MARSHALL studies bulletin

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Alfred Marshall

MARSHALL
studies bulletin
volume III
1993

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Cover Design by formanova
Printed by
Tipografia Giuntina Firenze

With acknowledgment to the
Consiglio Nazionale
delle Ricerche
for their contribution,
n. A 189.01862.10

Direttore responsabile:
Tiziano Raffaelli
Registrazione presso il Tribunale
di Firenze n. 4186 del 7.2.1992
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(Ramsay Papers, vol.3 - 29)

"To Firm Notions about Men and Manners": Marshall among the Americans

R. W. Butler
Elmhurst College

On June 6, 1875, a young Englishman with "brilliant eyes" and drooping moustache came ashore in New York. He checked into a well-appointed Fifth Avenue hotel, where he decided that "the American drink mixer is as professional an artist as the French cook". The next day he bought a hat - from a salesman who measured his customer's crown by first wearing the startled Englishman's old hat on his own head. Handed a new hat which fit perfectly, the delighted Englishman wrote "may the habit become general!" and envisioned an advertisement claiming "our shopmen's heads warranted perfectly clean"[1].

Alfred Marshall's tour of America was underway.

In an era of trade depression, what had led the young don to spend a substantial inheritance of £250 in this way?[2] It is often assumed that only an interest in protective tariffs lay behind the tour. A close look at tariffs would form part of the monograph he was writing on foreign trade, and a personal study of America would acquaint him with the effect of tariffs on society as a whole. Such attention to detail would result in a solid monograph, and a successful book on a topical subject would go far toward making his career in an increasingly crowded scholarly field[3]. Marshall himself said as much in a letter to E.R.A. Seligman in 1900: "So I began to write,

1. Alfred Marshall Papers, Marshall Library, University of Cambridge, 3(67) (for the American drink mixer) and 6(1) (for the shopman). Mary Paley Marshall recorded that on first meeting Alfred, his eyes attracted her immediately: M. Paley Marshall, *What I Remember*, Cambridge: University of Cambridge Press, 1947, p.11.

2. Marshall's tour of America has attracted much attention from scholars. See especially Keynes' essay "In Memoriam: Alfred Marshall", in A. C. Pigou (ed.), *Memorials of Alfred Marshall*, New York: Kelley and Millman, 1956 repr.; J. K. Whitaker (ed.), *The Early Economic Writings of Alfred Marshall*, New York: Free Press, 1977, 2 vols.; R. McWilliams-Tullberg, "Marshall's «Tendency to Socialism»" in J.Cunningham Wood, *Alfred Marshall: Critical Assessments*, New York: Arno Press, 1975, 4 vols., 1, pp.374-408.

3. William Stanley Jevons had written *The Coal Question* in large part for this reason: D. P. O'Brien and John R. Presley (eds.), *Pioneers of Modern Economics in Britain*, London: Macmillan Press Ltd., 1981, pp.12-13.

and in 1875 visited [the] U.S.A., chiefly in order to study enlightened Protectionism on the spot"[4].

But increasingly as he aged, Marshall nurtured the talent of remembering the past as it ought to have been, not as it actually was. His interest in protection was genuine and deep, but it was not the sole reason for his trip to America. His letters home, the notes he kept on his journey, and the books he purchased in America show that Marshall was interested in much more than economic theory. His first letter home, for instance, claimed that "my main object is to firm notions about men and manners"[5]. In particular, Marshall was captivated by the issue of character: how is it formed, and how can it best flower? An investigation of his interest in character, as it was displayed during the summer of 1875, provides deeper insights into the thinking of the young Marshall.

The concept of character was of overwhelming importance to intellectuals of the nineteenth century[6]. It was a universal value, held independently of one's political beliefs; conservatives, liberals and socialists argued about how it was formed, but all agreed that character shaped the fate of men and nations. Along with many others, Marshall believed that man's character was often formed by his work and too often deformed by poverty. Marshall's goal as a young don was to do all in his power to promote culture, refinement and power of mind. In "The Future of the Working Classes" (1873) he told his colleagues that he looked forward to a day when "by occupation at least, every man is a gentleman"[7]. The process would become self-reinforcing. Better character would lead to better jobs and better homes; while improved workers' surroundings would help refine their character. In the end, "material welfare, as well as spiritual, will be the lot of that country which, by public and private action, devotes its full energies to raising the standard of the culture of the people"[8].

4. Marshall to E. R. A. Seligman, April 1900; cited in Whitaker, *Early*, 2, p.3.

5. Marshall Papers, 3(66).

6. See S. Collini, "The Idea of «Character» in Victorian Political Thought", *Royal Historical Society Transactions* 35, 1985, pp.29-50; Reba N. Soffer, *Ethics and Society in England*, Berkeley: University of California Press, 1978, pp.73-79; A. Marshall, *Principles of Economics*, New York: Macmillan Co., 8th ed., 1949, pp.1-2; A. Marshall, "The Future of the Working Classes", in A. C. Pigou, *Memorials*, pp.101-18. For a discussion of Marshall and character, see D. Reisman, *Alfred Marshall: Progress and Politics* , New York: St Martin's Press, 1987, esp. pp.15-66.

7. A. Marshall, "The Future of the Working Classes", *cit.*, p.102.

8. *ibid.*, p.118.

The evidence for Marshall's views on character consists of his letters home, notes he made while on his tour, and annotations in books he purchased in America. Consideration of the evidence leads to an important question: how complete is the source? Have many or most of the notes and letters disappeared? Despite Marshall's self-deprecating claim that he destroyed piquant observations not confirmed by independent authority[9], it seems doubtful that much has vanished. It is clear that he planned to save the letters and use them later as lecture notes; in the first letter he asks his mother not to re-fold the paper, as the crease he has made is designed for the lectern[10]. The body of notes and letters is essentially self-contained in that there are few references to any missing or vanished documents: they discuss American hotels and visits to the dentist, but they do not, for example, suggest that Marshall visited Mark Twain or met President Ulysses S. Grant[11]. The letters and notes appear therefore to be substantially complete.

The books are a more difficult source to evaluate. Marshall brought home to England a small library, which he later annotated heavily. These annotations include a number of citations dealing with the issue of character and how it is formed. Marshall left his personal library to the university when he died, and a large number of books on American subjects, published in or before 1875, printed in cities Marshall visited on his tour, and bearing his stamp or signature, are still preserved at the Marshall Library. The case can never be conclusive but points overwhelmingly to the probability that these books were purchased by Marshall in America, and later annotated with painstaking attention. By analysing the notations Marshall left in the margins, we can understand both the questions Marshall asked of his sources, and the answers they suggested to him. Occasionally, as when Marshall's comments were disparaging, we can cherish his rejoinders as well. Each of these three sources - letters, notes, books - will be considered in turn for the light it sheds on the topic of character.

The first source, Marshall's letters to his mother, detail his instant impressions of America. Written in an informal tone to a sympathetic audience, they are unrevised by later additions or deletions. The use of his mother as audience may occasionally have restrained Marshall's descriptive powers; he omitted to describe, for example,

9. J.K. Whitaker, *Early*, 2, p.356. Many piquant observations, such as the American shopman who fitted Marshall with a new hat by placing Marshall's old hat on his own head first, have not in fact been destroyed.

10. Marshall Papers, 3(66).

11. The exception is a reference to a letter from Cincinnati, Ohio, which is no longer extant.

the group marriage practices of the Perfectionist utopian community. Still, the letters are extremely valuable for the light they shed on Marshall's attitude toward non-economic topics[12].

Time and again in the letters, Marshall returns to the issue of character. He began on board the S.S. *Spain* by writing that "the weak point of the voyage has been the utter absence of ladies worth talking to: at least there is no one with a strong character as far as I can find. Most of them are agreeable, many of them refined: but they have no «go»"[13]. The word "go" provides an important clue to the kind of qualities he sought in a strong character. Self-reliance and initiative were qualities which ought to be encouraged, and a life which provided scope and reward for their operation would almost surely win Marshall's approval. He went on to add that "the first notes that I have made, have been of «character»"[14].

Once in America, Marshall kept up a stream of letters in which he commented on the American scene: from Unitarian preaching to American humour, no item from the sublime to the ridiculous appeared to escape what constitutes a journal by instalments. But this appearance is actually deceptive. Marshall's skill as an intelligent observer, his passion for "real-ising" economics, has sometimes led scholars to conclude that little escaped his broad vision. In fact, Marshall's tour was quite selective in its own way. He showed little interest in agriculture, little interest in universities, ignored the southern states altogether, and when taken on a tour of the state legislature of Connecticut commented only that he had discovered "a luxurious American drink called «mint-julep»"[15]. It is all the more fascinating, therefore, to see that character was of such interest to him that he would go out of his way to record its manifestations.

Marshall quickly left New York (partly because the population was chiefly of "foreign birth")[16] and moved on to New England. Boston had a spirit of "go" about it, as did the congregation of a Baptist church he visited one Sunday evening. He reported that he found American girls more astute, more ready and self-controlled; overall, more trustworthy than the average English girl[17].

12. Marshall Papers, 3(66).
13. *ibid.*
14. *ibid.*
15. *ibid.*, 3(71).
16. *ibid.*, 3(67).
17. *ibid.*, 3(70).

Moving westward, he visited the Shaker community at New Lebanon, Pennsylvania, where a young Swede of "angelic character" who showed "the refinement of the true gentleman" in his face was Marshall's guide[18]. The statement is reminiscent of his desire expressed so vividly in "The Future of the Working Classes", in which every man would be a gentleman. Marshall was tremendously impressed by the religious and communistic settlement, and by the air of gentility he found there. But despite the character of his guide, Marshall nevertheless admitted that the placid character of a bucolic recluse was not for him[19]. It was a revealing admission, and the point was made clearer when he crossed into Canada. Marshall described the younger generation as masters and mistresses of themselves, but without as much "go" as Americans; and wrote that if he himself were emigrating, he would prefer to come to the United States[20]. Marshall preferred an active character, and an atmosphere which gave it room to grow.

From midsummer onward Marshall's letters became less frequent. After travelling to the west coast, he retraced his steps and wrote again from St. Louis, Missouri (whose largely German population had neither the "go" of the Yankee nor the "polish" of the Englishman). California, he noted, was controlled by nine or ten men of great wealth, mostly Irish. In Nevada, Virginia City was a microcosm of the faults of the American west. The men had the stronger virtues but not the softer, and the women had all the faults of the men ("there is scarcely a virtuous woman in the state of Nevada")[21]. For the first time, Marshall found American character to be harsh and deserving of censure. The importance of character was underlined when he wrote that the lack of virtuous women was the chief handicap of the west[22]. He briefly described his trip through Ohio, commenting favourably on a Canton ironmaster whose energy and business acumen he regarded as most instructive[23]. He passed through Philadelphia, where the economist H.C. Carey impressed him rather less favourably, and returned to New York in late September. On October 2 Marshall departed for England.

18. Quoted by Whitaker, *Early*, 2, p.371.

19. Marshall Papers, 3(71).

20. *ibid.*

21. *ibid.*, 3(73).

22. *ibid.* In his Lectures to Women Marshall had noted that woman's special virtue was to bring "noble sources of joy" to mankind: the ability to appreciate beauty, for example. See the Lectures to Women, V.

