¹². Nor are the far more substantial number of changes and amendments Marshall made during the life of the fourth edition acknowledged by Guillebaud, a further shortcoming in this important reference work for Marshall scholars¹³. This brief note bringing aspects of this Marshallian strategy for securing textual revisions of the *Principles* between editions to the attention of those interested in Marshall studies is therefore appropriate, on this ground alone.

Apart from being a further sign of Marshall's obsession with having his ideas and objectives in the *Principles* as accurately and as clearly presented as his literary powers were able to achieve, drawing attention to these additional corrigenda and errata slips has some further purpose. For example, there are a few corrections in the "corrigenda et errata" prepared for the fourth edition of particular interest to Marshall scholars. An appendix reproduces the whole of its text for those owners of copies of the fourth edition without this subsequent insertion. The first correction significantly refers to Marshall's equivocal feelings about the step he was not to take until the fifth edition in banishing the three historical chapters of Book I to Appendices A and B; this afterthought to the fourth edition can be seen as a step on the way¹⁴. The correction on p.146 is one on a topic on which Marshall was particularly sensitive at the time, as shown in contemporary correspondence with Cannan when he was preparing the fourth edition, as shown in one of the sections of the associated explanatory essay to that edition on 'Distribution and Exchange' and in the rather sensitive annotations on his personal copies of Böhm-Bawerk's writings which have been preserved¹⁵. Material corrected on p.216 introduce that notion of "spoiling the market" Marshall intended to develop more fully in the second volume, an unfulfilled promise also made in that for p.392 in the context of

12. Ninth variorum edition, vol.2, p.301.

13. Ninth variorum edition, vol.2, p.141 n.b. where the correction is ascribed not quite correctly as having first been made in the fifth edition; it should have read, first made on the special 'Corrigenda et Errata' Marshall had inserted in some copies of the fourth edition after 1902.

14. Frank W. Taussig to Alfred Marshall, 21 December 1897 advised Marshall on the subject of the three historical chapters: "they belong where they are, and there they should stay" (Taussig Papers, Harvard University); See also Alfred Marshall, 'Distribution and Exchange', *Economic Journal* 8, March 1898, esp. pp.44-5.

15. Alfred Marshall to Edwin Cannan, 7 January 1898, in *Memorials*, pp.404-6; Alfred Marshall, 'Distribution and Exchange', pp.55-8; Alfred Marshall, *Annotations to Positive Theory of Capital*, translated by W. Smart, London, Macmillan, 1891, e.g. pp.32, 38, 44, 65-6, 69-70. (Marshall's copy preserved in Marshall Library). A detailed discussion of Marshall's peculiar relationship

the importance of detailed analysis of both goods and credit markets for understanding the accumulation of capital¹⁶. The number of corrections to the single chapter on quasi rent of edition four show that Marshall could not get his explanation of that concept correct when, in that edition especially, he had made so much effort to do so¹⁷. Last but by no means least, in this listing of "heinous errors", the long addition to p.603 adds to Marshall's disquiet about Wicksteed's simple solution in coordinating the laws of distribution¹⁸. For these reasons alone the 'Corrigenda et Errata' are of interest to students of the *Principles*.

A further and final purpose of this note is to seek information on the incidence of additional correction slips in the third and fourth edition. Readers of this item are therefore kindly requested to inspect copies of the third and fourth edition to which they have access to see whether they include, or not include, the errata slip in question¹⁹. In the case of the third edition, care should be taken not to confuse its original corrigenda reproduced below with the additional errata Marshall prepared in 1896 to correct especially his "error and libel" with respect to Cannan. The findings of this survey, a potential census of the extant copies of the third and fourth editions of the *Principles* will be published in a future issue of *Marshall Studies*. The text of the Cannan Errata slip, to name it in honour of its unintentional originator, is reproduced below to enable readers to inform themselves about the class of errors which Marshall could classify as heinous.

with Böhm-Bawerk's work awaits my biography on Alfred Marshall, currently in its final stages of preparation, Chapter 13.

16. These corrections show how sensitive Marshall had become by this time when reminded of his failure to complete Volume II of the *Principles*; see also on this, 'Distribution and Exchange', p.37, where its absence is used to explain the virulence of some of his critics on the first volume.

17. See C.W. Guillebaud, 'The Evolution of Marshall's *Principles of Economics*', pp.181-3, esp. pp.182-3, in which Guillebaud indicates, 'Of all the editions, the Fourth was the one in which the doctrine of quasi-rent was most clearly and comprehensively stated'.

18. For a discussion of the significance and nature of Marshall's disquiet on the use of Euler's theorem in distribution theory as made by Wicksteed's celebrated *Essay on the Co-ordination of the Laws of Distribution*, see George Stigler, *Production and Distribution Theories*, New York, Macmillan, 1941, esp. pp.352-4.

19. Please write to Professor P.D. Groenewegen, Department of Economics, University of Sydney, Sydney NSW 2006 Australia, indicating location of the copy of the edition in question, whether it is the third or fourth, and whether it does, or does not have, the additional errata(s) mentioned in the note of which the one for the 4th edition reproduced at the end of this note. I take this opportunity to thank Professor Giancarlo de Vivo not only for testing his own editions on this matter but offering to test a number of others as well.

**Appendix:
Corrigenda to the third edition***

CORRIGENDA

- Page 214, delete second marginal note.
- " 273, the last number in the table should be 2.2, not 12.2.
- " 301, ll. 4, 5, should read, *the vigour of the people as a whole, if not their numbers, and both the numbers and vigour of any trade in particular.*
- " 435, the second marginal note should read *The income that covers supplementary costs is a part of normal profits in the long run; but for a short run it may be regarded as a Quasi-rent on investments of capital and energy.*
- " 570, n. last line but two, for *in the text* read *in the last note.*
- " 661, second marginal note, for *individual* read *fundamental.*

Marshall's Principles of Economics Vol. I, Ed. III.

ADDITIONAL CORRIGENDA

- Page 159, in title of Book III., for *or* read *and.*
- " 176, f.n.1.4 for *less* read *more.*
- " 198, ll.4,5 from bottom, for *second note on p.107* read *note on p.211.*
- " 220, l.6 from bottom, for *or indestructible properties* read *and indestructible powers.*
- " 280, in last line but six of first paragraph of footnote, dele *so*, and in the following line for *that its actual increase* read *though indeed the increase in the whole district.*
- " 594, 1.19, for *raise* read *lower*, for *lower* read *raise.*
- " 596, 1.1, for *this chapter* read *the preceding chapter.*
- " 596, 1.23, for *wealth* read *food.*
- " 598, *for the first two lines substitute net product of labour; its marginal.*

*N.B. All page references are of course to the original third edition.

productivity raises the demand price for it: and on the other side wages tend to retain a.

Marshall's Principles of Economics, Vol. I, ed. IV.*

CORRIGENDA ET ADDENDA

- Page 9, for the last five lines substitute *perceived by those who have no knowledge of its subject matter. Junior students therefore (but not Senior students) are recommended to postpone to a later stage of their reading Chapters II, III, and IV; and the first two sections of Chapter V, the first five sections of Chapter VI, together with all the footnotes of these chapters.*
- " 17, last line but two, delete *last of all.*
- " 50, l. 28, for *not yet been fully read but recently been well.*
- " 105, delete last line but three, and substitute *connection with "law" in the sense of a statement of relation between.*
- " 106, l. 5, after group insert *relatively to those conditions*; and in marginal note add *action after normal.*
- " 124, f.n., tenth line from bottom, for *fish of the sea* read *fish that are still in the sea.*
- " 125, ll. 21, 2, for *pay goods* read *deliver money or goods.*
- " 146, l. 13, delete from *No.* to end of next line; and substitute *We are compelled to take some notice of this distinction because many eminent economists lay stress on it. But it is an attempt to draw a sharp line of division, where none exists in nature; and it is not really serviceable. The.*
- " 167, l. 5, for *quantitatively* read *qualitatively.*
- " 176, l. 10, for *casual* read *causal.*
- " 202, l. 15, for *therefore* substitute *at those prices.*
- " 216, l. 19, delete from *to store up* to end of sentence, and insert *not to spoil his market, any more than a manufacturer would, by offering what he has for sale much below its normal price. On this matter much will need to be said in another volume.*

*NB: All page references are to the fourth edition of 1898.

- " 256, f.n., 18 lines from bottom, for *population* read *production*.
- " 392, at end, add *The last few years have seen a marked increase in the relative force of very large businesses in certain industries. The change has not been brought about by new principles in business organization, so much as by the development of processes and methods in manufacture and mining, in transport and banking, which are beyond the reach of any but very large capitals; by the increase in the scope and functions of markets, and in the technical facilities for handling large masses of goods. But the change is important: and it will be fully investigated in Volume II, in connection with and in dependence on a study of the modern organization of markets for credit and for goods.*
- " 423, l. 14, after *normal*, add *He would add them all together to find the supply price of the cloth.*
- " 423, l. 17, delete *the production of*.
- " 433, marginal note, for *law* read *principle*.
- " 435, l. 7, for *but* read *and*.
- " 452, l. 17, for *not* read *also*.
- " 454, f.n., last line but one, delete *and*.
- " 461, f.n., eighth line from bottom, for the second *BA* read *Ba*.
- " 463, l. 1, for *a composite* read *the competitive*.
- " 469, eleventh line from bottom, delete from *that* to the end of the paragraph, and insert *as scarcely to have a true normal level*.
- " 470, tenth line from bottom, after *amount* insert (*See p.210*).
- " 480, ll. 4-6, for *different parts - different costs*, read *the demand for produce should be sufficient to cause some of it to be raised under conditions which call into play the tendency to diminishing return*.
- " 491, last line but three, after *production* add; *and then the net income from the machinery (its quasi-rent) will be for the time greater than normal profits on the original investment*.
- " 500, sixth line from bottom, delete *he proposes - a pioneer*, and substitute *he will get equally whether he keeps the land in his own possession or sells it*.
- " 577, f.n., l. 5, after *them* insert *as short for "agricultural produce in general," somewhat*.
-

- " 579, l. 10, before *dividend* insert *income or*.
- " 601, l. 9, delete from *and with - production*; and substitute *The greater they are, the less economical is man as an agent of production. But if they are wisely chosen they attain in the highest degree the end of all production: for they then raise the tone of human life.*
- " " last line but three, after *consumption* insert *of the working classes*.
- " 609, after *agents* in the last line but two, insert *Other things being equal, each agent is likely to increase the faster; the larger the share which it gets, unless indeed it is not capable of being increased at all. But every such increase will do something towards filling up the more urgent needs for that agent; and will thus lessen the marginal need for it, and lower the price at which it can find a market. That is to say, an increase in the proportionate share, or rate of remuneration, of any agent is likely to bring into play forces, that will reduce that share, and leave a larger proportionate share of the dividend to be shared among others. This reflex action may be slow. But, if there is no violent change in the arts of production or in the general economic condition of society, the supply of each agent will be closely governed by its cost of production: account being taken of those conventional necessities, which constantly expand as the growing richness of the national income yields to one class after another an increasing surplus above the mere necessities for efficiency.*
- " 616, l. 12, for *it matters not - conservatories or*, substitute *the working classes do not lose anything, but on the contrary gain a little, if orchids come from private conservatories, instead of*.
- " 621, l. 23, for *it does not go far* read *the limit is not put high*.
- " " l. 25, for *it goes too far* read *the limit is put too high*.
-

Marshall and the Italian Academies*

Giacomo Becattini and Nicolò Bellanca

University of Florence - University of Turin

This brief paper deals with a negligible fragment of a minor aspect of the spread of Marshall's ideas. This minor aspect consists of the spread of these ideas in Italy, and the fragment is the fact that this penetration came to fruition at the time of Marshall's acceptance into the ranks of two of the oldest Italian Academies: the "Accademia dei Lincei" and the "Accademia economico-agraria dei Georgofili".

Academies do not always constitute a significant stage in the success story of an author in a given country. When a provincial Academy appoints as one of its foreign members a scholar who has already enjoyed a well-established worldwide reputation for a long time, the event only provokes a smile: it adds far more to the prestige of those who offer the title than it does to that of the person who accepts it (if he does). However, when a prestigious cultural institute, at the peak of its activity, happens to select, from among the large numbers of scholars currently on "the crest of the wave", someone whose intellectual stature is confirmed and magnified over the years, then we are faced with an event that may have a significant influence in *creating* the climate of thought.

However the purpose of this paper is not to discuss whether or not, and to what extent, the Accademia Reale dei Lincei actually took such a farsighted role in putting forward the name of Marshall in the Italy of the late nineteenth. Among the signs that would appear to confirm that role we would like to restrict ourselves to quoting the view of the most prominent Italian Marxist, Antonio Labriola, as expressed to Karl Kautsky, thus: "The *Royal Academies* here will print absolutely anything. The Roman one (Lincei) is maybe the freest and the most liberal of all"¹.

*We thank C. Zanor, A. Cresswell and P. Zacchia for translating this paper.

1. A. Labriola to K. Kautsky, letter of 29th August 1897, now in A. LABRIOLA, *Scritti filosofici e politici*, edited by F. SBARBERI, Turin, 1976, vol. II, p. 988. It continues as follows: "As it rewarded the *Analisi della Proprietà Capitalistica* by Loria with 10 thousand francs (!), similarly in 1894 it published a work by prof. Ricca-Salerno (Palermo) on the theory of value which is a strange attempt at combining the Arbeits-Wert-Theorie (Ricardo-Marx) with the Jevons-Walras-Menger school. Ricca-Salerno has a deep knowledge of Marx". On the history

But as far as our purposes here are concerned, the fact that Alfred Marshall received the title of foreign member in 1896 does nevertheless remain significant, for the reason that it happened at a time when Marginalism in general, and the Marshallian doctrine in particular, had only appeared on the scene of Italian political economy a few years before. Moreover, this was also a time when the scientific stature of the international exponents of the new theoretical orientation was not that easy to distinguish.

We will now try, by brief outlines, to place this co-optation (to which Marshall, with a sensitivity uncommon among new foreign members, replied with a message of thanks in Italian, here reproduced)² within the context of the climate of economic thinking in Italy of the time as well as in the context of the academic life of the Lincei.

In 1875, under the then President, Quintino Sella, a powerful politician and a scholar of political economy, the Lincei set up the Section of Moral, Historical and Philological Sciences, alongside the already existing Section of Physical, Mathematical and Natural Sciences³. The role granted to economists was a very

of the Lincei, see at least G. GABRIELI, *Contributi alla storia dell'Accademia dei Lincei*, 2 vols., Rome, 1989 and the volume *Biografie e bibliografie degli Accademici dei Lincei*, Rome, 1976.