23. Marshall Papers, 3(74).

In the letters his repeated emphasis on character underscores the importance Marshall attached to it. It also allows us to analyse those aspects of character most important to Marshall and thus of greatest importance to his economics. To some extent his interest in evolution is apparent. Thus he wrote that the Germans in Cincinnati were boors, but that the next generation would be citizens of a high type[24]. Clearly, to Marshall the national environment and racial characteristics were partners in a complex sarabande of evolution.

But above all, it is clear that Marshall was fascinated by the character of the individual of achievement. Although he offered characterizations, almost stereotypes, of nationalities - the "solidity" of the Germans in St. Louis, the "polish" of the English, the "go" of Americans everywhere - his true analysis of character and the elements which produced it were reserved for individuals. Thus he noted that "the mass of Irishmen here are the lowest class in every way: but there are an immense number of hugely rich Irishmen", and added that most of the men of great wealth ruling California were Irish[25]. Despite the attractions of the Shaker *community*, it was the *individual* Shaker character which overwhelmingly impressed him. His letters reflect overwhelmingly an interest in the character development of the individual.

To some extent, his letters also suggest a motivation for this interest. They show where in the social scale he himself felt most comfortable. In New Haven, he was taken to a party at which he was "not one of the lions but I was a «strange animal»", and so was introduced to everyone[26]. Despite his claim that he found it a great bore, Marshall was clearly at home with the upper middle class: often literally so, as when he stayed with the Bakers of Norwich, Connecticut and took their niece for carriage rides. Marshall's residence with and preference for the upper middle class of this era would almost necessarily tinge his observations with a delight in individualism. This unconscious reinforcement of his most basic beliefs served to underscore his faith in the importance of individual character and the consequent affirmation of the economic system which best allowed for its growth.

The second body of evidence, Marshall's notes of his time in America, appear under numerous categories. The largest single group is a category Marshall entitled "Sketches of Character", with seven entries. There are shorter notes on other topics

24. Marshall Papers, 3(74).

25. *ibid.*, 3(73).

26. *ibid.*, 3(70).

such as "American Inventions", "Drama", and "Nationalities". There is also an extended discussion of Virginia City, Nevada, which seemed to hold a morbid fascination for Marshall. These contemporaneous notes record Marshall's absorption with American life. As in the letters, issues of character predominate, even finding their way into notes under the headings of "American Manufacturers". These notes - rigorous, detailed, and analytic - serve as a check upon the more informal letters. They further define Marshall's interests in character and allow historians to elaborate on his scholarly interests and attitudes in the summer of 1875.

The first "Sketches of Character" predate his letters home. Marshall became a spellbound audience for a former naval midshipman named Boardman, who regaled the sheltered academic with vivid tales of the American west in which saloons, shootings and sharps figured prominently. Marshall concluded that a revolver was a necessity for travel in the west, but eventually Boardman took pity on his listener and reassured him that "*you* won't want a revolver"[27]. Though the incident is amusing (and revelatory of Marshall's naivete at age 32), its chief interest in terms of character lies in Marshall's summary of the man. Though currently "working with his hands" in a shop near Chicago, Marshall expected Boardman to become wealthy in time. Success, to Marshall, was movement out of the working class.

As the voyage progressed, Marshall made notes about several of his fellow passengers. There are brief comments on an American missionary and a Swiss businessman and his wife, and extensive comments regarding an unnamed "Irish Priest". Marshall and the priest discovered they had similar backgrounds in philosophy and epistemology. This seems to have been the basis of their affinity, as the first words out of Marshall's pen were that they had had several talks on philosophy. Like Marshall, the priest had once loved metaphysical speculation and then abandoned it for a more common-sense attitude toward life. They went on to discuss religious life, especially nunneries; Marshall proposed to increase the independence of the individual nun, saying "it is as wrong to maim the spirit as it is to maim the body". When discussing the case of Ireland and its lack of manufactures, Marshall insisted that industry in England was successful for two reasons: the character of the English people had changed, and alterations in the method of manufacturing had occurred which rewarded "the specially Anglo-Saxon qualities of enterprise, daring without recklessness, the power to organize

27. *ibid.*, 6(1), "Sketches of Character".

and the power to command and to obey"[28]. It is as clear a statement as any that for Marshall, character plays a key role in economic progress.

In New England he recorded his afternoon with Ralph Waldo Emerson, "like his portraits: but his eyes light up his countenance". They began by discussing literary and intellectual subjects, including recent lectures by Charles Ruskin and the opinions of Thomas Carlyle. Marshall tried to shift the conversation by asking if the complaints of Carlyle about deteriorating honesty and thoroughness in the workplace were valid (a question containing overtones of interest in character). Shifted back toward literature by an evasive answer, Marshall mentioned the work of Algernon Charles Swinburne, drew a shocked response ("What! that horrid, corporeal, loathsome Swinburne! I read his «Songs», and have heard some stories about him") and then tried to interest Emerson in a discussion of Kantian philosophy. When this, too, failed, he concluded that his host was something of a recluse, and discussed Shakespeare with him till it was time to catch the train. His final opinion on Emerson was "a gentle but keen spirit"[29], and despite Emerson's age and isolation it is clear that he was impressed with the American intellectual.

In the factories he visited Marshall also made numerous observations about character. The visits offered Marshall a chance to see some of the most advanced industrial organizations of the day. The resulting notes are found scattered throughout topic headings such as "American Manufactures", "American Inventions", "Nationalities". The contents of the notes suggest that Marshall focused on two issues: national characteristics, and the conjunction of occupation and individual character.

At an agricultural tool works near Troy, New York he noticed the employees were mostly American; "their faces were a brilliant contrast to those in the former works", who were Irish and German[30]. Throughout his stay Marshall asked about the character of the Irish, and nearly everywhere received the same answer. The Irish, he was told, were used as tools by the Americans, who took the best positions themselves[31]. When visiting three iron works in New York Marshall posed the

28. Marshall Papers, 6(1), "Irish Priest".

29. *ibid.*, "Ralph Waldo Emerson".

30. *ibid.*, "Irish".

31. See for example the note of June 11, 1875, where Marshall notes that he asked at three iron works about the Irish, and received identical answers about their "character". Marshall Papers, 6(1), "Irish".

question of Irish character, and was answered "(i) more given to drink (ii) «not so apt to ask why»"[32].

Another important area of interest, foreshadowed in the question Marshall asked about the Irish, was the conjunction of occupation and character. As an economist with a great interest in ethics, Marshall was concerned with the effects of employment on character. Discussing the working classes in 1873, he had said:

> Is it not true that when we say a man belongs to the working classes we are thinking of the effect that his work produces on him rather than of the effect that he produces on his work? If a man's daily task tends to give culture and refinement to his character, do we not, however coarse the individual man may happen to be, say that his occupation is that of a gentleman? If a man's daily task tends to keep his character rude and coarse, do we not, however truly refined the individual man may happen to be, say that he belongs to the working classes?[33]

Once in America, Marshall pursued this interest. The Mason and Hamlins organ factory in Massachusetts was already practising an early version of mass production, dividing work into numerous small steps. Marshall's interest lay not in the improved output of such a system, but in the effect dull and repetitious work had on the labourer's character. At this factory he noted that the task of each individual was confined to a small part of the whole and asked if this prevented the growth of the worker's intelligence; the sub-manager said no[34]. At the Chickering Piano Works, where craftsmanship and artisanal traditions still ruled the shop floor, he described the judgement and intelligence of the workers; "many of them had able, almost powerful & artistic faces"[35]. At a glass manufacturer's in Pennsylvania he described the operatives as "rough, yet refined" and almost universally intelligent, because of the enormous skill needed in their work[36].

Yet Marshall made little sustained effort at analysis of this issue. The examples quoted above offered a chance to compare the effects of two different systems, factory piecework versus skilled craftwork, but Marshall did not make such a comparison. He was told the Irish drank too much and showed little curiosity about their jobs; to Marshall, these were traits demonstrating a low character. But was this

32. *ibid.*

33. A. Marshall, "The Future of the Working Classes", p.103.

34. Marshall Papers, 6(1), "American Manufactures".

35. *ibid.*

36. *ibid.*

character formed - improved - impaired by those menial jobs? Marshall never asked. He was drawn to the individual of accomplishment, not to the cipher on the assembly line. He focused on inventions and those people, often former workmen, who made them: "if many inventions are not made by those who work with their hands, many are made by those who have worked with their hands"[37]. The theme of social mobility upward and out of the working class is here taken for granted. A man with a turn for creative thinking would rise rapidly in the American economy, and Marshall concentrated on this individual process. While hoping for a time in which every worker might be a gentlemen, he did not consider the effects of the factory system in hastening or delaying that millenium.

Despite evident and honest concern for the working class and the effects of its industrial surroundings, and an interest in the beneficent communistic possibilities of such groups as the Shakers, Marshall found it easier to be interested in the individual who stood out of his class and achieved something extraordinary. This was especially true if the individual, like Emerson or the Irish Priest, had a philosophical background. Two conclusions suggest themselves as a result. First, individuals who identified and pursued intellectual goals, and who were educated enough to construct philosophies of life, would almost certainly be members of the middle class, not the working class. Despite his sincere interest in the problem of poverty, Marshall's sympathies drew him toward the middle class who were already the gentlemen that he hoped the working class could one day become. Second, Marshall was far more aware of philosophy as a formative influence on character than he was of employment, or any other economic factor. In many ways, Marshall was still a philosopher despite himself, and leaned toward individual responsibility for moral and ethical questions.

The third source for Marshall's views on character are the books he purchased in America[38]. In these works many of his notations concentrated on discovering the

37. Marshall Papers, 6(1), "American Inventions". This observation and the one concerning the Irish were both made at the same ironworks.

38. In 1987 a search of the open stacks of the Marshall Library revealed the existence of numerous books on American subjects, bearing Marshall's signature or stamp, published in or before 1875, and printed in cities which Marshall visited on his tour. These works have since been placed on reserve. The list is as follows:

Francis Bowen, *American Political Economy*, New York: Charles Scribner and Co., 1870.
Henry C. Carey, *Principles of Social Science,* Philadelphia: J.B. Lippincott and Co., 1868.
Horace Greeley, *Essays Designed to Elucidate the Science of Political Economy*, Boston: Fields, Osgood and Co., 1870.

roots of American character. The opinions of these economists led Marshall to the conclusion that American character was affected by the economy, but not formed by it. Such a conclusion led Marshall even further away from sympathy with the working class, and toward an appreciation of national characteristics and strong individuals.

Marshall made notes dealing with the intersection of skill and character in general, and the various facets of American character in particular[39]. Some employment, said the American authors, led to increased job skills, benefitting both the owner and the worker: thus one author cited the case of a twist of rope, once costing three shillings to make and now costing only a penny. The improvement was due to the skill of the worker, not the introduction of a new machine[40]. The authors also insisted that man is not simply an economic machine. Horace Greeley, for example, attacked the prevailing laissez faire notion that workers thrown out of employment would easily migrate to a new location, where other jobs were to be had. What of the families and houses they would have to leave behind, or the skills of a lifetime? Men were not simply interchangeable parts of an industrial machine. Marshall agreed that men were not machines, but noted in an aside that this

Horace Greeley *et al.*, *The Great Industries of the United States*, Hartford: J. B. Burr and Hyde, 1873.