2. It was actually customary for the new foreign members to express their thanks in their own language or, until not so long ago, in Latin. The note by Marshall to which we are referring is held in the Archives of the Lincei Academy in Rome, and a copy of it is kept in the Marshall Archives. We would like to thank the Chancellor, dott. Golisano, the archivist, sig. Cilenti, and dott.ssa Capecchi, from the Library of the Academy, for kindly giving us their time. The note, with its uncertain Italian, being of biographical interest, we deemed it best not to transcribe it, but to reproduce it photographically. Moreover, courtesy was not the only motive that prompted Marshall to contend with Italian. This is what he wrote to Foxwell on 3rd July 1878: "I believe, by the bye, there is some good Pol.Econ. in Italian. I have thought of learning Italian on purpose". The faltering style of his note to the Lincei shows that Marshall did not fulfil his original intention. However the fact that he entertained such an intention is none the less significant. We would like to thank Prof. P. Groenewegen who brought this extract from the unpublished letter to Foxwell to our attention. We would also like to thank Professor L. Spoto who made us aware of the existence of a note sent by Marshall to Giuseppe Ricca Salerno the year before his nomination by the Lincei: "Balliol Croft, Madingley Road, Cambridge, 18.XI.95. Dear Sir, I have to thank you for the important work which you have sent me. Slowly as I read Italian, I must manage to make myself in part at least acquainted with its contents before I get to write on public finance. Yours truly, Alfred Marshall".

3. The proposal to set up a new Section actually goes back to 1870 and was first put forward by Terenzio Mamiani, when Sella was not even a member of the Academy. See R. MORGHEN, *L'Accademia Nazionale dei Lincei nel CCCLXVIII anno della sua fondazione, nella vita e nella cultura dell'Italia unita (1871-1971)*, Rome, 1972, pp.40-43.

marginal one, for the number of members allocated to this new Section, to which political economy belonged; it was so small as to put it in a minority at plenary voting sessions, and it was allowed to have only the Vice-presidency. Only four economists were appointed as members at the beginning, i.e. Antonio Scialoja, Fedele Lampertico, Angelo Messedaglia and Luigi Luzzatti. What they lacked in numbers was, however, made up for by considerable homogeneity. In fact it was these four who, together with Luigi Cossa⁴, were the main signatories of the "Padova Manifesto" which had sparked the creation of the "Associazione per il progresso degli studi economici", (the Society for the Progress of Economic Studies) a year earlier. The society set itself to oppose the Adam Smith Society, formed in Florence through the inspiration of Francesco Ferrara. The two societies clashed mainly on the issue of interventionism in the field of economic policy⁵, as they were both transposing, broadly, the German *Methodenstreit* between "Kathedersozialisten" and liberalists to Italy.

Ferrara in turn became a member of the Academy of Lincei in late 1876, after Wilhelm Roscher had been appointed as the first foreign economist - much to Ferrara's annoyance, as one can imagine. However, it looks as though Ferrara, who was more and more isolated and had by then moved to Venice, played no significant role in the life of the Academy⁶.

The statute of the Academy changed in 1883. In line with the traditional supremacy of the oldest section, the new section was subdivided into six categories, of which the sixth - the social sciences - included political economy. The election of foreign members would now take place in two steps. First of all the members of

4. Cossa was to become a corresponding member three years later, in 1878, and a national member in 1883.

5. See R. FAUCCI, *La scienza economica in Italia (1850-1943)*, Naples 1982, pp.44-50; G. GOZZI, *Ideologia liberale e politica sociale: il socialismo della cattedra in Italia*, in P. SCHIERA, F. TENBRUCK, eds., *Gustav Schmoller e il suo tempo/Gustav Schmoller in seiner Zeit*, Bologna and Berlin, 1989. The organizers of the Society for the Progress of Economic Studies actively collaborated with Marco Minghetti, the Prime-Minister who, himself an economist, was to become a member of the Lincei at the end of the year. The Adam Smith Society, on the other hand, contributed to toppling the government in early 1876, by accusing it of excessive interference with the market. During 1875 the appointment of Minghetti as a member bestowed further homogeneity on the initial group of economists.

6. For Ferrara's biographical details, refer to A. BERTOLINI, *La vita e il pensiero di Francesco Ferrara*, "Giornale degli economisti", ss.II to VI, January 1895. There is no more recent treatise that goes deeper than Bertolini's. An intellectual biography of Ferrara, by Riccardo Faucci, is in preparation.

a category would have to give the section a shortlist of three candidates; then, the whole section had to vote. Since category VI was not composed solely of economists (but also of "sociologists" and statisticians), and more importantly, since the economists formed a small group within the section as a whole, if they wanted to get one of their candidates elected, they had to choose a foreign scholar whose reputation would not be strictly linked to specialized and abstract works. This practical rule seemed inescapable, in any case until the election of Marshall: Roscher and William Thornton, Hermann Schultze-Delitsch (1876) and Emile De Laveleye, Michel Chevalier (1877) and Pierre Emile Levasseur (1882), Adolf Wagner and Léon Say (1894), are the eight foreign economist members who preceded him. What is more, this list is a confirmation of the climate of ideological pluralism emphasized by Labriola in the view reported earlier.

The small group of the "Lombardo-Venetians" that joined the Academy before Ferrara evidently refrained from acting to make sure future appointments accorded with their own cultural preferences, and even welcomed an ultra liberalist like Chevalier into their ranks⁷.

Now, finally, we arrive at the election of Marshall. The members of category VI, i.e. the social sciences, within the Section of Moral, Historical and Philological Sciences, were invited by the President in a circular of 4th of May to propose in writing the names of three candidates for each of the two vacant positions of foreign member. The two lists of three names consisted, in decreasing order of preference, of: Marshall, De Molinari and Menger, on the one list, and Leroy-Beaulieu, Lexis and Léon Walras on the other. Figures like De Molinari and Lexis on both lists were names which were able to rally the votes of the non-economists of the Section. Marshall and Leroy-Beaulieu won the largest measure of approval in this preliminary selection. Their election was thus a foregone conclusion. So much so, in fact, that when presenting the shortlists to the voters of the whole Section, the Presidency of the Academy had already explicitly aligned itself with the prevailing current of opinion.

Thus Marshall was proposed, not just because of his scientific credentials, but also because of his co-operation with the Royal Commission on Labour "which published a great inquiry into economic conditions in England and other European states". De Molinari, who was second, was labelled "a valiant champion in the

7. On Chevalier's ultraliberalism, see F. FERRARA, *Michel Chevalier (1864)*, in idem, *Opere complete*, edited by B. ROSSI RAGAZZI, vol. III, Rome, 1956.

struggle against socialism". Finally, as his major non-scientific achievement, Menger was credited with the role he had had in the education of the Archduke Rudolph. Similarly, on the second list, Leroy-Beaulieu had written *Collectivisme* "with the intention of fighting against socialism". Lexis had made "well thought-out and vigorous" studies. And finally Walras was referred to coolly (and as everyone knows, erroneously) as someone who "*always* dealt with political economy in a mathematical fashion" (the italics are ours).

With regard to this, the significant detail is the fact that the classification list of the candidates was drawn up explicitly on the basis of their political and ideological standpoints and on the possibility of applying them to social phenomena. Faced with an electoral base in which theoretical economists were a scarce commodity, and were, therefore, far from being in a position to weigh up the scientific contributions of the nominated scholars, it was decided to adopt a criterion aimed at ensuring that those elected would not be out of place in a Royal Academy and that their research would have a recognised social utility. Marshall passed the test with 25 votes out of 34⁸.

How, and with whose votes was Marshall elected? As far as the Italian economist members were concerned, since the four "Lombardo-Venetians", Minghetti and Ferrara, only three other scholars, Gerolamo Boccardo (1876)⁹, Luigi Cossa (1883) and Luigi Bodio (1892), had become "national" members (i.e. with voting rights)¹⁰. Before 1896 Matteo Pescatore (1876), Achille Loria (1887), Giuseppe Ricca-

8. De Molinari got two votes, Menger one. There were six blank ballot papers. The President had announced the voting session in a circular letter dated 25th June. The votes were counted on 17th July. The date of the appointments was that of the following day, when the results were notified by letter to all the members. Finally, the royal decree of approval of the appointment was dated 26th August. Marshall had already replied by 1st August with the note of acceptance mentioned herein.

9. The singularity of Boccardo's case lies in the fact that in his capacity as geographer, geologist and astronomer, as well as economist, he had become a corresponding member of the Physical, Mathematical and Natural Sciences Section in 1870. With the creation of the Moral, Historical and Philological Sciences Section, Boccardo went to the Social and Political Sciences Category, and eventually became a national member in 1878.

10. Out of all the Italian economists quoted in this paper, Cossa, Ferrara, Loria and Pantaleoni have been allocated specific entries in *The New Palgrave, a Dictionary of Economics*, published by J. EATWELL, M. MILGATE, P. NEWMAN, London, 1987-1989. Nearly all the others are mentioned in A. LORIA, *Italian School of Economists*, in *Dictionary of Political Economy*, ed. Sir R.H.I. PALGRAVE, II, London, 1896, pp.460-470. The following are useful general

Salerno (1888) and Maffeo Pantaleoni (1892) had joined as corresponding members. This was still a meagre cluster, but it was representative of different ideas and scientific tendencies.

If we were to make conjectures as to the views that these nine economists might possibly have entertained about Marshall's candidacy (Minghetti, Scialoja, Pescatore and Cossa were dead by then), we would divide them tentatively into three sub-groups. The first one would consist of Ferrara and Bodio, who were not able to take an interest in the event, either for reasons of age or health as far as Ferrara was concerned, or because of the single-minded concentration on statistical issues that characterised Bodio. The second sub-group would include those whom we could call theoretical "eclectics", i.e. Lampertico, Boccardo, Luzzatti, and above all Messedaglia and Ricca-Salerno, who were altogether more up to date and were better equipped analytically than the former. They must have felt sympathy for the *image* which Marshall had at the time in Italy: that of a great scholar who had developed the classical economic approach into the modern one, as well as that of a scientist who was very careful to put the inductive procedures of research to good use. Finally, the third sub-group would include Loria and Pantaleoni, who were both convinced, on the basis of their direct readings of Marshall, that he was "the most prominent figure in the field of contemporary political economy"¹¹.

This suggested division into three sub-groups makes further conjectures possible. The main supporter of Marshall's candidacy was, presumably, Angelo Messedaglia, supported by the agreement and the encouragement of Ricca-Salerno, Loria and Pantaleoni. In fact even though Lampertico, Boccardo and Luzzatti were not in principle opposed to a candidate of the likes of Marshall, they had by then almost given up their own economic studies, and in particular their views had no bearing

references: G. FUÀ, *L' économie politique en Italie*, "Bulletin International des Sciences sociales", n.2, 1950; A. BERTOLINO, *Sul pensiero economico italiano*, edited by P. BARUCCI, Milano, 1979, part three, pp.327-464. The works by R. FAUCCI mentioned in note (5), and *Il pensiero economico italiano, 1850-1950*, edited by M. FINOIA, Bologna, 1980, are also useful general references; the last also contains wide-ranging bibliographical notes.

11. The quoted phrase is part of a letter of 1940 from Achille Loria to Augusto Graziani, and continues as follows: "But how Marshall's reputation dwindles, how he shrinks when put next to Stuart Mill!". See *Carteggio Loria-Graziani (1888-1943)*, edited by A. ALLOCATI, Rome, 1990, p.282. As for Pantaleoni, he wrote the following to his friend Edgeworth on 15th November 1890: "You know that to my mind, Marshall is simply a new Ricardo who has appeared in the field, and to be second to him is as great an honour as a scientific man could wish for, in our line". This letter, which has been preserved by D.E. BUTLER, was published in the "Journal of Political Economy", vol.88, no.2, April 1980.

on the debates that followed on from the rise of marginalism¹². Furthermore, Ricca-Salerno, Loria and Pantaleoni could not have played a determining role, since they were mere corresponding members¹³. To be brief, certain requirements combined in Messedaglia make it plausible for him to play an active role in proposing Marshall's election: i.e. a doctrinary standpoint akin to Marshall's, the ability to comprehend its scientific value, and his role as the Vice-President of the Academy, which also statutorily conferred on him the presidency of the Section to which he belonged¹⁴. Moreover at the inauguration of the academic year of the University of Rome (in the same year by the way that the *Principles of Economics* was published), Messedaglia had said: "No necessary contradiction [runs] through the various camps, which are now antagonistic, of these two schools or tendencies called *rational* and *historical* economy". He then added: "There is no doubt in my view, generally speaking, as to the effectiveness of this new systematic approach expert scholars are today trying to impose on [economics], by the application of mathematical calculus"¹⁵.

The acceptance of Marshallian thought in Italy began to take root in 1885 with Riccardo Dalla Volta's review of Marshall's Cambridge inaugural lecture, *The*

12. This fundamental extraneousness and incomprehension of Marginalism is not disproved by a strange episode that saw Walras finding in Boccardo an altogether unprepared associate when he was looking for talking partners in Italy. See P. BARUCCI, *The Spread of Marginalism in Italy (1871-1890)*, "History of Political Economy", no.2, 1972, pp.512-532.

13. Corresponding members did not have the right to vote at the election of new members. Furthermore, Pantaleoni does not ever seem to have been involved in the activities of the Academy. His name is never mentioned in the *Rendiconti*, except in 1905 when, in an unparalleled gesture, he renounced his appointment as a national member: "At a secret committee meeting of the Academy, Blaserna, the President, informed the Section about prof. Pantaleoni's renunciation of his conversion, as a result of the latest elections, from corresponding to national member; the Section takes note of this renunciation". *Rendiconti della Reale Accademia dei Lincei. Classe di scienze morali, storiche e filologiche*, series V, vol.V, 1905, p.343. The news of his election was given on p.173.

14. About this author, see A. DE VITIDE MARCO, *Commemorazione di Angelo Messedaglia*, "Giornale degli economisti", May 1901; M. LECCE, *Il pensiero economico di Angelo Messedaglia*, Verona, 1953; A. PELLANDA, *Angelo Messedaglia. Tematiche economiche e indagini storiche*, Padova, 1984; ID., *Angelo Messedaglia, parlamentare e accademico nel contesto socio-politico italiano del secondo Ottocento*, in "I ceti dirigenti italiani in età moderna e contemporanea", Udine, 1984; R. ROMANI, *Romagnosi, Messedaglia, la "scuola lombardo-veneta": la costruzione di un sapere sociale*, "Quaderni di storia dell'economia politica", VI, 2, 1988.

15. A. MESSE DAGLIA, *L'Economia politica in relazione colla Sociologia e quale scienza*

Present Position of Economics. Nearly ten years later we see Marshall being co-opted into the most prestigious Italian Academy. Nevertheless such consolidation of his reputation did not take place so much within the context of the spread of Marginalism, but was due more to the relations of esteem and intellectual deference, felt by Italian economists towards the British, and in particular Cantabrigian, tradition of political economy.

The appointment of Marshall as a foreign member of the Reale Accademia economico-agraria dei Georgofili, which took place much later, also merits a brief outline. This Academy, created in 1753 to tackle all the topics and issues that had to do with agriculture, stood for long as one of the major cultural institutions in Tuscany but, within its particular field, the prominence it acquired was national and international¹⁶.