James K. Medbury, *Men and Mysteries of Wall Street*, Boston: Fields, Osgood and Co., 1871.

Virginia Penny, *The Employments of Women*, Boston: Walker, Wise and Co., 1863.

Willard Phillips, *Propositions Concerning Protection and Free Trade*, Boston: Charles C. Little and James Brown, 1850.

Matthew Hale Smith, *Bulls and Bears of New York*, Hartford: J.B. Burr and Co., 1874.

E. Peshine Smith, *A Manual of Political Economy*, Philadelphia: Henry Carey Baird, 1873.

William Graham Sumner, *A History of American Currency*, New York: Henry Holt and Co., 1875.

Robert Ellis Thompson, *Social Science and National Economy*, Philadelphia: Porter and Coates, 1875.

There is one book (by an American author) dealing in part with the Shakers and Perfectionists which was evidently purchased in England:

Charles Nordhoff, *The Communistic Societies of the United States*, London: John Murray, 1875.

Numerous pamphlets were also purchased and annotated, but these dealt solely with the tariff issue.

39. The following arguments are reconstructed from Marshall's notes in the margins of these books.

40. Phillips, *Propositions*, 69. As the currency indicates, this was in fact an example that Phillips had taken from England.

statement would prevent any economic change at all[41].

In discussing the origins of American character, an element described as "the lottery principle in human nature", a willingness to hazard venture capital on large returns, was said to be stronger in America than anywhere else. Great success may be expected from this entrepreneurial attitude, as well as great failure; perhaps because of this, bankruptcy in America was both more common and less censured than in England[42]. This adventurous spirit might also lead to theft and fraud; Wall Street financiers were notorious for beginning rumours that inflated the price of stocks, then selling out and leaving unwary investors holding worthless shares[43].

The American labourer was said to enjoy some of the highest wages in the world. In part this was due to the inherited "frontier spirit" of his forefathers, who were forced to be masters of all trades while living in isolated settlements. Thus American labour grew used to versatility and enterprise[44]. Trade unions were not needed to protect workers in America, one economist said, since workers could leave the factory and become independent farmers if they chose[45]. Wages remained high partly because of this fact, partly because of a perennial shortage of skilled labour, and partly for "moral causes": "the mobility of society, the wider distribution of property, the absence of castes, *la carriere ouvre aux talents*, and other peculiarities created and fostered by our laws..."[46].

Often Marshall seems to have been convinced that national character owed more to inheritance than to employment. He noted Henry Carey's claim that English policies restricting Ireland's trade and manufacture had left the Irish, as the London *Times* had written, "hewers of wood and drawers of water for the Saxon". Of this economic explanation for a national character, Marshall asked in the margin, "and what are they in New York?"[47]. For Carey's claim that the Irish can perform more physical labour than the English, French or Belgians, or that they are capable of the highest intellectual improvement, Marshall simply wrote "oh"[48]. Such comments

41. Greeley, *Essays*, p.163.
42. Bowen, *American*, pp.210-11.
43. Medbury, *Mysteries*, pp.216-17.
44. Bowen, *American*, p.202.
45. Thompson, *National*, p.149.
46. Bowen, *American*, p.181.
47. Carey, *Social*, 1, p.324.
48. *ibid.*, 1, p.331.

border on racial intolerance, though Marshall may simply have been expressing his frustration with Carey, whom he considered a garrulous old man convinced of his own importance. Other comments on Carey's book included "vulgarly dishonest", "utter, uninstructive nonsense", and "crass ignorance or gross dishonesty"[49]. In any event Marshall was simply reflecting the popular thinking of his day, rather than engaging in economic analysis. Clearly he considered New York to be a Saxon stronghold even though English policies did not apply there.

The American authors in general did not consider at length the effect of one's employment on character. Few indeed considered character at all. Some portrayed Americans as Jeffersonian yeoman farmers, a portrait that was increasingly out of date. Only Francis Bowen dealt with character in a substantial fashion, believing that America's success was due to its national character (and not the character to its industry). He cited frontier enterprise, a gambling spirit, mobility, a lack of caste, and widespread ownership of property as determinants of prosperity, not effects. Only in Charles Nordhoff's description of the Shakers and Perfectionists could the effect of labour upon character be traced. The Shakers believed that only the simple manners of an agricultural life could maintain their society (perhaps another reason Marshall did not consider this communist experiment suitable for the modern world)[50]. Most of Marshall's observations on character were of necessity personal ones, which emphasized the character of the individual.

On his return to Cambridge, Marshall wasted little time before making use of his many observations. In November he delivered a speech entitled "Some Features of American Industry" to the Moral Sciences Club[51]. The remarkable feature of this speech is the very limited consideration given to industry. Still fascinated by questions of character, Marshall told his audience that a traveller ought to describe "the new points of view that he obtained for looking at problems of importance"[52]. In his case, the new point of view was one centered on character. Marshall tried to explain the ethical evolution he had glimpsed in America by connecting it to economic conditions. Americans were far more mobile than Europeans; with fewer links to tradition and folk wisdom, they had perforce learned to rely on their own judgement. As Marshall asked, "is it not clear that the influences by which the moral

49. See the interview reprinted in Whitaker, *Early*, 2, pp.92-93.

50. Nordhoff, *Communistic*, pp.161-62.

51. The speech is reprinted in Whitaker, *Early*, 2, pp.355-77.

52. *ibid.*, 2, pp.356.

character of the American is formed, and the influences which he in turn exerts on the ethical doctrines and the ethical tone of the society, differ in important respects from the influences that operate in England?"[53]. The differences were both positive and negative, but Marshall was convinced that Europe and America were contributing to the ethical evolution of the age, each in its own way. In Europe, the character of the individual moulds itself into peaceful harmony with its surroundings, while in America a firm will learns to overcome difficulties as they present themselves[54].

In this speech Marshall displayed a substantial interest in ethics. Economics is considered as a practical and applied influence upon ethics. Marshall is overwhelmingly concerned with the personal attributes of character: though never defining it precisely, it informs the whole of the lecture. Terms used in conjunction with character are "judgement, resource, self-control and knowledge", and the ability to bear and forbear[55]. The problem of importance that he focused on was the influence of occupation on character, and the new viewpoint obtained was that this influence can act beneficially. Occupation can improve character, not merely degrade it. What Marshall had once hoped for in "The Future of the Working Classes" he had now observed: the working classes could indeed become gentlemen. Marshall was convinced that he had seen the New Jerusalem not in England's green and pleasant land, but in America's crowded, bustling cities.

Marshall also made use of his personal observations about character in his classroom lectures of 1876-77. His unpublished notes survive in a fragmentary state; even granted Marshall's notoriously chaotic lecturing style, more must have existed originally, for the notes surviving would not fill an entire term's class. Some pages were copied over from hasty notes made in America, others were taken directly from his notebooks, while still others were written specifically to place the observations into a framework. These last are the most useful in discerning Marshall's conclusions.

His generalizations concerning races border on stereotypes: the Americans were grand men, found everywhere brains were used in clean work; their chief fault was their great hurry to become rich. The English were not present in great numbers in the United States, but their native energy stood them in good stead. The Germans

53. Whitaker, *Early*, 2, p.364.

54. *ibid.*, 2, pp.375-76.

55. *ibid.*, 2, pp.364-65. This last rhetorical flourish is an echo of his earlier Lectures to Women, where the ability to bear and forbear is defined as one of the characteristics of a gentleman.

were more stolid; they had respectable notions of public duty, except when they were lower-class Catholics, but tended to drink to excess. He admitted that the Irishman's worst faults were "augmented if not produced" by English rule, but also treated his classes to a tale of the (unspecified) "faults of Irish waiters" in hotels he had visited[56].

In discussing the effects of occupation on character, the surviving notes suggest that Marshall concentrated on the character of skilled workers. A note on trades unions contains references to four leaders of a strike in Massachusetts in 1860. All went into the army as privates during the Civil War. One died in battle, but the others rose to become officers (two colonels, one captain) and after the war became professionals: one a lawyer, the others entrepreneurs[57]. Again, we note Marshall's interest in the individual of outstanding talent who rises within and, eventually, altogether out of the working class. There are no similar notes regarding factory operatives.

The most interesting part of the lecture, however, is his discussion of the character of the American and the applicability to England of his observations. "It appears," said Marshall, "that in many of the changes that are being worked out in England, America has with more rapid steps gone through before us, and that by a study of the present of America we may learn much directly about the future of England"[58]. The changes Marshall had in mind were those brought about by the industrial process. The influence of tradition, so long a stable force in English life, had declined to the point that "a man in a large English town is almost as *loose* from *neighbours* as in America"[59].

Most illuminating, perhaps, was Marshall's definition of his "model state", for it is in dreams and fantasies that men often set forth their ideals. In his Lectures to Women he had given them his definition of a gentleman: someone who was self-reliant, with an agile, cultivated mind and impatient of being a burden on society. He was "willing to bear and to forbear, to do and to suffer for the welfare of those around him"[60]. He hoped someday to see all workers become gentlemen; unskilled

56. Marshall Papers, 6(1), "Lecture Notes".

57. *ibid.*

58. *ibid.*

59. *ibid.* The emphasis in the quote, bearing on the question of mobility, is Marshall's.

60. Marshall Papers, Lectures to Women, IV.

work, he told the women, need not be done by unskilled men[61]. This was the theme also of his 1873 lecture on "The Future of the Working Classes". Now he gave his students a definition of the model state. It was one where accidents of birth would not hinder one's future. Everyone would receive an education, and the common virtues of all citizens would include politeness, independent character, and responsibility[62].

It is not to be wondered that Marshall admired America so much. America was exactly what he was looking for in the 1870's, and he told his students as much:

> [I] wanted to see what light American experience throws on the question to what extent one may hope for movement towards that state of things to which modern Utopians look forward[63].
>
> I returned on the whole more sanguine with regard to the future of the world than when I had set out[64].

Elsewhere in the lectures Marshall spoke of the "prophetic voices that America utters with regard to us [England]" and said that he went to America to find out if workers could become gentlemen[65]. The system did work, and here was proof. It gave him renewed belief that an economic structure which promoted individuality could also promote strong character.

Finally, what of the book Marshall had begun to write before he went to America? He had planned to use his notes and observations in part to flesh out the "practical" side of a book on protectionism, yet even here considerations of character are given attention. The full title of the manuscript was "The Theory of Foreign Trade and other Portions of Economic Science Bearing on the Principle of Laissez Faire". It was planned to be more than simply a study of trade and tariffs. But under the dual pressures of work on Mary Paley's *Economics of Industry* and criticism of his

61. Marshall Papers, Lectures to Women, VI.

62. Marshall Papers, 6(1), "Lecture Notes". Interestingly, Marshall is very careful here to use the term "persons" instead of the generic "man", and in one sentence goes so far as to say pointedly "him or her". This is not a misplaced section from the Lectures to Women, since in the next sentence Marshall says he went to America to find out whether such a model could be achieved. It indicates that in 1876-77 he was still favourably disposed toward women in the economy, though that attitude was to change quickly.

63. Marshall Papers, 6(1), "Lecture Notes".

64. Whitaker, *Early*, 2, p.355.

65. Marshall Papers, 6(1), "Lecture Notes".

writing (John Neville Keynes wrote "Marshall's style of composition is bad, or rather he has no style at all")[66], Marshall eventually abandoned the book. Chapters 1-3 were apparently used in other works; but chapters 4-6 survive, and consider the effects of foreign trade on employment and industrial growth, and the influence of these on national well-being.

Chapter 5 includes an intriguing possibility of government interference and social advancement. Marshall posits a business which develops its employees' intelligence, trustworthyness, and self-control, but provides only a modest return on the owners' investments. Such a business, in competition for capital with a firm which paid higher dividends but did not create similar "moral and social benefits", was in an analogous position to a nascent industry, and by implication equally deserving of government aid in developing itself[67]. To support his contention that certain industries developed moral and social benefits, Marshall quoted at length from an American book, Willard Phillips' *Propositions Concerning Protection and Free Trade.*

The true effects of Marshall's tour, then, and of the observations he made during it on the subject of character, are to be found not on his economic theory, but on his economic goals. He envisaged a system which would allow individual development in an industrial world, ever further removed from its traditional and customary origins. Strength of character was an essential element in a successful future capitalism for Marshall.

In the early 1870's Marshall's economic thinking had been leading him in two contradictory directions. His Lectures to Women show that he was dissatisfied with the absolute laissez faire which had created the Industrial Revolution; he told his students "men, women and children have been sacrificed to production"[68]. His "tendency toward socialism", as he himself called it, disposed him to sympathize with critics who claimed that industrial life maimed the souls of the workers.

Yet Marshall remained, by education, training and temperament, dedicated to the ideal of individual competition and laissez faire. From the sublimity of his concept of a coal-fired thinking machine which reacted to its environment by altering its own character, to the mundane realization that he played better tennis when competing against a friend, Marshall upheld the primacy of the individual. He also told his students that it was the growth of individual freedom and displacement of custom

66. John Neville Keynes, Diary, 27 July 1877, University of Cambridge Library.

67. Whitaker, *Early*, 2, p.56.

68. Marshall Papers, Lectures to Women, II.

that lay behind the progress of the world[69].

Scholars have suggested that in America, Marshall solved his growing dilemma and became devoted to the ideal of individual competition and laissez faire[70]. He had already written that employment influences character; to Marshall, the character of the individual was always of prime importance. Economics was of use chiefly as it encouraged or discouraged a good character. An economic system which allowed the greatest development of the individual would therefore be the economic system to be preferred. In America, Marshall believed he had found this system. There were, he said later, no dull faces in America, and that fact alone gave the United States a strong claim to be the "first country in the world"[71]. In this sense we may take as true the statement that America taught him what he wanted to learn, i.e. that individual competition would encourage good character traits and must not be curtailed.

69. *ibid.*, VI.

70. For example, McWilliams-Tullberg, "Tendency", suggests this strongly, as did Prof. Giacomo Becattini in a conversation with the author, June 1987.

71. Whitaker, *Early*, 2, p.369.

Marshall and Keynes: Observations on the Treatment of the Relationship in Two Recent Biographies*

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My old master [Alfred Marshall],
who made me into an economist
(J.M. Keynes to Lydia Lopokova, 16 May, 1924)

Although Keynes's Marshallian heritage has been well recognised in the literature[1] and has been emphasised in many rehabilitations of Keynes's economics from its Keynesian transformations (for example, Leijonhufvud, 1968; Clower, 1989), the precise nature and extent of that Marshallian heritage has generally been inadequately documented in so far as Keynes is concerned. The significance of this limited appreciation can be illustrated by a striking example. Joan Robinson (1962, p.79) on the authority of Shove claimed that Maynard never spent the necessary twenty minutes to master the theory of value hence implying that it was not surprising the "micro-economic foundations" of the *General Theory* were so weak. The credence given to this piece of apocrypha is all the more surprising since it had been explicitly addressed and conclusively rebutted by Harrod (1951, pp.323-5),

* This paper has drawn on research generously financed by the Australian Research Council, here gratefully acknowledged. Tony Aspromourgos read the paper in draft and saved me from some errors. I wish also to thank Sue King, John Whitaker and Graham White who assisted me on some specific points, and Tiziano Raffaelli who provided me with photocopies of his transcript of Keynes's essay questions for Marshall, together with Marshall's comments. These are preserved among the Keynes Papers, King's College, Cambridge. For permission to use this manuscript material, I am indebted to the Master and Scholars of King's College, Cambridge; for permission to use the Keynes's diaries, I thank the Syndics of Cambridge University Library, while I am grateful to the Faculty of Economics and Politics at Cambridge for permission to utilise material in the Marshall Archive.

1. Thus Moggridge himself (1992, p.434) speaks in the context of Keynes's *Tract on Monetary Reform* that Keynes "was living off his Marshallian inheritance, the intellectual capital of the past...".

when recounting the general economics education he had received from Keynes at Cambridge in the early 1920s and from which it appeared to him that Keynes's "knowledge of Marshall was very thorough and meticulous".

It seems therefore a pity that two recent biographies of Keynes (Skidelsky, 1983, 1992; Moggridge, 1992) have not sufficiently set the record straight on the intricate relationship between these two major Cambridge economists and social thinkers. Although biographers are prone, as Moggridge (1992, p.xxv) himself readily admits, to focus unduly on their subject at the expense of what may be essential background, both he and Skidelsky were clearly aware of the important role Marshall played in Keynes's life and career to present sketches in some detail of Marshall's life, career and views as part of the essential background to Keynes (Skidelsky, 1983, pp.40-50; Moggridge, 1992, pp.83-97). They also link Marshall to Keynes at various appropriate points in their stories: as Keynes's teacher of economics in 1905; as paymaster and encourager of Keynes's career as Cambridge economics don in 1908; as comrade-in-arms in the Pearson debate of 1910; as a major influence on Keynes's initial monetary theory and policy; and as the subject of one of Keynes's most successful biographical memoirs, perceptively in both cases also seen as an important autobiographical source for Keynes himself (Skidelsky, 1992, Chapter 12; Moggridge, 1992, pp.423-5).

Although this seems an impressive acknowledgement of the significance of the relationship, it is not really complete and misses important features of the association between Marshall and Keynes. Some of the omissions are of a biographical dimension and concern the intensity and durability of the relationship visible largely from the Marshall-Keynes correspondence. Others involve the specific nature of the relationship and the scope of the potential influence from Marshall which goes well beyond the famous oral tradition in Cambridge monetary theory or even the general contents of the *Principles of Economics*[2]. The purpose of this short paper is to briefly outline the chronology as seen by a Marshall biographer[3], and comment on the potential importance of the omissions from the chronology in Keynes's biographies for understanding aspects of Keynes's work in its relation to the Cambridge school[4].

2. The author is developing some aspects of this in a paper, "Keynes and Marshall: Methodology, Society and Politics", for the Keynes Conference at Wake Forrest University, Winston-Salem, North-Carolina, in April 1994.

3. That is, as author of *A Soaring Eagle: Alfred Marshall 1842-1924*, Blackwell (to be published in 1994).

4. It is in this context that the relationship is particularly important, as was clearly grasped by Vaisey (1976).

Marshall and Maynard Keynes: A Chronology

When Maynard Keynes first encountered Alfred Marshall can only be guessed at. Joan Robinson's remark that "Keynes (...) drank Marshall in his mother's milk" (Robinson, 1953, p.6) is metaphorical but nevertheless not far from the mark. The young Maynard would have seen Marshall from an early age as a visitor to Harvey Road, since Marshall not infrequently called on his father John Neville Keynes on business during the years from 1885 even if he and his wife only rarely went there for dinner party in the evening[5]. Maynard Keynes himself recalled attending dinner parties at Balliol Croft to honour some famous economists during his late undergraduate years, in particular remembering meeting Pierson and Wagner on such occasions (Keynes, 1972, pp.213-4)[6]. This recollection, combined with the evidence from his father's diary, suggests that social meetings of Marshall and Maynard Keynes on a sporadic basis commenced from the period after Keynes turned twenty-one and was still an undergraduate, perhaps engineered by Marshall as part of his campaign to win Maynard Keynes for economics as a brilliant young undergraduate.

5. John Neville Keynes, Diaries 1864-1917 (Cambridge University Library, Add MSS 7827-7867) recorded the Marshalls attending dinner at their house on 18 October 1892 in the context remarking how well Marshall looked despite the Cunningham controversy in the *Economic Journal*; Moggridge (1992, p.20) claims Marshall was a business caller but never appeared on the Keynes's guest list for dinner, a story perhaps derived from Maloney's exaggerated account (Maloney, 1985, p.64). Marshall's dislike of visiting other people for dinner or for prolonged stays was explained by him to Brentano (Marshall to Brentano, 12 August 1903) as a matter of principle, perhaps associated with the after-effects of his poor digestion which troubled him off and on from the time kidney stones had been diagnosed in 1879.

6. John Neville Keynes, Diaries, entry for 10 June 1897, recorded Maynard's first dinner party as on that date, just after he had turned fourteen years of age. Pierson stayed with the Marshalls in August 1904 during the British Economic Association meeting at Cambridge, receiving an honorary doctorate from Cambridge University at the same time (*Cambridge University Reporter*, 23 August 1904, pp.1196-7). On Marshall's own account (Marshall to Pierson, 21 January 1903, 21 December 1909, Marshall Archive, 1/333-4), the Piersons appear to have stayed at Balliol Croft on more than one occasion, perhaps in 1903, or in 1897 when Pierson also visited England for a British Association meeting. When Wagner was in England and visited Marshall is more difficult to say. The *Economic Journal* provides no clue as to when this could have been. John Whitaker has a "vague feeling" about an incidental reference to Wagner visiting Cambridge but cannot recollect details. However, in 1913 Wagner appears to have been awarded a special D. Litt. by the University of Cambridge, perhaps the time when he dined at Balliol Croft. Meeting Wagner may have stuck in Keynes's mind, because Sanger had read a paper to the Apostles in 1894, "Which Wagner", contrasting Richard with Adolf, or art with world improvement (Skidelsky, 1983, p.136), a paper he may well have read in his active Apostle period.

From the time Keynes graduated as twelfth wrangler until Marshall's death there were three phases in the considerable contact between the two Cambridge men, though these were of varying intensity and duration. The first covers the twelve months from June 1905 to mid-1906 when Marshall tried to lure Keynes to attempt the second part of his Economics Tripos, an attempt which proved unsuccessful in the end but which brought the young graduate under his spell nevertheless for virtually the whole of the 1905 Michaelmas term. The second period of contact took place after Marshall's retirement but before his full "dotage", when Keynes was an active lecturer in Economics at Cambridge from 1908 to 1914. The third period covers the years of the First World War when contact was largely by letter, in which Marshall proffered advice on aspects of the war and its finance, and later praised his promising student for his literary achievements and for gaining such extensive public recognition. There is also actually a fourth period of contact the importance of which should not be understimated, because they were years when Keynes re-immersed himself in Marshall, once again as a "student" of the "master". This was the period from May 1924 when Keynes visited Marshall at the start of Marshall's "final illness", so lovingly described in a letter to Lydia (Hill and Keynes, 1989, p.195) and the two years or so thereafter when Keynes first wrote his obituary memoir of Marshall (Keynes, 1972), then assisted Pigou in editing the *Memorials* which included his previously prepared bibliography of Marshall's writings (Pigou, 1925), and finally edited Marshall's *Official Papers* for the Royal Economic Society, a task completed within two years of Marshall's death if its preface correctly reflects the time of completing that task (Marshall, 1926, p.v). This posthumous contact is particularly important since it provided an opportunity for Keynes to acquaint himself with the whole of Marshall's *œuvre*, published and unpublished, an opportunity of which he seems to have taken considerable advantage.