During the last century, the Accademia dei Georgofili "contributed to the formulation of a conservative ideology destined to play a central role in the process of national unification"¹⁷. The Academy upheld an economic policy line advocating free trade and a methodological approach aimed at favouring studies in applied economics.

Marshall's election took place at the core period of Dalla Volta's chairmanship of the Academy. As stated above, Dalla Volta had been the first and one of the most

a sé (1890), in *Opere scelte di economia e altri scritti di Angelo Messedaglia*, Verona, 1920, vol.II, pp.562-563.

16. As Eugenio Garin recalls: "Until a century ago Florentine thinking did not stem from universities [...]. Sciences and humanities continued to flourish in circles that were free from scholarly restrictions, that were not forced to read hallowed texts". In the late 19th century "the noble world of citizens' erudition", made up of historians, archivists and scientists from the old Academies, is still very much alive. E. GARIN, *Un secolo di cultura a Firenze da Pasquale Villari a Piero Calamandrei* (1959), now in *idem, La cultura italiana tra '800 e '900*, Bari, 1976, pp.81-82 and 90. See *Accademie e istituzioni culturali a Firenze*, edited by F. ADORNO, Florence, 1983.

17. Z. CIUFFOLETTI, *L'Accademia economico-agraria dei Georgofili*, "Quaderni storici", XII, 36, 1977, p.866. There is a comprehensive bibliography on the history of this Academy. See at least: A. MORENA, *Scritti di pubblica economia degli accademici georgofili con un discorso storico ed economico*, Arezzo, 1896; G. GENTILE, *Gino Capponi e la cultura toscana nel secolo decimonono*, Florence, 1922; *Accademia economico-agraria dei Georgofili, Archivio storico. Inventario 1753-1911*, ed. A. MORANDINI e G. PANSINI, 4 vols., Florence, 1970-77; *I due secoli e mezzo dell'Accademia dei Georgofili*, Florence, 1987.

active sponsors of Marshall's introduction into Italian scientific debate¹⁸. In a work (printed in the Acts of the Academy) that was contemporary to the episode with which we are concerned, he argued that progress in economic science, over the past fifty years, had consisted of the integration of the classical theory of the cost of production, which considers value from the producer's point of view, with the theory of marginal utility, which analyses value in relation to the buyer: "...and it is not a concession to the eclectic tendency to admit that both elements, cost and utility, must contribute to setting the exchange value of wealth"¹⁹. Marshall naturally appeared as the theorist who had developed classicism to the point that it merged with Marginalism - hence the special importance of his writings.

Apart from Dalla Volta's personal predilection for Marshall, nothing in the scientific life of the Academy, over which he had presided since 1918, seemed to justify the choice of Marshall. In actual fact, at the end of 1923 Dalla Volta is the only "general" economist among the national members²⁰, while Marshall becomes the only "general" economist among the foreign corresponding members. At the meeting of 4th February 1923 Marshall obtained 19 votes from the 20 voters, and

18. With regard to this, see M. GALLEGATI, *The Spread of Alfred Marshall's Economics in Italy, 1885-1925*, in R. MACWILLIAMS TULLBERG, (ed.), *Alfred Marshall in Retrospect*, Aldershot, 1990. For Dalla Volta, see: *Studi in onore di Riccardo Dalla Volta*, 3 vols., Florence, 1936-37; D. GIVA, *Riccardo Dalla Volta*, in *Dizionario biografico degli Italiani*, vol. XXXII, Rome, 1986.

19. R. DALLA VOLTA, *Sullo sviluppo delle dottrine economiche. Nella ricorrenza del secondo centenario della nascita di Adamo Smith e del centenario della morte di David Ricardo. Discorso del Presidente tenuto nell' adunanza del 1 luglio 1923*, in "Atti della Reale Accademia economico-agraria dei Georgofili di Firenze", quarterly, series V, vol. XX, Florence, 1923, p.204.

20. Among its emeriti - a purely honorary capacity - there was Luigi Luzzatti. Among the ordinary members, the only economist by profession, apart from Dalla Volta, was Mario Marsili-Libelli, an expert on public finance, who was also Vice-President: his close friendship with Dalla Volta must have made him support Marshall's candidacy. Among the *Tuscan* corresponding members, there was Roberto Murray, another expert on public finance. Finally it is only among the *non-Tuscan* corresponding members - those who counted less in the actual selection made by the Academy - that there was a cluster of economists: Gino Arias, Riccardo Bachi, Francesco Coletti, Antonio De Viti de Marco, Luigi Einaudi, Federico Flora, Augusto Graziani, Pasquale Jannaccone, Achille Loria, Maffeo Pantaleoni, Giuseppe Prato, Emanuele Sella and Camillo Supino. What is more, if one is to go through the *Catalogo delle Memorie e Comunicazioni scientifiche contenute negli atti accademici a tutto il 1933*, Florence, 1934, it is necessary to go back to two works by Vilfredo Pareto - one dated 1877, the other 1889 - before coming across papers on general economics, rather than works on agrarian economics.

was elected together with a former French Minister for Public Works, an economic journalist and three agrarian economists²¹.

Four days later Dalla Volta sent him a letter, which is reproduced below²², to which Marshall, by then an old man, probably addressed a reply, of which however there is currently no trace²³. This Florentine episode definitely seems less significant than the Roman one, which took place nearly thirty years earlier. Both cases, on the whole, accord with the rather slow pace at which Marshallian thought penetrated into Italy, something which has been well highlighted in Mauro Gallegati's study²⁴.

21. The former minister was Yves Guyot. The economic journalist was André Liesse. The agrarian economists were Thomas Amadeo, an Argentinian, Jacob Lipmann, a University professor in the USA, and Vittorio Mosseri, an Egyptian. Like Marshall, they all got 19 votes, apart from Guyot, who got 20, which is a sign that it could not have been a particularly troubled or much-discussed election.

22. Our thanks to the Marshall Library in Cambridge, where Dalla Volta's letter is kept.

23. It is usual academic practice to insert the names of new members in their lists only when the latter have formally accepted their appointment. The name of Marshall, who died on 13th July 1924, can be found on the Georgofili list for the 1924-26 triennium. Since the Archives of the Accademia dei Georgofili have been put in order only up to 1911, we have not been able to look for the note of reply that Marshall may have written to Dalla Volta.

24. See note (18).

BALLIOL CROFT,
MADINGLEY ROAD, CAMBRIDGE.

Ospitale, Cortina

1.VIII.96

Chiarissimo Signore

Ho ricevuto la Sua lettera
annunciando che la Classe di
Scienze morali, storiche, e filologiche
della R. Accademia dei Lincei
m'ha nominato Socio straniero
per le Scienze sociali;

Sono infinitamente grato
di quel honore che s'è degnata
farmi; il quale io tengo

per uni dei altissimi, che si
trovano.

Ho l'honore d'essere

Di V. S. Illustrissima

Ubbidissimo servitore

Alfred Marshall

Al Chiarissimo Signore

Presidente

della R Accademia dei Lincei

R. Accademia Economico-Agraria dei Georgofili
DI FIRENZE

8 February 1923

Sir,

I have the honour to inform you that the Royal Academy of the Georgofili of Florence has elected you, Prof. Alfred Marshall, one of her foreign members *Correspondants*, in consideration of your great merit as an Economist and Teacher. The Academy has decided to give you the token in her power of the great esteem for You and your work in economic science. Founded in the year 1753, the Royal Academy of Georgofili of Florence is one of the oldest institutions which procure to give the greatest attention to the economic progress both in science and in practice.

You shall receive together the Diploma of Member Correspondent of the Academy - Hoping You will agree this election, I beg You to accept my best compliments and wishes.

I remain, Sir, your obedient servant

Professor R. Dalla Volta
President of the Royal Academy
of Georgofili of Florence

Marshall's Final Lecture, May 1908

Rita McWilliams Tullberg

References to Lynda Grier given in Martha Vicinus' fascinating work, *Independent Women* (1985), reminded me of something which I had read many years ago in Walter Layton's biography of his wife, Eleanor Dorothea Osmaston. Grier had been a 'mature student' at Newnham College, Cambridge while Osmaston was an undergraduate, and had become a heroine in the eyes of her companions when she and a fellow Newnham student were placed alone in the First Class of the Economics Tripos. Mary Paley Marshall was credited with having 'spotted' Grier's potential when she had attended a British Association for the Advancement of Science meeting in Cambridge in 1904, and with making it possible for her to study at Newnham. This double connection, with the Economics Tripos and Mary Paley Marshall, encouraged me to dig further. It was not difficult to track down Grier's papers in Lady Margaret Hall, Oxford where she had spent 24 years of her life as Principal. A brief visit there during a trip to Britain produced some interesting finds.

The Grier archive is not extensive but contains several items of particular interest to students of Alfred Marshall. First, there is a collection of letters addressed to May D. Yardley in reply to her request for material on which to base her memoir of Grier for the Lady Margaret Hall magazine, the *Brown Book* for May 1968. This includes letters from Roy Harrod who knew Grier well and who, it is claimed by another correspondent, was first spotted as 'an up-and-coming economist' by Grier (K.G. Fenelon to M.D. Yardley, 20 February, 1968). Second, there is an unfinished autobiographical typescript, covering Grier's childhood and ending abruptly with her success in the Economics Tripos. The final two pages of the typescript cover her personal recollections of Marshall as a teacher, for whom she had great admiration, and as a man whose attitude to women students she depicts as frosty and at times ungenerous. (These pages are given in full in McWilliams Tullberg, *HOPE*, forthcoming).

Finally, the Grier collection includes two blue notebooks of lecture notes. The first contains notes on the lectures of Goldsworthy Lowes Dickinson on Modern Political Theories, given 1907-08. The second contains notes on economics topics

beginning on 28 January 1908. It was in this notebook that I found on pages 67 to 72 the notes 'Professor Marshall's last lecture May 21st 1908'. These have been transcribed and also appear in McWilliams Tullberg, *HOPE*, forthcoming. No other notes of this lecture are known to have survived.

Grier's handwriting and abbreviations are difficult to decipher and I was therefore very pleased to find confirmation of some of the Oxford material in notes made by Mary Paley Marshall for a talk which she gave about her husband to the Marshall Society during the 1930s¹. She introduced her material as coming from 'the end of the last lecture he ever gave'. The lack of clear structure in his final lecture suggests that Marshall followed his normal practice and ranged freely over a number of topics, using few, if any, written notes. Mary Paley either attended the lecture herself, borrowed lecture notes from someone who did or quoted some of Marshall's favourite phrases from his own notes. Here they are given together with the passages in the Grier notes which express the same sentiment.

LG Methods of a great Economic thinker die with him, he works by instinct, if a great man his contemporaries say he talks nonsense, next generation say he talks sense, next generation that he talks common sense.

MPM Of a great thinker his own generation says that he talks nonsense, the next that he talked sense, the third that he talked commonplace.

LG Put before us Work, Self-Sacrifice and Joy when it comes. If we do not seek it, it will come. Every man and woman must go through some self-denial.

MPM As our own aims I should propose that we should put before us work, self-sacrifice and enjoyment when it comes. All men and women alike must pass through if not suffering, [then] self denial to become fit citizens. ... Grapple with social suffering and give all the opportunity of a happy life.

LG Oxford has made movements, Cambridge has made men. [Marshall then quoted his inaugural lecture of 1885].

MPM Oxford has made movements, Cambridge tends to make people with a higher standard of truth for the sake of truth than can be got by any other system of education. She is the great mother of strong men with cool heads but warm hearts.

1. This material will be described in the next edition of the *Bulletin*. It consists of notes made for *What I Remember* and for a talk (talks) given on Alfred Marshall. With very minor exceptions, it contains no matter which cannot be found in *What I Remember* or in the notes made for John Maynard Keynes in writing his memoir of Marshall.

LG I leave my office with a feeling of satisfaction. There is growing up a method of loving one's country more than one's party and sometimes one's party more than oneself, and truth even more than one's country.

MPM Through the increased vitality and earnestness of Cambridge studies there is growing up a love of one's country stronger than the love of one's party, but love of truth stronger even than for one's country. Future generations will say that the twentieth century saw the rise in Cambridge of a body of thinkers that did much to change the face of the world.

The second notebook also contained notes on money and banking, with no indication as to the name of the lecturer². In the short time at my disposal, it was not possible to look at these in any detail, the Grier shorthand again being something of an obstacle. Although there is no guarantee that these notes were made during Marshall's lectures, a 'Marshallian' with easy access to Oxford might find it worthwhile to examine them more closely.

2. Opposite page 2 is written 'Professor Cayley'. This may be a reference to Arthur Cayley, Sadlerian Professor of Mathematics at Cambridge who died in 1895. Cayley had written a book on the principles of double-entry book-keeping in 1894.

Alfred Marshall in Recent German Literature

Friedrich Hinterberger

Universität Giessen

A look at the files of the central German library of economics, situated at the Institute of World Economics in Kiel, is disappointing. It shows only eight entries over the last five years dealing with Alfred Marshall in the German language or by German, Austrian and Swiss authors. The centenary celebrations of Marshall's *Principles of Economics* seem to have had little impact on the discussions about Marshallian economics in these countries. We find two books, four articles, a working paper and the translation of two articles by important English/American authors: Frank Hahn and George Stigler.

One reason for the scant interest in Marshallian economics may be that economists who are committed in a wide sense to the neoclassical tradition, would rather refer to the continental contribution to what we call the marginalist "revolution", i.e. to Léon Walras, Carl Menger, Vilfredo Pareto and their followers. The English "branch", which was maybe more popular as an antecedent of Keynesianism, seems to have declined with the decline of Keynesian economics. An article by Franz Ritzmann (Zürich), entitled "Alfred Marshall's Theorie der Geldnachfrage und ihr Einfluß auf Keynes" (in *Schriften des Verein für Sozialpolitik* 115/VII), deals with Marshall's influence on Keynes regarding the theory of money demand. Having developed the concept of liquidity as an important factor determining the demand for money, Marshall created a basis for Keynes' concept of liquidity preference.

The interesting book by Volker Caspari (Frankfurt) on *Walras, Marshall, Keynes* (Berlin, Duncker & Humblot, 1989) contains a careful comparison between the Walrasian and the Marshallian approach and relates the theory explicitly to the Post-Keynesian research program. It is the only contribution relating Marshall's work to contemporary discussions, while most of the other books and papers predominantly deal with the history of economic thought.

Another exception is Richard Sturn's (Graz) article "Gründerbooms, Gründerkrisen und die kurze Frist: Was die osteuropäischen Wirtschaftsreformer von Alfred Marshall lernen können" (in *Osteuropa-Wirtschaft* 35, 1990). This paper tackles the concrete problems of the transformation process in Eastern Europe, and

analyzes them in an explicitly Marshallian fashion: short term reactions to the introduction of market prices do not reflect the long-term costs and scarcity relations. This justifies the title chosen by Stum, which reads in English: what Eastern European economic reformers can learn from Alfred Marshall.