The two biographies are most satisfactory on the first stage of the Marshall-Keynes relationship, though even here some important omissions may be noted. Skidelsky (1983), for example, missed Keynes's formal enrolment in Marshall's class in October 1905 with its indication of the sources of Keynes's initial economic wisdom, an item Moggridge (1992, p.95) only included by courtesy of Giacomo Becattini who brought it to his notice, though it had already been published facsimile (Groenewegen, 1988, p.667). Likewise, Moggridge (1992, Chapter 4) is far stronger on the economics training Keynes formally received from Marshall (and to a lesser extent, from Pigou) than Skidelsky (1983, pp.162-7, 702). For example, Skidelsky fails to really grasp the significant impact of Marshall on his

quasi-formal student at this stage, seemingly dismissing it with the sneer that "Marshall was an absurd person" for Keynes at this stage (Skidelsky, 1983, p.166). For an economist's biography, Moggridge fails to draw attention to the depth of Marshall's teaching particularly by way of fully exploring the many corrections to his essays which Keynes himself rather fondly recalled in his Memoir (Keynes, 1972, p.215, n.1). The range of topics go well beyond Marshall's monetary theory, Marshall's economic influence on which Moggridge mainly focussed[7], and in fact cover a wide range of economics. The lectures Marshall gave in Michaelmas term 1905 were on Advanced Economics with a special difficulties class on the Saturday, which Keynes was in the habit of attending. They continued in Lent term 1906, when Keynes probably also went to them, even though by then he had dropped formal intentions to sit Part II of the Economics Tripos (Keynes, 1972, p.216)[8]. These lessons from Marshall make it perfectly understandable why Harrod in the 1920s could remark about Keynes that this was a person who had clearly mastered his Marshall.

The second episode in the Marshall-Keynes connection (1908-1914) is more spasmodically handled by the biographers of Keynes. They both deal extensively with the Pearson controversy in 1910 (Skidelsky, 1983, pp.223-6; Moggridge, 1992, pp.205-7) but Skidelsky manages to get some of the chronology wrong while Moggridge fails to note the close combination between the two. This grew so intense at one stage that Mary Paley had to put a stop to it by warning Keynes he was interrupting "the only holiday A.M. is having (...) not to be broken into" (Mary

7. Moggridge (1992, pp.455, 557-8) mentions their shared views on economic growth and oral improvement and shared practice in the Cambridge didactic style; Moggridge (1992, pp.92-3) hints at an association from Marshall's rejection of "narrow" utilitarianism; the monetary influence is discussed in Moggridge (1992, pp.198-200, 488).

8. The Keynes Papers contain Keynes's lecture notes all dated in 1905; Keynes (1972, p.206) mentioned he attended Marshall's lectures in 1906. The essays are likewise all dated October and November 1905. John Neville Keynes, Diaries, entry for 18 December 1905 records Maynard's "last idea is to give up the Economics Tripos so as to concentrate on preparation for the C[ivil] S[ervice] exam[ination]". Marshall gave up less easily. Notes on Keynes's Papers indicate his pressure. "I repeat what I said before, that I would like you to become a member of some economic staff, and especially of this" (Paper dated 9 November 1905). Earlier (31 October 1905) Marshall had written on Keynes's paper on index numbers: "This is a very powerful answer. I trust your future career may be one in which you will not cease to be an economist. I should be glad if it could be that of an economist". As late as 2 May 1906, a few weeks before the Tripos examinations were to be held, Marshall was still urging Keynes to sit the papers, predicting he "would *probably* get a first class" (*Collected Writings of John Maynard Keynes*, Vol.XV, p.2).

Paley to Maynard Keynes, 21 September 1910, King's College, Keynes Papers, C013/35). Neither really mention the substantial flow of letters and visits involving the two men, such as a letter from Marshall (14 May 1910) which provided Keynes with further ammunition against Pearson, including criticism of the method of least squares which Marshall mentioned on the authority of a paper by Todhunter given to the Cambridge Philosophical Society in 1866. The nature of these omissions indicates the lack of depth with which the Marshall-Keynes relationship is pursued by the two biographers in some of its specifics.

This type of shortcoming likewise applies to their treatment of Keynes's appointment to the Cambridge economics teaching staff, which almost totally ignores Marshall's nurturing role in this process, including his special association with the manner in which Keynes carried out some of his teaching obligations. For example, Keynes's lecturing included teaching on general economics principles, and his papers indicate that for his first set of lectures in 1909, he drew on the notes he had taken from Marshall three or four years previously. Moggridge ties the appointment of Keynes correctly to the appointment of Pigou as Marshall's successor to the chair[9] but then deals largely with Keynes's duties without much further reference to Marshall. This distorts the record somewhat by eliminating the still considerable contact and influence Marshall seems to have had and exerted on his protégé and prodigy over these formative academic years. The Pearson debate is the best documented example of such influence, but the preserved correspondence offers additional insight into why Keynes himself later claimed that Marshall made him into an economist and not his fellow King's man, Pigou (cf. Vaisey, 1976, for the significance of this). One example from the correspondence relates to the beginnings of the "Marshall Library" and the transfer of some of Marshall's books at this stage to Keynes's custody both on behalf of the Economics Board (the original name for the Faculty) and for his own use (Marshall to Maynard Keynes, 26 February, 30 May and 4 December 1909). Another letter concerns Marshall's extended loan of his copy of Rau (with its supply and demand curves) to Keynes (an earlier notable borrower having been Jevons), in which Marshall also provided

9. Moggridge (1992, pp.177-80), an account marred by the gratuitous footnote indicating Lowes Dickinson as an elector to the Political Economy chair in 1908 (p.179, n.f.). This was incorrect. The *Cambridge University Reporter* (24 April 1908, p.800) listed the electors as the Vice Chancellor (ex officio), A.J. Balfour, J.N. Keynes, Stanton, Sorley, Palgrave, Nicholson, Courtney and Edgeworth who, with the exception of Balfour, all attended the electoral meeting in May to decide between Foxwell and Pigou (as well as Cannan and Ashley).

Keynes with anecdotes about Marshall's association with Jenkin and about Whewell in relation to Gossen. A later letter mentioned anecdotes about Cunynghame's hyperbola drawing machine presented to the Cambridge Philosophical Society in 1873 with a paper on its usefulness by Marshall (Marshall to Keynes, 12 December 1910). The correspondence also reveals a growing intimacy between the two men. This is shown by congratulatory postcards and letters from Marshall on Keynes's appointment to the Girdlers' lectureship and to the Indian Currency Commission (Marshall to Keynes, 14 June 1910, 12 April 1913) and his pleasure at the role Keynes was playing in the foundation of a local Eugenics Society (Marshall to Keynes, 18 May 1911). As tips of the preserved iceberg, they reveal the range and intensity of the Marshall-Keynes connection during this formative stage of Keynes's academic career, an aspect about which the reader of these biographies is told relatively little.

Marshall's contact with Keynes during the First World War and its immediate aftermath is almost totally ignored in the two biographies, yet it was quite substantial and, from both the economic and biographical perspective, of some interest. Close to a dozen letters from Marshall to Keynes are preserved for the period of the war, some of them reprinted in the *Memorials* (Pigou, 1925, pp.481-3) indicating their significance to Keynes and to its editor, Pigou. Those not reproduced in *Memorials* deal with aspects of war finance through increased taxation, through overseas borrowings in the United States and its implications, and through the sale from requisitioned United Kingdom owned United States investments. They also contain a compulsory savings plan to tap the high earnings of young male workers, a proposal inspired "by a message from Lavington sent thro' Pigou" (Marshall to Keynes, 14 October, 25 October, and 15 November 1915). From the perspective of Keynes's biography, most interesting is a letter from Marshall outlining a scheme of punitive taxation for those unwilling to go to the front though not domestically employed in occupations essential to the war effort (Marshall to Keynes, 29 December 1915). What Keynes thought of this proposal has not been recorded. However, its thrust would have sat uneasily with the actions of several of his Bloomsbury friends who avoided the war by escaping to light agricultural duties in the country-side. Reference to this letter also could have supplemented the accounts of Keynes's own perspectives and actions on the subject (Skidelsky, 1983, pp.315-27; Moggridge, 1992, pp.253-61). The preserved war correspondence between Marshall and Keynes ends with two letters (9 and 12 June 1917) congratulating Keynes on his award of the C.E. and exhorting him to continue

with his administrative work made so valuable to the country from Keynes's economic skills. A letter in 1920 (29 January) belatedly thanked Keynes for sending Marshall his *Economic Consequences of the Peace* and 1923 the same is done for the *Tract on Monetary Reform*. This last letter also announced Marshall's imminent death: "I am soon to go away, but if I have the opportunity I shall ask newcomers to the celestial region, whether you have succeeded in finding a remedy for currency maladies" (Marshall to Keynes, 19 December 1923). On 13 July 1924, Marshall died, Keynes having paid his last visit to his teacher at the onset of the final illness the previous May.

The two years following Marshall's death, busy with other activities though they were for Keynes, nevertheless involved him to a considerable extent in matters relating to Marshall. First was the tremendous task of writing the Marshall obituary memoir for the *Economic Journal*, a task completed in two months and greatly assisted by meetings with, and written recollections from, Mary Paley Marshall and examination of the Marshall papers[10]. How thoroughly these had been studied can only be partly inferred from the actual contents of the memoir, and must largely be surmised without the benefit of such internal evidence. Whether, for example, it covered study of Marshall's research notes on stock exchange speculation prepared for the projected second volume of *Principles* would be interesting information given their recent reproduction and scrutiny by Marco Dardi and Mauro Gallegati (1992). The memoir also drew on Keynes's considerable acquaintance with aspects of Cambridge University history, his father's diaries, correspondence and immense knowledge of the subject, other friends and acquaintances of the late Professor such as Edgeworth, and inquiries he himself set in train to gain access to the vast silences surrounding many aspects of Marshall's life. The memoir was well received both by those who had known Alfred Marshall and by two of Keynes's most significant literary Bloomsbury friends, Virginia Woolf and Lytton Strachey (Hill and Keynes, 1989, p.143; Holroyd, 1979, p.900, n.23). Not surprisingly, the contents of this first of Keynes's essays in biography of famous economists is therefore given a place of some prominence in the biographies by Skidelsky and Moggridge, especially the

10. Material associated with the writing, and the reception, of the memoir is preserved in Keynes's Marshall File among the Keynes Papers, King's College. It includes Mary Paley's detailed notes on which he freely drew in the writing, as well as letters responding to the memoir after its original publication in the September 1924 issue of the *Economic Journal*. It is, however, incomplete in some respects, and cannot be taken as the major source on Marshall in the Keynes Papers.

former, though the fascinating task of its writing is almost totally ignored as, explicitly, are its implications for the further economic education of Keynes[11].

Keynes's role in Pigou's editing task cannot be identified beyond Pigou's general acknowledgement in his preface to the *Memorials* that Keynes "shared (...) the more general work of making this tribute to our Master" (Pigou, 1925, p.v). Keynes's cooperation may possibly have extended the scope of the work by including more than Pigou originally intended; it certainly involved Keynes in revision of his Marshall memoir which opened the volume to take account of the occasionally critical comments he had received from his readers who were also acquainted with Marshall. If Keynes also assisted in reading proofs, this task would have forced him to review the whole panorama of Marshall's published work in essay form. Neither Skidelsky nor Moggridge refer to this admittedly minor episode in Keynes's busy life[12], nor do they mention the more significant editorial task Keynes carried out for the Royal Economic Society in editing Marshall's *Official Papers*. The Keynes Papers (RES/2/44) indicate that this task did involve him for some time, both in deciding on what to include, in correcting misprints, and in making "verbal changes (...) in accordance with Marshall's known wishes"[13]. Omission of any reference to this task from the biographies is surprising because, at the time when Keynes was starting his *Treatise on Money*, he was refreshing his memory on the rich monetary

11. The author intends to address this issue more fully in a chapter on "Marshall Biography after Keynes" for a book of essays on Marshall planned and edited by Marco Dardi for publication by Routledge. The thoroughness by which Keynes executed his obituary task implied for this author both the care with which he studied the immediately available data and the closeness of the relationship between the two men which generated the empathy so visible in the Memoir. Calling the Marshall essay the first Keynes essay in economic biography ignores the first version of the Malthus essay, written some years previously.

12. Skidelsky (1992, p.182) tells the story of Keynes's reaction to Pigou's memorial lecture (reprinted in Pigou, 1925, pp.81-90) which Keynes did not like because "it stressed the feeblest side of M[arshall] and then said that it was what we ought to admire". Sadly, Skidelsky fails to note the implication of this story that Keynes saw a side in Marshall that should be admired and which Pigou had not grasped, so that, for Keynes, Pigou could not be described as "Marshall's true successor" as Skidelsky so unthinkingly does, without, incidentally, offering serious evidence. Moggridge fails to mention this quite telling account of Keynes's dislike of Pigou's reactions to the demise of Marshall. The full version is in Hill and Keynes (1989, p.241).

13. An example is his response to Mary Paley's request to alter "dependencies" in the Fiscal Policy Paper to "colonies" or "dominions" (Mary Paley Marshall to Keynes, 22 March 1925, King's College, Keynes Papers, RES/2/44).

material Marshall had supplied to Royal Commissions and which Keynes himself had first savoured as a student. Editorial notes are virtually non-existent but absence of acknowledgement in the preface about preparation of the index suggests Keynes may have carried out this task himself[14]. Omission of this item from Keynes's many publications by these two biographies seems peculiar, to say the least.

The economic consequences of this effective depreciation of Marshall's influence by Keynes's more recent biographers are particularly serious for the first two phases of the relationships and its posthumous phase over 1924 to 1926. Such omission enables focus on the manner in which Keynes "mocked" his former "master" in the *General Theory* (Skidelsky, 1992, p.585, cf. p.182) or allows implicit limitation of Marshall's influence to the more narrow area of monetary theory and policy, as Moggridge (1992) effectively does. It also glosses over the extent of Marshall's influence on his "pupils" which Keynes went out of his way to acknowledge in some of the more autobiographical paragraphs in his memoir of Marshall, which bring out some of the less "feeble" aspects of Marshall's life. Both the generous and extended loans from his personal library, and the high standard of "intellectual integrity" and adventure which Marshall's conversations with his favourite students conveyed, were reasons why his major influence "came through his pupils even more than his writings" (Keynes, 1972, pp.223-4). Keynes in particular benefitted from such contacts with Marshall during his term as formal economics student at the end of 1905 and his years of academic apprenticeship when he carried out much of the economics teaching at Cambridge from 1908 to 1914 together with his contemporary, Walter Layton.

Some Economic Consequences of Biographical Sins of Omission

The omissions to which the previous section pointed have serious economic consequences for appreciating aspects of Keynes's work. An example about the theory of value was given at the start of this paper. Full documentation of this

14. Editorial notes are confined to cross reference to similar remarks in *Money, Credit and Commerce* (Marshall, 1926, pp.28, 52, 131, 170, 172, 177), a more general cross reference (*ibid.*, p.152) and some minor editorial notes (*ibid.*, pp.265, 277, 329). In some of his earlier books, Keynes also appears to have prepared the index himself. The *Treatise* cites *Official Papers* on only five occasions, all concerned with the market rate of interest. The *General Theory*, as Robertson (1936, p.178, n.1) explicitly noted in his review of the book, failed to mention the evidence from *Official Papers*, "for so many years in Cambridge the basis of exposition on this subject".

proposition requires several articles at least, and all that can briefly be done here is to point to some issues where this partial neglect of the Marshall relationship is particularly regrettable and where it has led some commentary on the subject astray.

One important issue in this context is methodological. First, Keynes seemed far more methodologically attuned to Marshall than say Pigou was, or, for that matter, later generation Marshallians such as Robertson, Lavington and Shove. This is obvious in the case of their use of mathematics, and even of diagrams, a matter which hardly needs documentation. Secondly, Keynes's scepticism about the value of certain econometric techniques on principle may well have been initially encouraged by the type of doubts Marshall was raising with him in the context of their correspondence and other interaction over Pearson's statistical techniques in their controversy with him over alcoholism in parents and its effects on their immediate offsprings. Last, and not unrelated, such scepticism of techniques shared by Marshall and Keynes carried over onto their views about the relatively short-lived nature of economic propositions and conclusions, one of the qualities which made them see economics as a moral rather than as a natural science[15]. On none of these aspects, Pigou's practice hallowed these principles of Marshall, making Keynes in this respect a truer successor of Marshall than Pigou was. These examples can easily be elaborated but in a brief presentation such as this they can serve as suitable illustrations of the type of opportunities missed when the nature of Marshall's impact on Maynard Keynes is not fully appreciated.

Keynes's actual treatment of Marshall in the *General Theory* provides an even more striking illustration of the empathy existing between the two which never (except for Keynes's brief cooperation with Pigou in 1905 on *Principles and Methods of Industrial Peace*) seems to have existed between Keynes and Pigou. This is not to say that Marshall escaped scott free from criticism in the *General Theory*. From his general perspective, Keynes correctly ranked Marshall with his "classical" economists (Keynes, 1936, p.3, n.), criticised Marshall for his fundamental adherence to Say's law (Keynes, 1936, pp.19-21), condemned him for excessive emphasis on the virtues of thrift (Keynes, 1936, p.242) and, perhaps less justifiably so, criticised Marshall's views on the equilibrating role of the rate of interest in the capital market (Keynes, 1936, pp.175-6, 186-8). This was far less harsh critical

15. A clear example of this undogmatic attitude is Keynes's introduction to the early Cambridge Economic Handbooks, the broad thrust of which closely approximates Marshall's own vision as reported by Keynes in the paragraph on Marshall's belief that "economics was a growing science [with] nothing as yet to be considered as final" (Keynes, 1972, pp.223-4).

treatment than what was reserved for Pigou. Despite this, Keynes's treatment of Marshall greatly pained Robertson (1935, pp.504-6 for a splendid example) as an unwarranted attack, something reiterated later by Pigou (1953, Chapter 4, esp. pp.33-5). Keynes's critique of Marshall's interest theory is undoubtedly the weakest part in the *General Theory* condemnation of the "master", but this story is likewise too complex to deal with briefly in a satisfactory way. However, it should be noted that even in this context Keynes was invariably careful to note the ambiguities and complexities in Marshall's treatment and that, in his view, the mature Marshall was far too clever to be pinned down on specific fallacies and logical errors (Keynes, 1936, p.20, n.1)[16].

There is also much real praise of Marshall in the *General Theory* on significant points. Although Marshall and Pigou are bracketed at one stage in their definition of national dividend (Keynes, 1936, pp.37-8), only Pigou is cited by direct reference on the subject while twenty pages later Marshall is effectively exonerated in the remark that Keynes's "definition of *net income* comes very close to Marshall's definition of *income*, when he decided to take refuge in the practice of the Income Tax Commissioners" (Keynes, 1936, p.59), as the realistic Marshall of course generally tended to do. Keynes also saw far closer similarities between his use of supplementary cost and Marshall's conception as compared with that of Pigou (Keynes, 1936, p.56) while on "user cost" Marshall's admittedly incomplete treatment is also, albeit implicitly, favourably compared with that of Pigou (Keynes, 1936, p.72). In connection with his definition of marginal efficiency of capital, Keynes, 1936, p.139) saw his definition as "fairly close to what Marshall intended to mean by the term" and Marshall's treatment of quasi-rent provided much of the essentials for Keynes's analysis. On another capital-theoretic issue, Marshall is favourably quoted in the context of criticism of the "Böhm-Bawerk proposition that roundabout processes are always «physically efficient»" (Keynes, 1936, p.214 and n.1). Even on mercantilism, Marshall's treatment is considered "not altogether

16. Keynes, 1936, pp.186-8, where attention is drawn to Marshall's implicit assumption that income cannot be held constant when discussing issues of capital theory including the rate of interest and that in Marshall's treatment of the capital market, interest is applied only to "free capital" or liquid resources. Elsewhere in the *General Theory*, Keynes drew attention to his agreement with Marshall on quasi-rent and efficiency earnings (Keynes, 1936, p.139) while he fully acknowledged that the mature Alfred Marshall cannot be caught on simple statements of belief in Say's law (Keynes, 1936, pp.19-21). For Keynes of course, the mature Marshall was somebody whom he had personally encountered; which was not the case for more dogmatic "defenders of Marshall" such as Robertson.

unsympathetic" even though it failed to see the merit in their thought Keynes tried to establish in his chapter on the subject[17]. Hence Marshall is praised as well as criticised within the theoretical framework established by the new *General Theory*.

This suggests an ambiguity in Keynes's treatment of Marshall in the *General Theory*, as explicitly recognised in Keynes's distinction between the mature and the early Marshall to which reference has already been made. That distinction is first made in the context of Keynes's exploration of the postulates of classical economics, where Keynes's direct Marshall quotations draw on his *Pure Theory of Domestic Value* and *Economics of Industry*. This practice is justified by the fact that Marshall's later work is a more difficult source for "easy to quote comparable passages". However, Keynes also noted that "the Marshall of the *Principles* had become sufficiently doubtful to be very cautious and evasive. But the old ideas were never repudiated or rooted out of the basic assumptions of his thought" (Keynes, 1936, pp.19-20 and n.1). This is a harsher verdict than that which Keynes later gave in the opening paragraphs of his preface to the Japanese edition of the *General Theory*:

> Alfred Marshall, on whose *Principles of Economics* all contemporary English economists have been brought up, was at particular pains to emphasise the continuity of his thought with Ricardo's. His work largely consisted in grafting the marginal principle and the principle of substitution on to the Ricardian tradition; and his theory of output and consumption as a whole, as distinct from his theory of the production and distribution of a *given* output, was never separately expounded. Whether he himself felt the need of such a theory, I am not sure. But his immediate successors and followers have certainly dispensed with it and have not, apparently, felt the lack of it. It was in this atmosphere that I was brought up. I taught these doctrines myself and it is only within the last decade that I have been conscious of their insufficiency. In my own thought and development, therefore, this book represents a reaction, a transition away from the English classical (or orthodox) tradition. My emphasis upon this in the following pages and upon the points of my divergence from received doctrine has been regarded in some quarters of England as unduly controversial. But how can one brought up in English economic orthodoxy, indeed a priest of that faith at one time, avoid some controversial emphasis, when he first becomes a Protestant? (Keynes, 1973, p.xxix).