It is interesting to recognize in this context that the only major event regarding the centenary of the *Principles* took place at the East-German Martin-Luther-Universität Halle-Wittenberg at a time when the GDR still existed - although after the opening of the border (see professor Groenewegen's remark in the first issue of this Bulletin). In connection with that conference, Simone Heller and Peter Thal published a paper (in the East German journal *Wirtschaftswissenschaft* 38, 1990) entitled: "100 Jahre 'Principles of Economics' von Alfred Marshall - wissenschaftshistorische Positionsbestimmung". They write that dealing with Marshall has always been an important issue in East German economic teaching.

The other papers and books found in the Institute of World Economics files deal primarily with the historical evaluation of Marshall's work, including an article on his relation to Victorian art (Heinz Rieter: "Alfred Marshall und die viktorianische Kunst" in *Studien zur Entwicklung der Ökonomischen Theorie* 11, 1992). The other contributions tackle his relation to Jevons and some philosophical underpinnings (a book and a paper by Hans-Martin Niemeier, respectively).

On the whole, it is interesting to see what a broad variety of interpretation and application the works of Alfred Marshall allow: the authors mention Marxist, (Post-)Keynesian and neoclassical relations, and discuss Marshall's philosophical background as well as the applicability of his thought to the transformation process in post-socialist economies. In that sense Marshallian economics may serve as an important pillar on which to construct an open-minded, more pluralistic economics, which pays less attention to paradigms, but stresses the importance of contemporary works as well as fundamental writings from the history of economic thought.

The Marshall Archives: a Progress Report

Frances Willmoth
Marshall Library of Economics

Many readers of this Bulletin are already familiar with the archival collections held by the Marshall Library. Those who have recently visited Cambridge, perhaps for the 1990 conferences, or who have seen the brief listing of Alfred Marshall's correspondence published in Rita McWilliams Tullberg's *Alfred Marshall in Retrospect*, will be aware of work planned and undertaken to make the collections more readily accessible to scholars. The process is inevitably a long-term one, but this may be an appropriate point at which to provide news of recent progress in the cataloguing of the material; at the same time, brief details of its content may be useful to anyone as yet unacquainted with it.

The collection has two main components. Firstly, there are the papers of Alfred Marshall, Professor of Political Economy in the University of Cambridge 1885-1908, and of his wife Mary Paley Marshall. Alfred died in 1924 and the present Library came into being in the following year as a result of his bequests, but the papers were probably deposited here only after Mary's death in 1944. Secondly, the Library has over the years accumulated a considerable quantity of material relating to other economists. Distinguishing and separating the original Marshall collection (which continues to bear the name Marshall) from these additional items (now designated by other names as appropriate) has been an essential preliminary to the present cataloguing enterprise. Most of the papers, of either kind, were previously housed in filing cabinets in the Library's main work area, where their physical condition was steadily deteriorating; in order to minimise further damage, they have now been housed in acid-free folders and archival-standard boxes, and moved to cupboards in a more secure area. Contributions from the Marshall Library Fund II, the Royal Economic Society and Marshall's former college, St John's, have enabled this provision to be made and work to start on the detailed cataloguing of the papers.

For the convenience of readers and cataloguers, the main Marshall collection has now been sorted into the following sections:

1. Correspondence
 2. Records relating to teaching
-

3. Lectures
4. Notes in hard covers (mostly pre-1890)
5. Notes in bundles and loose (mostly post-1890)
6. Writings: drafts, proofs and annotated pamphlets
7. Graphs, charts and tables
8. Papers relating to the creation of the Economic Tripos
9. Items relating to Marshall's personal history
10. Photographs and prints
11. Supplementary biographical material.

Individual pieces have then been numbered sequentially within each section; subnumbers have also been introduced where necessary.

The first and the tenth of these sections have now been fully catalogued. The work has been carried out on computer, using MODES software: this was developed by the Museums Documentation Association primarily for museum use, but is supplied with an archives format. It is designed to produce results on paper in the form of catalogues and indexes, which do not diverge too far in style from the kind of finding-aids already familiar to most readers. In practice, the indexing side of the enterprise has proved troublesome, especially once an upgrade to the main software left us without indexing programs suitable for use with the archives format. This oversight has now been remedied, but further work will be needed before full and satisfactory name indexes to the completed catalogues are available to searchers. Subject indexing will be undertaken as a separate enterprise at a later date, so that the terms used can be selected in the light of the content of the collection as a whole.

A brief description of the content of the sections now catalogued may be of value here. An incomplete list of letters 'at Balliol Croft' compiled in the 1940s provides a precedent for arranging the main series of letters to (and drafts and copies of letters from) Alfred and Mary in a single alphabetical sequence (now Marshall 1/1-1/112); the evidence of surviving original storage-envelopes has also been taken into account, with the result that Marshall's own subject groupings also have been preserved. The most important of these contain letters relating to Marshall's 1902 campaign for an economics tripos (Marshall 1/113-1/131) and letters from his publishers, Macmillan & Co. (Marshall 1/173-1/251). Material transferred from other parts of the collection (especially from the miscellaneous 'Large Brown Box'), or from Library files, includes Marshall's early letters to his mother from America (Marshall 1/289-1/301). The remainder of the section consists of transcripts

and copies of material held here and elsewhere, and recent donations. Marshall's letters to Herbert S. Foxwell have been listed as part of the Foxwell collection (see below). The Library also possesses photocopies of Marshall's letters to Macmillan; the British Library, as owner of the originals, has given permission for the copies to be consulted by readers, but they have not been listed with the other correspondence.

The Marshall photographs, which now make up section 10 of the collection, have come from a variety of sources, some now unidentifiable. The section begins with two large albums (Marshall 10/1 and 10/2) containing small portraits of famous people, both historical and contemporary, which Marshall apparently collected for the purpose of phrenological study. His copy of Eckstein's *Geistige Welt*, a printed volume containing brief biographies and large photographs of contemporary figures (including Marshall himself), has also been listed here. Then there are personal and family portraits: some of these were formerly in the 'Large Brown Box', and seem to have been deposited by Florence Keynes; they are accompanied by a number of photographs and prints of people outside the Marshall's immediate family, mostly economists. Further family photographs have been added recently by Alfred's great-niece, Philomena Guillebaud.

This is an appropriate point at which to acknowledge how much the present project owes to Miss Guillebaud's assistance. I have been responsible for the internal arrangement of the collection and continue to advise upon and supervise the cataloguing process, as my other commitments permit, and as the Library can find funds from its own very limited resources to support work on the archives; it is she who carried out most of the detailed work, entirely on a voluntary basis. She has recently catalogued the Foxwell correspondence (mostly comprised of letters to Foxwell from various writers, including Marshall, formerly, but inappropriately, listed amongst Keynes and Marshall material), and is now working on John Neville Keynes's letters (letters to him from a wide variety of correspondents, again including Marshall). I hope that by the time the J.N. Keynes catalogue is complete, I will have been able to carry out the preparation necessary before the listing of the rest of the Marshall collection can proceed. Potential readers are warned that the most substantial section and perhaps the most interesting - 5: the later notes - will probably be the last to be tackled, as this material is both bulky and fragmentary and presents particular problems for the cataloguer. But it is precisely its fragmentary nature that will make a detailed (and eventually subject-indexed) listing of especial value for researchers, and we can only ask them to continue to bear with us while we move slowly towards this long-term goal.

We are, in the meantime, happy to give enquirers any assistance we can (please note, however, that most of our archival material is too fragile to be photocopied). Readers who wish to visit in person can generally be accommodated, though, as the Library has only a single archives work-space, booking in advance is essential.

The "Italian" International Celebration of the Centenary of Marshall's *Principles*

Warren J. Samuels
Michigan State University

Paul Samuelson has affirmed the inclusion of John Maynard Keynes in the pantheon of scientific immortality along with such other intellectual giants as Newton, Maxwell, Planck, Einstein and Heisenberg. The basis for this elevation is a specific judgment of immortality: Keynes's work, like theirs, was so monumental that subsequent scholars, including his critics, couched both their criticism and their own work in his innovating paradigm. Samuelson also says that "Any good scientist rates a *Festschrift* on reaching the age of 60. But only a great innovator like John Maynard Keynes merits commemorative articles and symposia a long hundred years after his birth" (Samuelson 1986, p.278).

By Samuelson's criterion, Alfred Marshall must be enrolled in the same elite group. For all its late 20th-century Walrasian-Hicksian-Samuelsonian reconstruction, microeconomic theory continues to reflect the Marshallian structure initially presented in the 1890 first edition of the *Principles*. Both the continued importance of the Marshallian paradigm and the operative relevance of Samuelson's criterion are underscored by the remarkably extensive number of commemorative centenary-oriented conferences, conference sessions, books, sets of journal articles and individual articles - 148 years after Marshall's birth. And now there is the *Marshall Studies Bulletin*, the first volume (1991) of which includes notices, reports and reflections on the centenary year and its various celebrations, as well as reviews of some of the earliest books and special issues of journals.

Two issues of the Italian journal *Quaderni di Storia dell'Economia Politica*, numbers 2-3 of 1991 and 1 of 1992, publish the proceedings of the conference held in Florence during 18-20 December 1990. This review of the two issues is entitled the " 'Italian' International" celebration for two reasons, (1) the Italian site of the conference and publication of papers¹ and (2) the presence at the conference and in

1. Duty requires that readers be cautioned that the texts of the two issues contain numerous typographical errors and also some stylistic awkwardness, the latter apparently due to several manuscripts having been written in Italian and translated into English. Typographical errors have been corrected in quotations presented in this review.

the pages of the two issues of both leading English-language interpreters of Marshall and the numerous very fine Italian scholars working on Marshall the man and his work, as well as one German and one Israeli. The two issues contain twenty-six articles plus the conference's Opening Lecture by John K. Whitaker, "Marshall's *Principles* after One Hundred Years". Most of the authors are economists but there are at least one historian, Alon Kadish, and one philosopher, Tiziano Raffaelli.

No review of reasonable length can report meaningfully on each of the twenty-seven contributions. It can only deal with those topics identified by the author of the review as relatively more important and/or interesting, and even these only selectively. The review must reflect the reviewer's interests.

One point should be clear. While they show great intellectual respect for Marshall, as well as recognition of his historic importance, these essays are not exercises in hagiography. There is little if any ceremonial lionizing of Marshall; on the contrary, there is ample critique of his work and criticism of his character.

Three further important prefatory points should be made. First, many of the contributions very effectively utilize manuscript and other materials from the Marshall Papers at the Marshall Library of Economics at Cambridge University. In this connection, it should be noted that one of the contributions is on the establishment and history of the Marshall library (1903-1944) by its former Librarian, Donald Ross. Another contribution is by Tiziano Raffaelli on the analysis of the human mind in Marshall's early philosophical writings². The interpretive status of unpublished writings, especially early ones, is equivocal; at the very least, these writings must be used with circumspection and in conjunction with published works³.

Second, the contributions are suggestive of the role of biography in the history of economic thought. Much of the controversy (involving William Jaffe, George Stigler and Donald Walker, among others) centers on the relevance of authorial biography to the truth-value of an author's theory. But the truth-value of a theory is not the only facet of its significance. Indeed, it can be said both that positivist methodology itself does not produce conclusive truth status and that economics is

2. These writings, with further analysis, will be published in 1993 in Archival Supplement vol.4 of my annual, *Research in the History of Economic Thought and Methodology*.

3. Apropos of the question of how Marshall would have treated his unpublished papers, Giacomo Becattini writes that "it is by no means certain that Marshall would not have wished his musings about communism to become known once he was dead." He quotes Marshall, writing in 1923, thus: "I am not without hopes that some of the notions, which I have formed as to the possibilities of social advance, may yet be published" p. 163.

notoriously a discipline in which testing of hypotheses is rarely pursued, for all the stated attachment of its practitioners to positivist methodology. Be that as it may, the significance of an author's work extends beyond the question of truth. These include, first, the author's total system of thought in which any particular theory is nested; and, second, the place of that total system of thought in intellectual history writ large, even if only within the discipline. The combination of the two comprise, in part, the *meaning* of what the author said⁴. When the history of economic thought is limited selectively, perhaps in accordance with the canons of the Whig approach to history, to a certain part(s) of an author's work, both the rest of that work and the relation of the part(s) to the whole are eclipsed. The history of economic thought is not alone, actually perhaps is only very slightly, the history of progress from error to truth. It is also the history of ideas and ideational systems. In this respect it helps to have some idea of what the author seems to have intended, the rôle of a particular theory in his or her total system of thought, and the place of those ideas in larger currents of thought. Just as (we now know) Adam Smith's theory of markets cannot be fully appreciated unless it is combined with his theories of moral rules-sentiments and jurisprudence, so too Marshall's microeconomics needs to be supplemented with the rest of his ideas. Many of the contributions enhance that understanding. As David Reisman's contribution, among others, indicates, Marshall's intellect encompassed more than his economic theory narrowly defined, and his economics (more like the earlier political economy) was more extensive than his microeconomic theory. The mechanistic interpretation of Marshall's price theory enormously distorts Marshall's conception of the economic system, even considering only the market. Correlatively, several contributions pay some attention to the intellectual and political context of Marshall's thought, important in comprehending the meaning and significance of his theories and total system of ideas.

4. Marco Dardi points to both Marshall's own intellectual biography and late nineteenth century British culture having to "reconcile utilitarianism and evolutionary doctrines," adding "Yet for a modern economist there is more to it than that" (p.90). Dardi also points to the combination of classical mechanics and evolutionism (p.94 and *passim*). And David Reisman indicates that "Marshall was a firm believer in the economic dynamic of private property, market exchange, individual interest and calculative rationality" (p.215) but his work also shows "the unmistakable influence of the Enlightenment sociology of [Smith's] *Moral Sentiments*" and "has little or nothing in common with the Victorian libertarianism" of John Stuart Mill's *On Liberty*" (p.223). It is also of interest, as Giacomo Becattini indicates, that the "young Marshall" had radical concerns on topics which were treated very differently by the high priestly "mature Marshall" (pp.177, 183-184 and *passim*).

The third point encompasses the first two. A number of topics were important to Marshall which he did not elaborate upon in great detail in the *Principles*, in part hoping to include them in the projected but never written second volume. Several of the contributors have closely examined the *Principles* and the Marshall Papers, as well as his other writings. They have produced essays which present Marshall's ideas in a more detailed and coherent manner than is found in the original sources. I have in mind here contributions by Marco Dardi on the concept and role of the individual; Brian Loasby on efficient institutions; Enzo Pesciarelli on the role of the undertaker (entrepreneur); Robin C. O. Matthews and Barry Supple, and others, on economic history; and Giacomo Becattini and David Reisman, in separate essays, on the relations between market and other institutions of social control. These topics are all extremely important to Marshall's understanding of what markets do and how they do it, but are generally ignored in the static price theory to which his microeconomics led. All have to do with Marshall's doctrines and practices with regard to the scope and method of economics, discussions of which are to some extent highlighted below.