The need to separate Marshall from the Marshallians like Pigou which Keynes clearly suggested in this preface, as he did in parts of the text of the *General Theory*

17. Thus Marshall remained sufficiently "classical" (in Keynes's sense of the word) to deny protection could lower unemployment, as he had done explicitly in his *Fiscal Policy of International Trade*, which Keynes had edited for inclusion in his *Official Papers* (Marshall, 1926, for example, pp.389-91).

as well, is probably explicable in terms of Keynes's close personal contact with Marshall as economist early during Keynes's economic career. Such personal acquaintance enabled a balanced, though critical, rather than revering, attitude to Marshall's views, which were never intended to be held sacrosanct as Marshall continually tried to impress on his pupils. This part of the oral tradition was congenial to Keynes, and fostered by Marshall in this most promising and receptive of students. It was this quality in the man which Keynes undoubtedly admired, and which made him influential over his thinking in a wide range of subjects, an influence gained particularly in those early years before the First World War when Maynard Keynes first came under Marshall's influence in late 1905 and, more extensively, for the half dozen years from 1908 when he commenced teaching economics at Cambridge. When this personal contact for a prolonged period is combined with the posthumous immersion in the man and his thoughts which engaged Keynes during the two years after Marshall's death, the Marshallian influence in all its subtlety becomes something which needs to be grasped in all of its distinct phases suggested by the biographical data.

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Material in the Archive of Newnham College, Cambridge

Rita McWilliams Tullberg

Recent spring-cleaning in library cupboards at Newnham College, Cambridge has brought to light some material of interest to Marshallians. The first item is a packet of notes in Mary Paley Marshall's handwriting. It was sent by Claude Guillebaud in 1960 to Ruth Cohen, then Principal of Newnham College, together with photographs, many of which appear in *What I Remember*. The covering letter reads as follows:

18 Wilberforce Road
Cambridge
3/vi/60

My dear Ruth

I think the enclosed papers include everything that you might like to have about Mary Marshall.

You can of course scrap anything you dont want to keep.

I am adding an off-print[1] (just come in) of "Art and Economics in Cambridge" which might amuse you.

Yours ever,
Claude Guillebaud[2]

The notes are still in their original envelope as sent to Ruth Cohen. Ann Phillips, then Principal's Secretary and later College Archivist, has noted on the envelope "Manuscript of Mrs. Marshall's book *What I Remember* and Photographs". This description is not entirely correct. Six bundles of notes cover the material found in the six chapters of *What I Remember*. Two more bundles include notes made by

1. The off-print, which was not with Guillebaud's letter, will be printed in the next issue of the Bulletin.

2. Keynes and Guillebaud were the Executors of Mary Paley Marshall's will. Most of the practical work fell on Guillebaud and this probably included going through her papers.

Mary Paley Marshall for a talk that she gave to the Marshall Society in the 1930s[3], and "Recollections of A", being notes made of Marshall's utterances in his final years. It seems unlikely that the Newnham six-chapter manuscript is *the* manuscript of *What I Remember*; there are other contenders for this title. This point will be discussed below.

Before too many Marshallians buy their tickets for Cambridge and make arrangements to visit the Newnham College archives, I must hasten to say that there is very little in these manuscripts that is in any way unfamiliar to readers of the Keynes and Scott biographical pieces on Marshall, and of Mary Marshall's own autobiography. Indeed, Mary Paley Marshall's description of her student years for *What I Remember* differs very little from the version that she wrote in 1884 for the Newnham College Club *Letter* and it seems that she decided at an early date to maintain her Victorian reserve over the type of biographical material left to later generations. It is also clear that Mary Paley Marshall, like her husband, used and reused her material with very little alteration. The main interest in these notes lies in the nuances and rephrasing of familiar material and occasional slivers of new information of biographical interest.

The second item to come out of the cupboard is a family photograph album donated by Philomena Guillebaud after her mother's death in 1972. Except for the first three portraits, the photographs are playing-card size, four to a page, formally-posed and taken by professional studios. They fall into four groups: the Marshall family; the Paley family; early Newnham students; and male academics, often Marshall's contemporaries, but possibly included in the album as supporters of the women's education movement in Cambridge. There is a splendid portrait, in a larger format than most of the other photographs, of Marshall's father taken in old age. His debonair and autocratic appearance in no way contradicts the family's reminiscences of him, but provides a different picture from the "bony neck and bristly projecting chin" described by Keynes. There are also pictures of Marshall's mother; brothers, Charles and Walter; sisters, Agnes and Mabel; and of Wamba, the dog. Dogs appear in several Paley portraits, which include a delightful photograph of Mary and her

3. There are two further occasions on which Mary Paley Marshall may have addressed private gatherings using these notes. These were a tea-party in the Marshall Library on 7 November 1936 when Mary Paley Marshall presented the Library with a copy made by Rothenstein of his portrait of Alfred Marshall, and in November 1942 at a celebration of the centenary of Marshall's birth when she is reported to have made a speech (recollections of Mr Missen, Keynes Collection, King's College, Cambridge, JMK EJ/6.12).

sister Annie as young girls. A list of the Marshall and Paley family photographs is given below (pp.46-47).

The third find in the cupboard is only of indirect interest, being a scrap-book of old letters relating to the early years of the women's education movement at Cambridge. In her old age, Mary Paley Marshall had donated some mementoes of her Tripos days to the College collection: scraps of paper with epigrams written by Dr. Kennedy when invigilating in the drawing-room of his house; two amusing sketches, not previously known, of Kennedy and of the two Tripos "victims" toiling over their papers (presumably drawn by Amy Bulley); and, an unemotional little note handed to Mary Paley by Henry Sidgwick giving her the result of her Tripos. A further item is a newspaper cutting of a letter to the *Times* from the Rev. Thomas Paley regarding his daughter's unofficial success in the Moral Sciences Tripos. The news had apparently been published in several London and local newspapers and caused some anxiety among the ever-discreet women's authorities in Cambridge. The press-clip was accompanied by a note from Henry Sidgwick to the Newnham Principal, Ann Jemina Clough, reminding her that "*we* are not to publish in newspapers".

The manuscript of *What I Remember*?

Returning to the most important discovery, the Mary Paley Marshall manuscripts, my reasons for suggesting that the Newnham find is not *the* manuscript of *What I Remember* are based on an exchange of letters between John Maynard Keynes, Claude Guillebaud and G. M. Trevelyan following Mary Paley Marshall's death on 7 March 1944. These are as follows[4]:

St. John's College
Cambridge
28/iii/44

Dear Maynard

I am glad to say I have discovered a copy of Aunt Mary's Autobiography, with a good many recent manuscript additions in her hand. She kept it beside her chair in the study and made additions when anything new occurred to her. Trevelyan has the original (top copy) and she asked him to arrange for the publication if he thought it worthwhile. If, as I hope, this is done, the copy for the Press would naturally be

4. This correspondence can be found in the Keynes Collection, King's College, Cambridge, JMK EJ/6.12 or L/MM.

the one I have sent to you, with the later emendations. *I also enclose some material she used in writing the Autobiography* [my emphasis].

...

Yours sincerely,
Claude Guillebaud

The Master's Lodge
Trinity C. Cambr
April 17 1944

Dear Maynard,

...

Some years ago Mrs. Marshall wrote the Reminiscences at my instigation and left me a copy with a request to do as I thought fit about publishing it after her death. I have last week read them again and am greatly struck by their interest and readableness. Guillebaud and I both think that it would be most desirable to publish them, preceded by a short biographical notice and appreciation by you....[5]

Yours ever,
G M Trevelyan

April 17th, 1944

My dear Claude,

...

The certificate you sent me exactly bears out the very amusing story which she tells in the autobiographical notes. I agree that its ultimate home should be the Marshall Library[6]. But I think it would be well worth re-producing as one of the illustrations when the autobiographical notes are published. Having now studied them very carefully, I have not the slightest doubt that they ought to be published just as they stand, and I should like as many pictures as possible. (...) But, if I were to have my way, I should like to plaster the little "What I Remember" with

5. Keynes died before the reminiscences were published. Trevelyan wrote the Introduction.

6. This is probably a reference to Mary Paley Marshall's degree certificate. See also C. W. Guillebaud to J. M. Keynes, 10 April 1944. The certificate can be found with her MS notes in Newnham College.

illustrations, which add greatly to the pleasure and interest of such a paper. Though, without any adornment, it is a lovely thing...

Yours ever,
M K[7]

Trevelyan gave his (top) copy of the typed Reminiscences to Guillebaud and asked him, together with Keynes, "to see it through the Press". Guillebaud reported the following dedication on the flysheet: "To Professor Trevelyan, who suggested this attempt June 1934 M.P.M.". He described how he and his wife rescued photographs that Mary Paley was sending to a Salvage Drive, including early ones of Newnham students (Guillebaud to Keynes, 20/4-44)[8].

A further letter from Guillebaud to Keynes adds to the confusion:

St. John's College
5/i/45

My dear Maynard

...

S. C. Roberts has the manuscript of *What I Remember*, but he would like to have the short Foreword that you were going to write. I have added the Obituary Notice of her Father from the *Eagle* as an Appendix, and have put in a footnote the passage you mentioned about her wedding. You also referred to some accounts of their income & expenditure during their Oxford period, but I have been unable to trace these *among the manuscript notes you sent me* [my emphasis]. I could only find what she herself has incorporated in the typescript.

...

Yours ever
Claude Guillebaud

Were these the notes that Guillebaud gave to Newnham 15 years later, and, if so, how had Keynes got hold of them? Or were they the notes sent by Guillebaud to Keynes on 28 March 1944 and referred to as "some material she used in writing her

7. Keynes Collection, King's College, Cambridge, JMK EJ/6.12. Unpublished writings of J.M. Keynes, copyright, The Provost and Scholars of King's College, Cambridge, 1993.

8. Enquiries at Trinity College, Cambridge and among the Trevelyan family papers in the Robinson Library at the University of Newcastle have failed to turn up this manuscript.

Autobiography"?[9]

When I enquired with the late Prof. Austin Robinson about the Marshall Society talk where I believed he had acted as chairman, he introduced the possibility of a further typescript:

> The people running the Marshall Society decided that they would like to persuade Mary Marshall to tell us something about her work with Marshall. I think they used me to convey their invitation. I naturally discussed this with Claude Guillebaud, who was her nephew, and he and I persuaded her to accept. I think it was Guillebaud's suggestion that we smuggled a typist into the meeting and had a record of it. As you will know she kept this by her side and added ideas at intervals. But let me make it clear that the talk to the Marshall Society and *What I Remember* are [not?] one and same thing. By the time that *What I Remember* was published, a good deal had been added to what she actually said to the Marshall Society meeting (E. A. G. Robinson to the author, 27 October 1992)[10].