In reviewing several of the contributions, therefore, I shall emphasize several important elements of Marshall's thought of which more (in the senses both of greater detail and greater weight) is made here than in much of the prior literature. In some important respects our knowledge of Marshall's total system of thought is vastly enhanced, and we find his work even more informative, useful and suggestive than has generally hitherto been appreciated.

I

Let me first call attention to topics and related contributions which I shall not treat in any detail, even though many of these are worthy of serious study.

Among the topics connecting several of the contributions are those of equilibrium, macroeconomic theory in general, and time. Readers interested in the treatment of time both in general and in relation to Marshall can profitably consult Antonio Gay's article on time schemes in Marshall's thought; Domenico Delli Gatti and Mauro Gallegati's on credit, confidence and speculation in a Marshallian perspective on business fluctuations; Anna Maricic's on time, agents and dynamics; Ekkehart Schlicht's on Marshall and Keynes; and Jan Kregel's on Walras and Marshall.

Articles on macroeconomics in general include those by Delli Gatti and Gallegati, constituting a rational reconstruction of Marshallian macroeconomics; and by Schlicht.

Intensive discussion of equilibrium is to be found in Gay's, Kregel's, and Schlicht's articles; and in Roberto Marchionatti's article on increasing returns and competition.

The problem of Marshall's biological approach is discussed in Marchionatti's article and elsewhere more or less in passing.

Other articles treat the role of demand in Ricardo and Marshall, by Giovanni Caravale; the theory of the firm, competition, monopoly, and increasing returns, by Alessandro Roncaglia and by Marchionatti; land tenure and economic progress, by Claudio Cecchi (an article which, in its comparison of Marshall's work with recent literature, neglects work done at the Land Tenure Center of the University of Wisconsin); and the theory of capital, by Duccio Cavalieri (which neglects the role of institutions in forming, structuring and operating through capital markets and determining the content of capital as a "generic source of income").

II

Alberto Zanni's article, "Pareto's Monologue with Marshall", examines the personal and scholarly relationship of the two economists, partly rebutting the view that Pareto "always opposed and was almost a detractor of Marshall" (p.402). Zanni writes of Pareto's method of successive approximations as a "Marshallization" of Walrasian equilibrium (p.401). There is interesting related discussion of their work on equilibrium and time (pp.405-408).

Zanni's most interesting and suggestive discussions relate to the nature and scope of economics (numerous discussions in other essays in the collection also bear explicitly or implicitly on the topic, as will be evident below). He writes of the paradox that "Marshall, who preferred brief deductive chains and stronger *ceteris paribus*, allowed the complexity of historical becoming to leave its brand also on the purest economic category, pure competition". Whereas "Pareto, the theoretician of the interdependences within the whole social organism, thought on the contrary that pure economics could live an autonomous life, even if miserable. In Pareto's opinion, in fact, pure economics is certainly the kingdom of exact formalizations, but it is a little garden, while the more indefinite and rebel field of sociology is also wider and more important". Zanni refers to "This invasion of sociology" as "Pareto's methodological tragedy" (p.410). For Zanni, Pareto's "pure economics" is "a small part of political economics and of social science" (p.411) and "The need to go outside pure economics is confirmed by all the indeterminateness implicit in the parameters of economic equilibrium, starting with distribution" (p.412). He

finds that "There is a kind of pan-politicism in Pareto, which leads him to minimize the importance of pure economics and to praise the importance of sociology. It is a kind of methodological tragedy, which makes clear Pareto's most hidden and subtle disagreement with Marshall: while Marshall wished to bring back into the sphere of political economy man in his entirety, with all his motivations, Pareto preferred to place only logical-repetitive actions in pure economics, then placing in applied economics and sociology the main part of man (including evolution, customs and habits)" (pp.414-415).

I think that Zanni is correct in his characterizations but I am not sure about the idea of a methodological tragedy, which seems to center on the meaning and privileged status of "pure economics". Marshall and Pareto each understood the importance of both pure theory and what Joseph Schumpeter called economic sociology (including topics in systemic organization and control and their dynamics). Too often statements made about pure theory are taken (though not by Zanni) as having been made about economics or, better, political economy as a whole. Neither Marshall nor Pareto denigrated work in economic sociology, however much they both sought a clearly identifiable discipline-profession of economics. For Marshall, if something was relevant and important, then the economic scholar must deal with it. Alon Kadish quotes the pertinent sentence: "The less we trouble ourselves with scholastic inquiries as to whether a certain consideration comes within the scope of economics, the better. If the matter is important let us take account of it as far as we can" (p.297). Also, sociology to Pareto was a discipline whose own general equilibrium formulation encompassed but went far beyond the study of material interests on which economics concentrated (see Samuels 1974).

David Reisman argues that Marshall's analysis involved an interactive "complementarity between conservatism and capitalism" (p.217). Capitalism, with the dynamics of private property, market exchange, individual interest and deliberative calculative rationality, is the dynamic force; conservatism is the restraining, even civilizing force. Employing Marshall's own famous analogy, Reisman writes that "the conservatism of custom and the mutability of capitalism (...) [stand] to one another in the same relationship as the upper and lower blades of a scissors, each without the other incapable of satisfying any significant purpose but both together capable of making the instrument serve the end for which it was intended" (p.217).

Reisman argues that for Marshall consumption is driven by, first, custom and habit, and, second, "the distinction-giving power of a thing"; "human choices are people-constrained as well as income-constrained" (p.219). Production is influenced

by such explanatory variables as respect for custom; sense of duty; pursuit of approbation; imaginative empathy; and creative self-expression (pp.220-221). Together they form social constraints. There is also ethical constraint, in the form of values and evolution - an odd combination.

Reisman identifies "Marshall's belief that conservatism disciplines capitalism and renders even the most splendid of individualists the self-suppressing cell that derives its teleology from the contribution it makes to the organism of which it forms but a part" (p.223). The reverse process is also operative, and important: "The economic dynamic may be said (...) to play a very important role indeed in the generation of the cultural norms by which its sustained advance is also constrained. Thus does capitalism contribute to the production of the conservatism which is so important for the market mode" (p.230). Reisman also quotes Marshall both that "man himself is in a great measure a creature of circumstances and changes with them" (p.229) and that "Every economic force is constantly changing its action, under the influence of other forces which are acting around it" (p.228). Marshall may not have given enough, if any, attention to the system-specific nature of ethical values. But he did believe that ethical progress was possible, due to capitalism being disciplined by values which emanated from capitalism itself (p.231).

Apropos of the individual, Marco Dardi interprets Marshall as combining the Benthamite model of utilitarian choice and the principle of adaptation of living organisms to their environment. Marshall does not take the internal constitution of the individual as a datum; consequently, the conception of Pareto optimality loses much of its relevance - another example of how Marshall's microeconomics is radically different from that of contemporary neoclassicism. Dardi acknowledges the question "whether the theory was adequate with respect to the conception it was meant to convey", but says Marshall's theory "was intended as the analytical development of a well-considered conception of the relations between the individual and society" (p. 90). Marshall calls for the social equivalent of biological growth and decay; evolutionary emergence is combined with mechanical determinism (pp.91ff). Static partial equilibrium involving given individuals, albeit more developed, co-exists with evolutionary adaptation of organisms to their environment. Maximization and adaptation are Marshall's two explanatory principles (p.94); economic decisions can be "considered from two different perspectives", the mechanical and the evolutionary (p.107). "The part of the individual embodied in a set of utility functions is only a partial and perhaps temporary manifestation of his identity" (p.95; see also p.99 regarding "novelties so far-reaching as to require a redefinition

of the whole system of motivation of the individual and a radical restructuring of his plan of expenditure" and therefore qualitative "change in the feeling of identity of the individual, who is led by the economic circumstances to reconsider his own life style, system of values and perhaps position in society").

Dardi says that "Between efficiency and justice one thus finds a third possibility in Marshall's approach, (...) [namely] taking advantage of the potential for change of individual identities through collective action superimposed on private action in the market-place" (p.110). This involves, says Dardi, "the typical Marshallian theme of the education of individual motivations and values as the main nonconflictual device to improve the workings of market society. The often ridiculed 'pious moralizing' Marshall liked indulging in can thus be seen as grounded on something more serious than mere Victorian primness" (p.111). And the limits of Pareto optimality signify the necessary role for social values.

As with Reisman, what is true of the consumer is also true of the producer; the analysis of production combines "a mechanical principle of maximization and a nonmechanical process of formation of individual identities" (p.101); in part, the firm has to work out what for it constitutes profit maximizing, not just act to maximize profits. Here, too, Dardi insists that the notion of the individual economic actor in modern microeconomics "is not philosophically better-grounded than Marshall's, it is simply [only] more convenient" (p.112). Dardi has Marshall anticipate Frank Knight in believing that taking the individual as a datum is a fundamental error (p.111).

Consideration of Reisman's and Dardi's themes bring us to the essays by Loasby and Pesciarelli.

Brian Loasby's essay on efficient institutions may be the most theoretically and interpretively innovative of the collection. Loasby concludes that the notion of Pareto optimality is "dangerously inadequate as a criterion of institutional performance" (p.115) and calls for a much broader conception more adequate to the task. Loasby begins with transaction costs and the conventional assumption "that both governments and markets work without cost". He concludes that the so-called Coase theorem "is not that externalities, public goods, monopolies and the like generate no problems for public policy, but that the assumption of costless contracting which is embedded in conventional analysis makes that analysis incompetent to handle them" (p.116).

Loasby next treats the firm. He focuses on "different ways of satisficing" (p.118); "the consequences of one person's actions depend[ing] on the actions of others, as

they often do" (p.119); the process of adjustment, involving "capacity for the ongoing management of emergent events" (p.119); that, pace Hayek, "efficient institutions can embody more knowledge (one might perhaps even say more rationality) than any one individual can possess" (p.120); and that "firms are more than institutions for coping with uncertainty: they not only prepare for the future but help to shape it" (p.121). Turning to the division of labor, Loasby finds that Adam Smith sought a "single connecting principle [applying] to the firm and to the market. But (...) his emphasis on markets set economists on the road which left them without any reason for firms to exist" (p.123). Marshall's principle "was nothing less than 'a fundamental unity of action between the laws of nature in the physical and the moral world (...) [namely] the general rule (...) that the development of the organism, whether social or physical, involves an increasing subdivision of functions between its separate parts on the one hand, and on the other a more intimate connection between them' ". "Efficient institutions", therefore, are not phenomena of equilibrium; they "are now expected to generate variety", which for Marshall is "a chief cause of progress" (p.123, quoting Marshall). For Marshall, then, in Loasby's view, "The 'great problem of Economy' is not to make best use of the 'givens', but to change them into something better, not to optimise within the attainable set but to redefine it. Optimisation, indeed, is not good enough" (p.124).

Turning next to knowledge, Loasby argues that since, following Carl Menger, knowledge is the driving force of human progress, "efficient institutions are those which effectively promote the growth and use of knowledge" (p.125). Accordingly, "Marshall's conception of the firm" is that of "an important form of organisation which aids knowledge." It "is an institution for combining relevant knowledge in a way which encourages the generation of new knowledge" (p.126).

Enzo Pesciarelli examines the role of the undertaker in Marshall's approach to economic growth by concentrating on the principal forces that act as the fundamental determinants of economic growth. These are his theories of entrepreneurship and of the combinations of separable subjective and objective factors and of natural and institutional aspects, all "historically and dialectically related in a dynamic context". He concludes that for Marshall "the emergence of the figure of the undertaker [was] as a phenomenon specific to the development of economic activities and as an evidence of the increasing supremacy of the economic factor" (p.158). I would add that the entrepreneur-undertaker pertains to a specific historical epoch. In other periods and societies, ambitious individuals took different roads to success, often those whom Frank William Taussig called the Napoleons of history rather than the

Napoleons of industry.

The subjective determinants include deliberateness; habit and custom; a dual conception of human nature, a need for activity and Smithian prudence; and resistance to innovations, a reinforcer of habit and custom (pp.134-138). Apropos of habit and custom, Marshall's position is said to involve continuity serving paradoxically as both a brake and a facilitator of innovative change - ensuring for Marshall "the graduality of progress" (p.138).

The objective determinants of economic growth involve factors such as climate but especially a "dialectical relation between scarcity and plenty" (p.139), with success tending to generate weakness, and so on.

Pesciarelli further argues that there was "a gradual but progressive double shift of emphasis in Marshall's argument from objective to subjective determinants, and from natural factors to institutional ones", and "A fundamental role in this latter process is played by political and legal institutions" (p.140). He finds that Marshall understood the progress of civilization "as being normally attended by a progressive reduction in the role of custom" as "the forces of change progressively gain the upper hand and reverse what for centuries has been 'the natural course of things'" (p.141). Undertakers are both the products and the further promoters of the new system; also their functions "can no longer be treated in terms of property relations" (p.143). The key is leadership in a society which both requires it and produces opportunity for its emergence (p.147 and *passim*)⁵.

Among other things, Pesciarelli says that Marshall's approach to the role of the state involves contriving "methods for defending the 'weak' against the 'strong' in all cases where custom can no longer come to the defence of the weakest sectors of society during periods of sudden change - as evidenced by the Industrial Revolution", thereby "to obtain the good, without the evil, of the old defence of the weak that in other ages was gradually evolved by custom" (p.155). This is to be achieved through public education of the working classes, without, of course, destroying incentives and weakening energy. Thus does Pesciarelli conclude that for Marshall "social mobility, efficiency, and democracy are closely linked and, moreover, (...) can proceed hand in hand with economic progress" (p.157).

Giacomo Becattini's examines Marshall's views on the market in relation to communism. He identifies both Marshall's visionary ideal and positive elements in

5. Knowledgeable readers will recognize, in this and the preceding paragraph, ideas also found in the writings of Friedrich von Wieser, Ludwig von Mises, and Joseph A. Schumpeter. Also identified is a Marshallian analysis "which appears to be conducive to a theory of the progressive bureaucratization of economic life" (p.149).

his analysis. Becattini's principal conclusions are that Marshall was not an apologist for capitalism, "even if it is true that he took a less nervous view of the social limits and the instability of real capitalism than did his major pupils", and that "the 'wild rhapsodies' of the socialists left a mark upon him for the rest of his life". While their analysis of the market was incomplete their ideas were "not ridiculous or trivial, as many of his contemporaries decided, and were in any case more penetrating, in terms of the perception of the 'hidden springs of human action'" (p.187).

Becattini writes that Marshall's ideal state "is based upon the principle of 'from each according to his abilities, to each according to his needs'" (p.162). He feels that "The idea of a secret Marshall, who hides in his desk drawer not just the mathematical models which he 'unfolds' in his *Principles*, but also his more radical doubts about the nature of the market system, on the analytical representation of whose workings he built his scholarly reputation, cannot fail to entice us" (p.164). Becattini analyzes Marshall on "character", the nature of "absolute utopia", the stony road to communism, and the historicity of the market.

The topic of character has to do with the system of motivations of individuals and the Victorian response to "the great material and moral disruption caused by the industrial revolution" (p.167), a distinction between actions with high and base motivations, and the dependency of character principally on "the social context of his daily life" (p.169). The notion of absolute utopia involves duties more than rights; distribution in accordance with needs; work as "an active and dynamic relationship with nature and with the society of which" one forms a part, and the making of man through work; the nonproportionality of contribution and receipt through distribution; and altogether "a perfection of human nature" that nearly approaches the absolute (p.174).

As for the stony road to communism, Marshall is portrayed as believing that none of the socialist schemes of his day were viable unless character, as he understood the term, is modified. Apparently Marshall's principal concern was that of Thomas Robert Malthus in response to William Godwin: the pressure of population on natural resources. More seems to be made here of the population problem (for example, pp.175 and 340 and passim) than in the *Principles*, where Marshall concentrates on the technical conditions of demand and supply in labor markets. Another concern was the imitation and status emulation of rich by poor, with a consequent "general dissipation of the opportunities for moral and intellectual elevation which are constantly being produced by technical progress" (p.176). Cautious but nonetheless positive state action was considered by Marshall to be part

of "his strategy of reform, which always tends to modify what exists in the direction of what is 'morally' desirable (with the economics acting as the servant of ethics) in small stages, each of which takes account of the fact that changes in character and institutions must proceed in step" (p.178).

Apropos of the historicity of the market, Marshall is said by Becattini unequivocally to have believed that "the market is the result of a long process of evolution of the forms of social organization" and that its "great virtue is that it is able to channel the basest and strongest motivations in the direction of effects which, all in all, increase the mastery of man over nature more than is the case with other social systems so far known" (p.178). The most favorable form of the market system, however, is "a society of independent craftsmen" and its ideal form "requires a market from which, hypothetically, every trace of the capital-wage labour relationship has been banished" (p.179). On a different topic, neither capitalist entrepreneurs nor socialist managers are "anything more than a transmission belt for what is happening in terms of tastes and technology" (p.180), a view which seems to neglect the decision-dependent status of those variables.

Becattini discusses the highly critical assessments of both the market and communism found in Marshall's unpublished manuscripts. The conclusion is that

There is, I think a certain ambiguity in his positions on the matter. In the more impassioned writings of his youth and in those more abstract and speculative of his old age, communism appears as a conceivable, albeit very improbable, outcome of the process of civilization continuously going on in the world. But it always appears in a positive light, indeed as a dazzling vision (...).

In his mature work, when Marshall is engaged in a cultural battle in which his enemies are often socialists who, in his opinion, are manipulating that ideal, communism is presented, on the few occasions when it gets a fleeting mention, more as a myth, or a poetic dream, which may distract us from the arduous duties of the present and even prevent us, when it falls into evil hands, from achieving those modest, gradual improvements, which are all that can really be attained on the road to Utopia (pp.183-184).

Becattini therefore concludes that "Marshall cannot be confused with the apologists of capitalism". It "is inconceivable (...) that Marshall and his disciples should be mixed up with the pure marginalists, with their crudely individualist approach" (p.185), at this point referring to the contribution by Dardi.

I conclude this section with Matthews and Supple's essay on economic history. They argue that Marshall linked economics closely to history, including the effects of changes in human nature. But such was not the keystone of the *Principles*.

Moreover, "his treatment of earlier history is too often commonplace, though he deserves credit for raising some large issues" (p.211). Among the technical issues covered by them are the applicability of economic theory to the interpretation and analysis of past societies and the inevitability of the progress to modernity. But, they argue, Marshall's historical descriptions and explanations often were superficial, vague, tautological and circular as well as pervasively eclectic. One further theme is Marshall's concentration on "the ordeal of economic freedom, 'ordeal', because custom afforded elements of protection for the weak, even if it obstructed progress" (p.205). Another is that "the changes in human nature that are brought about by economic progress do tend to be of a favorable kind, leading to a wider spread of rationality" (p.207).

III

The subject of Marshall's treatment of economic history brings us to the larger topic, of which it is a part, of Marshall's biography. Alon Kadish's article is important for its tracing of the how theoretical statements in the first five editions of the *Principles* paralleled the exigencies of "Marshall's gradual campaign to promote the autonomy of economics as a separate academic discipline". Denying that he means "to imply complete cynicism on Marshall's part", Kadish does argue, in regard to Marshall's statements on the scope and method of economics, that they "were largely influenced by particular changing circumstances". The possibility therefore remains "of conflicting arbitrary reconstructions of Marshall's position on subjects such as economics and history, economics and psychology, economics and biology, etc." The "conclusion that attempts to describe all of Marshall's writings as constituting a cohesive and consistent corpus is misleading" (p.308). "It was all a matter of expediency", Kadish writes (p.305) - the "all" may be slightly strong but it is more correct than wrong. Both Kadish (p.190 and passim) and Matthews and Supple examine how Marshall's treatment of history was attuned to the tactics of his various university reform campaigns promoting the status of economics in the curriculum - even though "Marshall had a grand and ambitious view of the overarching significance of history as knowledge, and above all as social-scientific knowledge" (Matthews and Supple, p.193).

Economic history is not the only topic of biographical significance discussed in the collection. Rita McWilliams Tullberg presents a powerful description and indictment of Marshall's negative and, apropos of his wife, especially insensitive attitude toward women, both in general and in economics. Woman's place was

within the family (p.263), dependent upon and not in competition with men (p.265). Marshall's early efforts on behalf of the education of middle-class virtue was later seen by him to have been mistaken; he then "wasted over 40 years of his life and a lot of nervous energy trying to put that particular genie back in the bottle" (p.265). McWilliams Tullberg speculates that there were two reasons for Marshall's views: first, he "never really analysed the core problem of poverty", and second, he took a high priestly attitude toward the feared disruptions accompanying social change (p.264).

Eugenio F. Biagini, in his essay on Marshall's 1873 "Lectures to Women", says that Marshall presumed "the importance of educating the women of the new generations" (p.342), having in mind the example and approach to the treatment of poverty provided by Octavia Hill through the Charity Organization Society. The lectures were critical of present social evils and called for affirmative but cautious and nonsocialist reforms. The material object of the lectures, however, was the production of "social workers, rather than academics" (p.348); "Academia - just like Parliamentary politics - was to remain the preserve of the males" (p.350). All in all, Biagini concludes, Marshall was "no more advanced than mainstream Liberals" of his day (p.351).

Robert W. Butler considers the historical context of the early Marshallian work. He believes that "Having been raised in the Evangelical religious tradition and educated in mathematics at Cambridge, Marshall was used to thinking in an a priori fashion. His crisis of faith was more than a simple loss of faith in God; it was the beginning of a shift to an empirical epistemology, as evidenced by his work in philosophy, geometry, and psychology" (p.286).

Biography, like all exegetical analysis, is a matter of interpretation. Geoffrey C. Harcourt examines certain interpretive writings and concludes that Dennis Robertson was "the most pious interpreter", Gerald Shove, "the most balanced"; and Joan Robinson, "the most critical, even though her respect for his intellect (as opposed to his character) grew as she moved from imperfect competition and the work which grew out of it to her post-war contributions to the theory of growth and distribution" (p.370). Among other matters, Harcourt indicates his judgment as to "how central, how pivotal, and how much the long period is the core of Marshall's *Principles*" (p.358).

IV

Two contributions remain to be considered: John K. Whitaker's Opening Lecture on "Marshall's *Principles* after One Hundred Years" and Peter D. Groenewegen on "Alfred Marshall and the History of Economic Thought".

Whitaker is principally interested in assessing Marshall's *Principles* with regard to its partial equilibrium theory, its general equilibrium theory, and some broader themes. He is also interested in assessing the reception and historical significance and status.

Among other points, Whitaker says that "Marshall scholarship has been led astray seriously by heavy concentration on the eighth edition of 1920" (p.8), a sin to which this writer readily confesses but one which is not committed by other contributors to the collection. Whitaker believes that the "first edition has a clarity of conception, freshness of execution, and lucidity of organization that became sadly impaired in later revisions and recastings" (p.9); "Unfortunately, later revisions destroyed much of the unity of the exposition" (p.18).

Substantively, Whitaker reinforces certain insights found in other contributions, especially with regard to the complexity and evolutionary character of economic life. One theme "is that of the relationship between, and relativity of, economic institutions, modes of economic behavior, and methods of economic analysis" (p.18). A second theme is Marshall's characterization, influenced by Herbert Spencer, of industrial organization as a linked population of firms. "Firms" Whitaker emphasizes, "are not connected to consumers, employees and each other only by price relations mediated through anonymous markets" (p.18) but also by other interpersonal and network relationships. A third theme "is the dependence of a worker's efficiency upon his consumption standard, living conditions, work hours and working conditions" (p.19).

As for the reception afforded the *Principles*, Whitaker concludes that "Although Marshall's work was exempted from serious criticism, his ideas were nevertheless influential, indeed dominant, in the training of a new generation of British economists from the 1890s onwards" (p.21); "Rather than passing through the crossfire of critical scrutiny, his work was elevated, almost from the start, into a received canon or scripture", so that "The eventual upswelling of criticism in Cambridge of the 1920s must have come as a virtually sacrilegious attack on established hagiography" (p.22). In the opinion of the present author, the elevation to canonical stature of which Whitaker speaks was largely due to its role in putatively resolving the complex identity crisis which marked the discipline in the

late nineteenth century, as well as to Marshall's position at Cambridge.

But what of the historic status of the *Principles*? Whitaker begins by noting that "It is generally conceded to be one of a small handful of major works in the history of economics. Yet there seems little consensus as to precisely which elements or characteristics of the work justify such a claim" (p.7). Whitaker argues that, against the background of contributions by many others, "the *Principles* of 1890 cannot be seen as a radically novel or pathbreaking work, although it was not without significant theoretical innovation (...). But if it is to lay claim to classic status as one of the great works of the subject, the basis for the claim must lie elsewhere than in its pathbreaking construction of a new structure of formal economic theory" (pp.22-23). Much the same controversy has existed with regard to Smith's *Wealth of Nations*. Whitaker's final word is that "If Marshall's work is expelled from the Pantheon [of great works] then it would probably be appropriate to expel Smith on similar grounds. That may not be much of a defense, but it is a defense" (p.26).

I am tempted to defer to Whitaker's expertise and judgment but do not, or not fully. Place Marshall's technical, tooled contributions aside, for about them there is no controversy - except technically in regard to such topics as the utility of the representative firm and consumers' surplus. Acknowledge that elements of the Marshallian theory, in both its partial and its general equilibrium domains, existed prior to the *Principles*. Still, as with Smith, the genius of Marshall was in the particular synthesis which he accomplished in the *Principles*. There is no significant book, perhaps absolutely no book at all, prior to the *Principles* which had its structure. And it is that structure which so much helped form the structure and content of neoclassical microeconomic theory in the twentieth century (a similar case can be made with regard to the *Wealth of Nations* and the work of economists thereafter).

It is precisely on Samuelson's ground, stated at the beginning of this article, that Marshall deserves the status of greatness. All economists, and not only neoclassical economists, are much more the child of Marshall than of Francis Edgeworth, John Bates Clark, Carl Menger, Augustin Cournot, Fleeming Jenkin and the other precursors or contemporaries of Marshall. It is Marshall's paradigm, Marshall's theory, Marshall's mode of discourse, which twentieth century economists have made their own, *ceteris paribus*.

One more thing: For some reason - perhaps intellectual inertia - the trinity of William Stanley Jevons, Carl Menger, and Leon Walras continue to be recognized as the founders of the marginal revolution. But Marshall deserves equal standing, for his work on the techniques of utility theory, both published and unpublished, in

the decades prior to 1890.

In his contribution Groenewegen considers a multitude of topics comprising Marshall's treatment of the history of economic thought. His principal conclusions pertinent to this discussion are as follows: First, Marshall's "explicitly acknowledged objective was to make the readers of the *Principles* more aware of the relativity of economic theory and the liability of volumes such as his of losing their applicability over time in the face of gradual changes in human nature and institutions" (p.81; see also 59-60). Secondly, that "the modern development of economics from Mill onwards, and particularly reflected in the experience of German economics in the nineteenth century, were shown to combine those features of the science which he deemed essential: sound theory, factual awareness in a wide historical setting and a broad human idealism of purpose in application of findings" (p.81). Third, the system-specificity of modern economics; "the growth of the science and its highlights closely followed the gradual growth of free industry and enterprise" (p.81). And fourth, the " 'slow and continuous growth (...) of economic science' in the context of a constantly changing economic condition. An epistemology of cumulative scientific progress and discarded error coloured Marshall's account of the development of economics" (pp.81-82).

As to the use of the history of economics by Marshall, Groenewegen finds that "Historical accuracy and sound historical practice not infrequently became a casualty in this approach to doctrinal history". He points to Marshall's "ahistorical practice of making authors' views appear in the mould in which he wanted to cast them". Indeed, "Marshall's practice went beyond reading modern views into these authors (...); it involved reading *his own* theories into such authors in order to preserve that picture of continuous development and improvement of their views of which his own perspectives were the outcome. Rather than giving the contextual reading of these classics which he had advocated in the 1870 paper [a remarkable one, discussed earlier by Groenewegen at length], he transformed these classical ideas into what he wanted them to be in order to heighten the degree of resemblance with his own notions" (p.82). What post-modernist literary theory identifies as a general condition or predicament, was apparently a policy, conscious or unconscious, followed by Marshall.

V

Obviously the question of the magisterial status of Marshall remains open. But the essays comprising the collection under review largely and effectively reinforce

the interpretations (in English) associated with the earlier writings of David Reisman and Hans Jensen. Marshall did in fact have a larger, biological-organic-evolutionary conception of the market than that portrayed so closely and conspicuously in the *Principles* which became neoclassical microeconomic theory. In that total system of economic analysis there co-existed nondeliberative conservatism (custom and habit) and deliberative capitalism (rational calculation in pursuit of individual optimization), although neither element was entirely homogeneous. There also co-existed the behavior and processes of both maximization-optimization and adaptation. And so on. Individuals and institutions were both independent and dependent variables. The economy is an on-going interactive process, a general interdependence or general equilibrium process, though not the mechanical process economists have subsequently promoted in order to reach unequivocal determinate optimal equilibrium solutions. Indeed, the present materials suggest rather conclusively that not only is there not one unique Pareto optimal solution to a problem (as conventionally defined) but optimality itself is subject to multiple criteria and has multiple meanings, including generation of variety, growth and use of knowledge, balancing continuity and change, leadership selection, adaptation, mastery of man over nature, and co-evolution of institutions and human nature, as well as exhausting gains from trade.

In various writings, though really never fully in one place, Marshall identified and stressed the nature and the elements of an evolutionary dynamics. It has been through the operation of selective disciplinary filtration, plus the relative fullness and centrality of Marshall's theory of value or price in the *Principles*, that his partial static equilibrium microeconomics has eclipsed his evolutionary dynamics. The further interesting thing is that his technical economics, too, was more robust than has typically been understood; but for that the reader must consult the re-examination of some strands of Marshallian theory comprising the second volume of the collection, dealing with time, equilibrium itself, and macroeconomics. The essays comprising this entire collection clearly signify that Marshall still has much to teach us, if only we look beyond the obvious and the conventional interpretations. At the very least, these essays further open our eyes and enrich our imagination with regard to Alfred Marshall.

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BOOK REVIEWS

R.J. Bigg, *Cambridge and the Monetary Theory of Production. The Collapse of Marshallian Macroeconomics.* London: Macmillan, 1990, pp.xii+228. ISBN 0-333-51657-5.

The social consequences of economic fluctuations have been a major item on the research agenda of the Cambridge School. The occurrence of fluctuations and crises challenges economists' belief in the invisible hand, and the idea that some sort of market failure lies at the root of social problems has begun to surface. As a consequence, the Cambridge School's interest in the analysis of fluctuations, whether due to monetary policy mistakes, changes in business confidence, or over-investment, can be reduced to the question: does the invisible hand work in a world where incomplete information and uncertainty permeate each economic decision?

Contrary to the commonplace view that Marshall was the prototype of a neoclassical economist, in Bigg's reading Marshall's writings reveal a profound scepticism over the possibility that market economies based upon decentralized decision-making can, outside the long run, cope successfully with unemployment and the associated social unrest. According to Bigg, Marshall's theory was characterized by a dichotomy between the microeconomic level (of *substantive rationality*, in which long run equilibria exist) and the macroeconomic one, essentially characterized by short run disequilibria and *procedural rationality* (a distinction which recalls Mill's *custom* versus *competition* antithesis). In the long period the Marshallian system is in equilibrium with full employment and monetary neutrality (according to neoclassical propositions) while the short run is the dominion of disequilibrium.

This dichotomy between short run disequilibrium and long run equilibrium gives rise to a contradiction which was the basis of the work of the Cambridge School (including, beside Marshall, Pigou, Keynes, Hawtrey, Robertson and Lavington). The intellectual agenda of the School was therefore based upon the role of money and the trade cycle, these being the central elements of disequilibrium in a neoclassical world. The project collapsed after 1930 when the rewriting of Keynes'

Treatise and the work of the "Cambridge circus" led to the abandonment of the microeconomic aspect of the project in favour of macroeconomic theorization. This line of research subsequently spread through economic theory and reached its zenith with the neoclassical synthesis. It is only with the challenge recently raised about the microfoundations of macroeconomics, that there has been a return to the Marshallian dichotomy and an attempt to solve it.

Bigg offers us a profound understanding of the evolution of monetary thought in Cambridge from Pigou's formalization of the quantity theory to its developments by Lavington, Robertson and Keynes, until its rejection in the *General Theory*. The links between money and the trade cycle are investigated by Bigg in chapter 10, which can usefully be supplemented by Bridel's work *Cambridge Monetary Thought* (Macmillan, London, 1987) and with Laidler's *The Golden Age of the Quantity Theory* (Princeton University Press, Princeton, 1991).

Although Bigg elegantly illustrates the evolution of the Cambridge School (and its members' differing degrees of Marshallian orthodoxy), his idea that, according to the Marshallian approach, the microfoundations of macrotheory must be based upon short run rationality is less convincing. In fact, Marshall adopted a vision of the economic system which conflicted with both the Walrasian view of the world and the Pigouvian revision of the *Principles*. Marshall pursued this vision through his analysis of the element of time. Since he referred to historical time, the application of pure theory was confined to very short run situations, in which no qualitative change was supposed to appear. Outside this very limited context there was no room for pure theory:

In my view, "theory" is essential. No one gets any real grip of economic problems unless he will work at it. But I conceive no more calamitous notion than that abstract, or general, or "theoretical" economics was economics "proper". It seems to me an essential but a very small part of economics proper (Marshall, *Memorials*, 1925, p.437).

Furthermore, because the analysis of historical time leads to consideration of non-reversible changes in economic relationships, it is not possible to apply Walrasian tools to inter-period analysis, and perhaps not even to infra-period analysis. The main criticism that Marshall levels against the Walras-Clark version of general equilibrium theory is that it cannot explain the equilibrium position as the final result of an adjustment process, because each point constitutes the *locus* of alternative intersections in different periods of time. Accordingly, the content of the expression normal value shifts from the outcome of a competitive system in the long run

(*Economics of Industry*) to the set of elements that make the existence of an equilibrating process possible (*Principles*). In short, Marshall believes that pure theory can be applied only in ergodic situations, where historical time is eliminated from the hypotheses.

The concept of "normal" equilibrium (as referring to the conditions which lead to the adjustment process rather than the final outcome of the process itself) differs substantially from those of the neoclassical tradition. The latter maintains that the definition of normal value can be applied only to the long run position. Marshall lays the basis for the rejection of the concepts of both short and long run equilibrium. The conception of equilibrium in the short and long period has implications both as to the method and to the conception of time employed, so that the normal definitions of short and long period are only meaningful in the context of the static conception of equilibrium. In this sense neoclassical concepts of equilibrium hold true only in static hypotheses, where agents with perfect foresight take decisions in logical time. Thus, the relevance of time and irreversible equilibria induces us to acknowledge that we always live in disequilibrium situations, and that the long run concept of equilibrium holds true only in the Arrow-Debreu world. The specific feature of the Marshallian approach is a shift from *pure theory* to *analysis*, where the latter allows for institutions, custom and social factors as a non refutable complement of the theoretical system.

In conclusion, it seems possible to say that criticism of neoclassical theorization rests on the concept of "non neutral" money that Marshall and the Cambridge School adopted. For Marshall, unlike others of the marginal school, *pure theory* does not represent the economic process; in fact, the adjustment process does not evolve through logical time and the final outcome is affected by uncertainty, historical time and money.

Bigg's work is based on what he would call "ex post rationality". In fact, his reading of the evolution of the Cambridge School seems to stem from the debate of the seventies over the microfoundations of macroeconomics, i.e. the reduction of economic behavior to rationality. On the contrary, the solution to Marshall's contradiction should, in my view, be based on an approach which considers custom, money and institutions as influential factors even in long run equilibrium. Differences of opinion apart, this is a fascinating and elegant book which I would recommend to anyone interested in the history of economic ideas.

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Alon Kadish, *Historians, Economists and Economic History*. London and New York: Routledge 1989, pp.xii + 303. ISBN 0-415-02770-5

This very interesting study can be seen as a continuation of Kadish's earlier work on *The Oxford Economists of the late Nineteenth Century* (1982) and his *Apostle Arnold. The Life and Death of Arnold Toynbee 1852-1883* (1986). Marshall scholars will welcome the inclusion in this new volume of a detailed discussion of Cambridge economics at the turn of the century, tempered though this sentiment may be by Kadish's depiction of this phenomenon as the contraction of economics. In a quite distinct way it also traverses the ground covered by Gerard M. Koot's study of *English Historical Economics 1870-1926*, which it supplements and in no way replaces. Another source for supplementing the rich content of the work under review may be noted. Its Chapters 5 and 6 can be fruitfully studied in conjunction with Kadish's paper on 'University Reform and the *Principles*' presented at the 1990 Florence/Ancona conference commemorating the centenary of publication of Marshall's *Principles of Economics*, and the somewhat different account of the establishment of the Economics Tripos at Cambridge published in *History of Political Economy* (1988, pp.627-67). There is of course no need to remind readers of this journal that Marshall was a teacher both at Oxford (albeit short-lived) and Cambridge. Early editions of his *Principles of Economics* at least, acknowledged that fact on the title page by describing its author initially as 'sometime Fellow of Balliol College, Oxford' and later as 'Honorary Fellow of Balliol College, Oxford' until such reminders of the author's high academic status were seen as redundant by the time the fifth edition appeared.

The contents of the book are even-handedly divided between Oxford and Cambridge. Part I covers the Oxford historians: Chapter 1 dealing with Thorold Rogers is followed by more detailed pastiche in the subsequent two chapters respectively on Professors and Tutors, Tutors and Students. This enables much traversing by the characters already often encountered in his previous study on Oxford economists, though the setting is quite different. The parade of historian-economist personalities covers Bonamy Price, Mendell Creighton (later at Cambridge and a friend of the Marshalls), Arthur Johnson, Stubbs, de Gibbins, Toynbee, Ashley, Cannan, L.L. Price, to name but the more important characters trotting across these pages. There is a striking contemporary quotation in these chapters distinguishing the style of Regius professions of history in the two universities

during the 1870s and 1880s. This characterises Oxford teaching as “purely historical”, without any attempt to tell a moral, and therefore “better suited for a University”. Cambridge by contrast is depicted as a place where “history is regarded as essentially connected with politics ... [and] valuable only so far as it offers practical lessons “ (pp.52-3). The Cambridge position depicted is identified with that of Seeley, with whose views Marshall is later shown to be sympathetic, providing foundations for Kadish’s diagnosis of Marshall as a pragmatic historian, only concerned with the useful facts that history can provide (pp.146-7). Not surprisingly, Marshall is also later depicted as “not happy with his lot at Oxford”, complaining among other things that “scarcely any” of his students “read systematically” (p.88). This is despite the famous claim that with Gonner, Price and Harrison in one year Marshall did better at Oxford than in 16 years teaching at Cambridge, a claim Kadish sees as “exaggerated” (p.88). That, however, depends on how the counting is done (e.g. selection of the base year). Foxwell also found the contrast between Oxford and Cambridge very striking. “Whenever I go to Oxford”, he wrote Keynes, “I am struck by the general interest in Economics there. They seem to regard it as one of the subjects with which every intelligent person should concern himself.” (p.97). Perhaps this is why Marshall, fresh back in Cambridge as newly elected Professor, tried to persuade Keynes of the souls to be won for economics in that vast Oxonian mission field where there was not a single trained shepherd to guide them.

Kadish’s book offers little by way of explicit conclusion on the contrasts he presents in some detail on these different styles of the two universities, perhaps on the good Stubbsian ground that given the facts, readers should form their own judgement. Unfortunately, he does not quote Marshall’s final *ex cathedra* pronouncement on the Oxford-Cambridge comparison, recently rescued by Rita McWilliams-Tullberg from the Lynda Grier papers paradoxically housed at Oxford: “Oxford has made movements, Cambridge has made men.” This epigrammatic summation by a man with a foot in both camps is not a *simple* proposition of the difference between the two places but it is clearly relevant to the themes Kadish pursued in this book.

The second set of three chapters deals with Cambridge. Although not specifically canonised in a chapter title, the hero of this tale is Marshall or, depending on your stand-point, the villain of the piece may be the better description. The stage is set by a discussion of economics at Cambridge circa 1885. This is followed by a chapter on tinkering with the Tripes of Moral Sciences and History, until in Chapter 6 the

liberation of economics at Cambridge can take place with the creation of the separate Tripos of Economics and Politics. The last process is simultaneously identified with the contraction of economics. This is both depicted as the removal of its historical part through the making of a separate economic history and examined from the critical contributions historians produced on the modern business school based on Ashley's Birmingham experience (Chapter 7). The last permits a brief view of Marshall on accountancy in tertiary education and his romantic perception of the businessman (pp.233-4). There is much rich detail in these chapters on many areas of Cambridge life related to the social sciences in the final decades of the Victorian age.

In this book, Kadish reveals himself once again as a master of archival research. For example, he has unearthed much fascinating detail of Cambridge Social Sciences Club life during the final decades of the nineteenth century (Chapter 4 and pp.171-5); on Alfred Marshall as satirist *ex-geometrico* (pp.155-6) and student views on Marshall's famous Red Book of statistics and their interaction with its "curves telling us of cotton and iron and rupees and measles" (p.169). There is also a very interesting account, *à propos* the professorial election of 1908, of Marshall's and Foxwell's reactions to the young Pigou, including his King's College Fellowship dissertation (pp.191-5). There is, however, surprisingly little real discussion of Marshall's position on history in its relation to economics, despite the importance of this theme to the thrust of the book's main argument. In a number of concentrated paragraphs (pp.146-7) Marshall's position is simply portrayed as that of an anti-medievalist; a person who preferred modern history to a study of pre-industrial conditions because "our present economic conditions are quite unlike any that have existed before" and, perhaps most importantly, as someone "greedy for facts" and for the need to "cross-examine [them], balancing them against one another and interpreting them by one another". (p.146). Nor does Kadish fully explain the methodological predilections Marshall had for this type of association between history and economics, an association for which he expressed the indebtedness of modern social science to Goethe, Hegel and Comte in what originally was one of the introductory chapters to his *Principles*. This difficulty of the book arises simply from the fact that Kadish the historian cannot identify with the historical needs of the essentially ahistorical economist, Alfred Marshall. Marshall's need for history was specific, and the room which he gave this in his own work was in retrospect enormous as compared to the ahistorical stance of contemporary economics.

It is useful to recall in this context that Marshall was not a "deductive economist"

in the way that term was used to describe a particular methodology practised by economists; nor for that matter was it possible to present his views fairly as that of the caricature abstract-economist bug-bear of the British historical school. In his last public lecture as Professor on 'The Social Possibilities of Economic Chivalry', Marshall had argued that "disputes as to method have nearly ceased; all students accept Schmoller's dictum that analysis and the search for facts are, like the right and left foot in walking, each nearly useless alone; but that the two are strong in combination." (Marshall, 1907, p.323). In early 1897 in a letter to Foxwell, Marshall placed himself midway between Keynes and Sidgwick and Cairnes on the one hand, and Schmoller and Ashley on the other, hardly a rejection of the usefulness of historical research for economics. Marshall's justification of "autonomous existence [of economics] in association with philosophy and history" (p.167) can therefore be accepted as Marshall's essential position of the relationship between these fields of enquiry, to which he consistently held during his long life as economist. There is no delicate shifting of position on such methodological points dependent on the vagaries of his progress in course reform within the History and Moral Sciences Triposes, as Kadish implicitly projects in this book, and explicitly in his 1990 conference paper to which reference was made at the start of this review. The thesis of that paper can usefully be examined here since it bears on an important part of the book under review, and one which is of special interest to students of Marshall.

That thesis is as follows. "In the first five editions of the *Principles* Marshall repeatedly re-wrote the sections dealing with the scope and method of the study of economics especially in its relation to other disciplines. A key to the reasons for and the timing of the changes may be found in the tortuous course of Marshall's reforms in the Cambridge curriculum." (Kadish, 1990, p.289). Those reforms, it is well known, fell between 1889 and 1903, the first five editions of the *Principles* came circumstantially convenient for Kadish's thesis, between 1890 and 1907. The question of causal relation worries Kadish at the end of the paper, but is not diligently pursued (Kadish 1990, pp.307-8). He is likewise prone to unhappy examples in the course of his arguments. For example, the statement from the first edition which opens his paper, that "facts by themselves are silent, they teach nothing until they are interpreted by reasoning" a statement incidentally reproduced in all eight editions and very similar to the remark Marshall made in 1907 with respect to Schmoller, cannot be interpreted as an opportunistic adherence by Marshall to the prevalent Seeleyan position in Cambridge history (Kadish, 1990, p.293) to be abandoned when the academic politics situation changed in relation to course

reform. The subtle changes between the first and second edition on method, as well as those between the second and third dissected by Kadish, do not vary in my view in any essential way from the more general position produced in the first, nor has Kadish convincingly demonstrated that more fundamental changes are involved. Similarly, the somewhat sinister allusion made between the resemblance of "the third edition's version of economics and history" and the recommendations of the History Board submitted a good eighteen months later in November 1896 (Kadish, 1990, p.301) may have a very simple explanation. If Marshall had a hand in its drafting, which is possible given his good relations with the History Board (Kadish, 1989, p.147), it is likely that he would have "cannibalised" his most recent thoughts on the subject as published in the third edition, a habit in drafting for which Marshall is quite notorious. Kadish correctly portrays the 1898 edition as intended by Marshall to last for a long time. Although it followed almost immediately on the hectic debates over course reform of 1897, these induced little shift in Marshall's methodological position in the fourth edition. The few minor changes only made were, according to Kadish, apparently designed with magnificent forethought to anticipate the appointment of the 1901 reform committee from which the separate Economics and Politics Tripos eventually emerged. (Kadish, 1990, pp.302-3). Kadish's reference to the significance of an omission in the fourth edition is also far-fetched. This concerns the statement that economics was an applied science, removed from the concluding paragraph of its Book I, Chapter 6. The contents of that, and of the preceding chapter in this edition, repeatedly stressed the applied nature of the subject, albeit contrasted with the theory, in terms which remained remarkably similar over later editions and did not vary in essentials from earlier ones. Last, but not least, Kadish's argument on the displacement of economic biology in the fifth edition (Kadish, 1990, pp.304-5) completely misses the point of that change. Far from being Marshall's lip-service to his 1902 Senate argument on the similarity between "economics, physics and mathematics" he there claimed, it was a simple regurgitation from an argument he had rehearsed in the *Economic Journal* in March 1898 to explain the methodological consequences for the first volume of the long delays in publishing the second volume. This line of reasoning made its reintroduction in the preface of the fifth edition all the more appropriate, given the even greater time lapse in 1907 from that long awaited second volume. It is therefore completely unnecessary to abandon the thesis that Marshall's writings, at least within the *Principles* period from the 1880s onwards, constitute "a cohesive and consistent corpus" of thought, as Kadish invited his Florence

audience and subsequent readers to do (Kadish, 1990, p.308).

Dismissing the more specialist argument in the article attempting to link textual changes in the early editions of the *Principles* with Marshall's essays in course reform at Cambridge does not necessarily imply dismissal of the book's argument as well. For a start, there is no systematic presentation of a hypothesis to be tested in the book; its readers are implicitly invited to draw their own conclusions from its rich contents. If on this basis, conclusions are to be drawn on Marshall, the evidence needs to be more systematically gathered than this book has attempted to do. Marshall's position on history in relation to economics was far more complex than Kadish's brief history portrays. Moreover, it had a history itself which went back much further than the time span covered by Kadish's book. What the book yields is much interesting and curious fact about the different positions of Oxford and Cambridge on these matters, even more useful and interesting data about the institutional trappings as background to these intellectual debates, and an array of sketches on most but not all the dramatis personae featuring in this intriguing story. However, the facts and the interpretations need occasional scrutiny. This reviewer found it astounding that an Oxford historian who presumably read his own proofs, who is well versed in the detail of nineteenth century history as taught at his alma mater, could pass over a reference to Maine's *Ancient History* [sic!] for *Ancient Law*! (p.11). Be greedy for facts, but also be careful in their use, remains a good methodological warning for historians, economists and economic historians alike.

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The Social Economics of Alfred Marshall. *Review of Social Economy*, vol. XLVIII, 1990, n. 4.

This monographic issue, celebrating the centenary year of Marshall's *Principles*, is composed of five articles and a foreword by Jensen pointing out three main subjects which, in his opinion, are common to the articles:

“a) the foundation of social values, ideology and ethics upon which Marshall erected his engine of inquiry, b) the relationship between the foundation and the engine ..., c) the nature of the society that Marshall believed to be achievable in the future”.

Jensen's list of subjects appears to be both too wide and too narrow: it promises too much and at the same time fails to do full justice to the articles contributed by Henderson (on the reception of the *Principles*) and by Samuels and Schuster (on the rhetorics of Marshall's work). However, it rightly emphasizes the central aim of this special issue: to discuss those ethical and social themes which surround Marshall's economics and have often been considered as either hampering or enhancing it. Even though “there is not complete agreement among the authors” on some aspects of the relationship between the ethical foundations and the engine, the articles clearly take the part of the second horn of the dilemma. This issue is therefore at one with the issue of *Économie Appliquée* which was reviewed last year in this *Bulletin*.

Henderson's article is probably the most interesting one for most Marshallian scholars as it provides a careful analysis of three usually ignored “ethicist” critics of Marshall's *Principles*: Sorley, Mackenzie and Richmond. Their opinions are arranged under three headings: the principle of continuity, the motives for economic behaviour and the theory of value. These three points, however, are closely connected as parts of a unique Idealist view which denies any sort of autonomy to economic science. Appreciating Marshall's consciousness of the relations between economics and ethics, these critics tried to make him overcome the “limits” of economics. But their attempt was doomed to failure for reasons which Henderson does not fully consider. Marshall was undoubtedly very sensitive to wider social issues and felt the appeal of a holistic science of society, but the core of his Kantian heritage, which Henderson thinks lay in his ethics, was rather to be found in his persistent refusal to renounce the limited results of economics for what was at best an untimely project.

If "ethics" were substituted for "holistic social science", the project might even have appeared to Marshall as an unattainable dream. I feel confident in stating this as there is no firm ground for the unqualified acceptance of the view that Marshall was an "ethical absolutist". Therefore I do not concur with Henderson's stress on the first half of Whitaker's tentative conclusion that Marshall was "prone to presuppose the existence, or at least emergence" of "universally-agreed ethical axioms". If I were to accept Whitaker's sentence, I would insist on the future emergence of ethical principles rather than on their present existence. This emergence could be the outcome of the progress of society which Marshall, following Spencer, took almost for granted. But there is no evidence that he saw an end to this process similar to the perfect adaptation of man to social and natural conditions which Spencer envisaged.

This opinion of mine comes from the study of Marshall's early manuscripts which suggest the conclusion that Spencer's influence on Marshall was deeper than Kant's and that he was far from accepting the existence of an absolute and universal ethics. It is worth reminding the reader, however, that these two philosophical systems were not wholly opposed to each other and were able to co-exist in Marshall's thought: Spencer's philosophy was imbued with Kantian elements as his open indebtedness to Mansel confirms.

The fact that the English Idealists at the turn of the century showed some interest in Marshall's economics cannot be taken as evidence of the latter's Kantism or Hegelism. What the footnote on "pleasure" and "satisfaction" bears witness to is Marshall's concern to avoid philosophical quarrels. The alternative ways of supplementing economics in order to arrive at a complete social doctrine, namely the Kantian Categorical Imperative and the Spencerian verdict of racial experience, are a clear indication of a compromising attitude whose aim was to free economics from the tutorship of any philosophical creed. By 1890 Marshall's deep interest in philosophy had been transmuted into the constructive work of the scientist and was never to be revived.

The interest of Henderson's article lies in his well-documented analysis of the *Principles*' reception by the "ethicist" philosophers more than in the light it can throw on Marshall himself.

Reisman's contribution insists on the complexity of Marshall's thought and points out the mistake of those interpreters who try to imprison him within the boundaries of Neoclassical economics. Reisman lists many instances of Marshall's

comprehensive view of the economy, grouped under the two categories of value and distribution in rough correspondence to book V and book VI of the *Principles* respectively. This grouping is not entirely unobjectionable. For example the effects of temporality are not limited to the theory of distribution but extend to that of value. On the whole, however, the many quotations from Marshall's own writings are arranged in an orderly way and the article is valuable as a warning against any narrow reading of him.

Rima's central thesis is that Marshall's change of opinion on trades-unions and socialism after 1885 is less significant than has appeared to such authors as McWilliams Tullberg and Petridis. According to the author, this change was simply the result of Marshall's more mature methodological conception of the role of economics and in particular of his realization that economic statics was of limited value in the study of labour markets. As I wrote above, Marshall's consciousness of the limits of science is a pivotal element of his thought. However, Rima does not fully appreciate Marshall's early methodological ideas, which he clearly expressed in the letters to the *Beehive* and in the still unpublished *Lectures to Women*¹.

What Rima considers late methodological acquisitions by Marshall were clearly present in his thought right from the beginning of his economic studies. The same can be said of the arguments he put forward to prove the unbalance of power in labour markets: most of them were known to him from a very early stage through Thornton's book *On Labour*.

I accept Rima's view that there is a more marked continuity in Marshall's reformist attitudes and concern for poverty than has often been recognized. His proposals to do away with the "Residuum" - through education, state intervention and moral progress - were much the same throughout his life. But Rima's continuity-thesis cannot be erected on the unjustified supposition of a wide breach in Marshall's scientific and methodological thought.

Elliott's contribution is a review of Marshall's ideas on socialist remedies for poverty. Unlike Rima, he does not take into consideration the issue of the possible evolution of Marshall's thought on socialism, but presents a set of social doctrines attributable to him throughout his life.

1. The author is probably referring to these *Lectures* in a passage (p.417), even though in this case mistakenly placing them *after* the lecture on *The Future of the Working Classes*.

Elliott's conclusions - that Marshall was always in favour of state intervention and gradual reforms of the system of private enterprise - are well-balanced.

The articles by Reisman, Rima and Elliott cover similar ground. Except for some of Rima's suggestions, which have been discussed above, they seem to have been written for the general reader rather than for Marshallian scholars.

Samuels' and Schuster's brilliant article is of a wholly different kind. It examines the text of Marshall's *Principles* dealing with labour economics and shows that its language is heavily value-laden (as well as very effective in gaining the approval of the reader). The many rhetorical devices in the text are brought to light in a "deconstructive" work which tends to confer immunity against the paralyzing effects of Marshall's anaesthetizing language. Search for authoritative precedents, presentation of theory-laden facts as proofs of the theory, reference to - and sometimes dismissal of - experience and reality, definitions and analogies: all these techniques of speech are well-documented even in these few chapters of Marshall's book. The authors make it clear, for example, that the cross-referenced analogical definitions of capital as past labour and labour as human capital depend on Marshall's political bias. The same can be said of his use of the term "artificial" in relation to the "stinting of labour"².

As the authors say, Marshall's uses of rhetoric are not unique but simply more effective than those of most of his fellow-economists. What they fail to notice is that he would not have been surprised by their analysis as he knew that facts are theory-laden³ and that economics is not wholly value-free, especially in those dynamic aspects which gain prominence in book VI. This is why he aimed at truth through a comparison and a sympathetic understanding of the points of view of the various social actors⁴. Marshall was conscious that science, social science in particular, is a pawn in a complex social game whose object is the future of man. He knew that

2. However, this very special and "controlled" use of the term, firstly introduced in the third edition and probably derived from Marshall's heavy involvement with the Royal Commission on Labour in 1893, must not be seen as an instance of a generalized acceptance of the alternative natural/artificial which was a powerful political weapon from Smith to Hayek. It has to be borne in mind, on the contrary, that Marshall had no sympathy at all for the term "natural" which he replaced with "normal" (another example of very fine rhetoric indeed).

3. "Facts by themselves are silent" (*Memorials of Alfred Marshall*, ed. by A. C. Pigou, London, 1925, p.166).

4. "I felt that I could form something of an opinion after hearing both sides, but none at all after hearing only one" (Letter to E. Darwin, *Layton Papers*, Trinity College Cambridge). "I

what the scientist has to teach must be adapted to his audience⁵. He knew the power of words and feared the dangers of "oratorical efficiency" when joined with "intellectual limitations"⁶.

Marshall wanted to steer economics away from the Scylla of absolute purity and the Charybdis of total reduction to political quarrels. Both were real dangers in Marshall's time, although the former has since outweighed the latter. This makes his "positivism", or "modernism", appear quite different now from what it really was. He wanted to gain *some* autonomy for economics, establishing knowledge of social regularities as its immediate object and truth and objectivity as its methodological aims⁷. The standing of economics was below that of, say, literary criticism: its very existence was in doubt and Marshall was anxious to establish economics as a discipline, an identifiable field of research.

Without any doubt his box of tools - and his language too, as the authors show - was dependent on his acceptance of capitalist society and, unlike Mill, of the permanence of wage labour. Once this is stated, his scientific enterprise does not dissolve (unless we adopt the "absolute purity" stance, which the authors certainly do not). It simply becomes part of wider relations. Like all the great social thinkers, Marshall had a view on the possible future of society and a scientific understanding of how to reach it. This understanding had to be shared by the main social actors in order for its full effects to be worked out: like Keynes, Marshall saw the economist's task as that of showing the fly the way out of the bottle.

The definition of labour as "human capital" offers an instance of these complex relations. As the authors rightly say, similar analogical definitions "highlight certain aspects of a given subject while simultaneously downplaying others". The first aim of this one is to isolate the positive economic consequences of high wages, implicitly assuming the businessman's point of view. But this is precisely the -

have heard one side over and over again; I want to hear that side which I do not know so well" (*Official Papers* by A. Marshall, ed. by J. M. Keynes, London, 1926, p.258).

5. "If I were lecturing to labouring men, I should omit entirely what I say to you", *Lectures to Women*, 1873 (*Marshall Papers*).

6. Letter to Darwin, see note 4. "Truly the power of poetry and eloquence is great. Without it Mr. George could not have got so many people to listen to so unreasonable a plan" (G.J. Stigler and R.H. Coase, "Alfred Marshall's Lectures on Progress and Poverty", *Journal of Law and Economics*, 1969, 12, 208).

7. Cf., for example, his severe reproach to Sidney Webb who "speak[s] as an economist" and therefore should refrain from loose and unwarranted statements (*Royal Commission on Labour*, 1893, Minutes of Evidence, p. 4085).

theoretical and social - obstacle to be overcome in a capitalist society. The declaration of man's irreducibility to machinery certainly looks further ahead (and expressing it is something more than rhetorical in the derogatory sense of attempting to win the consideration of the workers). But the way of translating this assumption into practical operations is probably difficult to discover and not universally agreed upon. What is important with the narrower definition of man as "human capital" is that it can be more plainly argued and put to work.

This example shows, once again, that Marshall's methodology was all but naive and that his idea of a social science was far from falling easily into the post-modern definition of modernism. There is still much to be learned about this and investigations such as the one provided by this article⁸ can probably be pushed further with some profit in terms of our knowledge of Marshall.

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8. For a previous and more thorough "deconstructive" study of Marshall see R. Visker, "Marshallian Ethics and Economics: Deconstructing the Authority of Science", *Philosophy of the Social Sciences*, 1988, 18, 179-99.