We can conclude, therefore, that there were several typescript versions of the book, with Mary Paley's manuscript additions on one or more of them. Keynes, Guillebaud, Trevelyan and the printers worked from these and also referred to manuscript notes. The material donated by Claude Guillebaud to Newnham was an early draft, perhaps one of several, in Mary Paley's own hand, though closely resembling the final version.

The manuscript notes and photographs, and the photograph album

The Newnham notes, now housed in an archive box but as yet without a class-mark, are arranged in the following fashion:

1. A large brown **envelope** addressed to The Principal, Newnham College. The Principal's Secretary has noted on it "Manuscript of Mrs. Marshall's book *What I Remember* and photographs".

2. The **notes** are mostly written on one side of scrap paper, 200 x 125 mm, though Mary Paley Marshall occasionally continued her notes on the reverse.

9. It is, of course, possible that Guillebaud is referring to manuscript notes made by Mary Paley Marshall for Keynes when he had been writing his Marshall Memoir in 1924. These notes are now housed in the Keynes Collection, King's College, Cambridge.

10. I have looked through the Minutes of the Marshall Society until 1944 and cannot find any mention of Mary Paley Marshall's talk. Internal evidence from the talk suggests that it was given in 1930. Austin Robinson was the President of the Marshall Society in the early 1930s.

Some of the paper had originally been used by Alfred Marshall for writing drafts and these can be found on the reverse of several sheets. There are six bundles corresponding to *What I Remember* chapters and two further bundles. The notes are tied with treasury tags and the numbering of sheets is not consistent, suggesting that Mary Paley added old drafts and extra pages to the bundles.

Chapter IV "Palermo 1881-2" differs from the other bundles, being written largely on sheets 225 x 140 mm. Considerable foxing has occurred and the handwriting is that of a younger person, with editing in an older hand, suggesting that this material might originally have been written at the time of or shortly after the Palermo holiday. Much of the material in the Palermo chapter is deleted; it is not easy to follow and could hardly have been given to a secretary to type in this state.

2.1. The first six bundles are drafts of the chapters of *What I Remember*. The chapter titles (deletions are given as they occur) are as follows:

I. Life in a country rectory 1850-1870 (16 sheets including chapter title sheet).
II. Cambridge ~~and the higher education of women~~ women's education 1871-75 (25 sheets including chapter title sheet).
III. Bristol; Expenditure 1877-1881 (15 sheets including chapter title sheet).
IV. Palermo 1881-2 (23 sheets including chapter title sheet). This chapter contains considerably more material than was finally published. Specifically, there is more description of the shape and colour of the scenery, afforestation, infrastructure and location of businesses, lack of capital, the indifference of tradesmen and rejection of innovation. Writing on the destruction of the forests on the hillsides and the consequent soil erosion, Mary Paley Marshall comments that there is "strong argument for some Government interference which would look at wider and more distant effects on well-being (...) The finely engineered roads which we saw winding over the mountain passes, illustrate the advantages of Government control; they were, I believe, constructed entirely by the central government, not by the municipality". There is a page analysing the availability of milk, written by Alfred Marshall. The same discussion appears in Mary Paley Marshall's notes and in the printed version of *What I Remember* on p.33. Mrs. Marshall also describes the architecture of Palermo and writes about the metopes taken from Greek temples that Jane Harrison came to study.
V. Oxford; ~~the Master~~; ~~Sarah~~; 1883-4 (20 sheets including chapter title sheet).
VI. Return to Cambridge 1885-1924 (18 sheets including the chapter title sheet). On

the reverse on the sheet numbered "2", Mary Paley Marshall gives the following outline for her book. It is interesting to note that no separate chapter on Cambridge was proposed:

What I remember [sic]

1. Life in a country rectory in the 50's and 60's
2. The beginnings of Newnham
3. Income & expenditure
4. From our roof at Palermo
5. Oxford in the 80's
6. Jowett and others
7. Sarah
8. Travels in England
9. The Dolomites and our last visit in 1920 - The Lightening Strike
10. Sea Vale

2.2. The following two bundles of notes, A and B, include material used by Mary Marshall in a talk that she gave to the Marshall Society and Marshall's utterances in the final years of his life.

A. 38 sheets, 200 x 125 mm, tied with a single treasury tag, sometimes written on both sides. The notes begin:

> It is best both for you and for me that I should talk about what I remember clearly. As one gets old one's clearest memories are of one's youth, and it is the years between 1870 and say 1910 that I can most vividly recall. But even about this I shall be disappointing. It is true that I had great opportunities - for I have known more or less most economists, English, Continental and American from Jevons down to Allyn Young and I can recall their faces, but, as I kept no diary ~~and did not retire to my room at night to record their sayings, I have nothing much to tell you about them.~~ And having no memory for talks I have nothing much to tell you about their sayings.
>
> Still as this is a Marshall Society Meeting in the Marshall Library in which are three big Marshall books, I don't apologise for speaking about Marshall himself. This however is more difficult than I expected, for on re-reading Mr. Keynes, Mr. Fay and Mr. Benians in a book called "Memorials of Alfred Marshall", I find that they have said most of what I wanted to say. However, I will try to fill in a few odds and ends. And anyhow I am on safe ground when talking of my own student life in Cambridge from 1871 - 1874: - 60 years ago.

B. 17 sheets, 125 x 105 mm, and 30 sheets, 200 x 125 mm, tied together with one treasury tag, sometimes written on both sides. The bundle is headed "Recollections of A" and includes remarks made by Marshall in his final years, dating from January 1920 to October 1923. The bundle also includes the continuation of Mary Paley Marshall's talk to the Marshall Society where she describes something of Marshall's struggle to found the Economics Tripos. She concluded her talk by quoting from a letter written to her husband by Tom Mann, dated 23 November 1889, when he was President of the Dock, Wharf, Riverside and General Labourers' Union.

3. A number of **photographs** and other illustrative material were found in the same envelope as the above notes. The following were used in *What I Remember*. (Plate references refer to their position in the book)[11].

1. Portrait of Mary Paley Marshall sitting in chair. This photograph was used as the frontispiece to *What I Remember* and the caption gives her age as 85 years.
2. Photograph made from the painting of Archdeacon Paley in the National Portrait Gallery - Plate 1.
3. Photograph made of a sketch by Mary Kennedy of 74 Regent Street and the (original?) sketch by Mary Kennedy of a dialogue between Bentham and an Ascetic[12] - Plate 4.
4. Two sketches made by Amy Bulley of the Tripos "victims" and of Sedley-Taylor delivering Tripos papers to the women students - Plate 5. (Cf. item three of the Newnham cupboard finds described on p.38 above).
5. Mary Paley Marshall's original Tripos certificate - Plate 6.
6. Merton Hall, group photograph - Plate 7. (On reverse, photograph of a river scene described as Greta(?) Bridge).
7. Group photograph of 12 Newnham students. In very fragile condition. Identification of students on reverse does not match that printed in the book - Plate 8.

11. Plates appearing in *What I Remember* but not included in this collection are:
Plate 2: Photographs of Mary Paley's parents.
Plate 3: Miss Clough and the first five Newnham students.
Plate 9: Mary and Alfred Marshall recently married.
Plate 11: Alfred Marshall seated. South Tyrol, summer 1920.

12. On the reverse is written: "Mary Kennedy put this at the head of the answer to the Essay that we had to write on «Dialogue between Bentham and an Ascetic»".

8. Three portraits of Mary Paley as a student, don and in early married life. Marshall has written his initials on the reverse of two of the photographs, those of Mary Paley as a student and with an embroidered blouse - Plate 9.
9. Photograph of Balliol Croft - Plate 10.
10. Alfred and Mary Paley Marshall setting off for a morning's work in the South Tyrol - Plate 11.
11. Photographic reproduction of the Fry portrait of Mary Paley Marshall - Plate 12.
12. Photograph of Mary Paley Marshall working in the Marshall Library - Plate 13. On the reverse is written "Mrs. M. P. Marshall, February 1939 taken in the Marshall Library cataloguing periodicals from the brown boxes". Mary Paley Marshall was 89 years old not 92 as the caption in *What I Remember* says[13].

In addition, there are several photographs in the brown envelope that do not appear in *What I Remember*. These are:

1. Official full-length portrait of Mary Paley Marshall in her doctoral robes from Bristol, 1926.
2. Informal portrait of Mary Paley Marshall in her doctoral gown, Bristol 1926.
3. Photographic portrait of Mary Paley Marshall in old age by Dorothy Hickling.
4. Photograph of Alfred Marshall alone in the same outfit as he appears with Mary Paley Marshall in Plate 11 of *What I Remember*, setting off for a morning's work. On the reverse is written: "It is suggested this might advantageously be enlarged a little - no other photo of this available". The photograph is possibly the one used by John Maynard Keynes in the 1933 edition of *Essays in Biography*, "Setting out to revise the *Principles*. Tyrol 1901".
5. Photograph of Mary Paley Marshall in middle-age seated, leaning against a tree. It has been made into a postcard and on the back in Marshall's handwriting is the following:

I think you know this person. That A caught her in the wood, and thinks she looks very nice.	Mrs. Paley, 39 Westby Road Boxcombe Hants, England

13. Guillebaud made an even more curious slip with ages in the obituary of Mary Paley's father reproduced from The Eagle (see his letter to Keynes of 5 January 1945, above, p.40). The date of the extract is given as December 1890 and Thomas Paley's age at death is changed to 81, whereas the obituary appeared in *The Eagle* in December 1899 and his age of death is given as "in his 90th year".

The card has an Austrian postage-stamp. All that is legible of the postmark is ..COLEIN. There is no date.

The photograph album

A list of the Marshall and Paley family photographs in the photograph album deposited by Philomena Guillebaud on her mother's death and recently found in a Newnham library cupboard is given below. The reverse of these photographs has not been examined and comments as to age are therefore very approximate.

p. 1: William Marshall seated. Elderly but perhaps not old. Size 160 x 105 mm.
p. 2: Alfred Marshall 160 x 105 mm.
p. 3: Agnes Marshall - late middle age 160 x 105 mm.
p. 4: Charles Marshall two photos, one early middle age, one older
Wamba - dog
Lucy, wife of Charles - looks very young
p. 5: Walter Marshall - four small portraits in one
Charles Marshall - two photos, young
Lucy, wife of Charles - looks very young
p. 6: Agnes Marshall - young woman
Agnes and Mabel - young
Mabel - young woman
Ernest Guillebaud - young man
p. 7: Two pictures missing
Mabel Marshall as young woman - two photos
p. 8: Four portraits of Walter Marshall
p. 9: Alfred Marshall young
Alfred Marshall young man
"Aunt Charlotte"
Alfred Marshall's mother standing, holding back of chair
p. 10: Three photos missing
"Aunt Annie Paley"
p. 11: Thomas Paley
Mrs. Paley and Rob (a dog) - middle age
Mrs. Paley - late middle age
Mrs. Paley as a young woman with baby on knee
p. 12: Annie and Mary Paley as young girls
Annie Paley as young woman

Mary Paley
Robert (?Annie Paley's husband, surname Brown) and dog, Tansie
p. 13: Mary Paley as young woman
Mary Paley as teenager
p. 14: Two portraits of a baby, one with dog
Mrs. Brown - elderly (presumably Mary Paley's sister, Annie)
p. 15: two missing
"Amy Joliffe" - young woman and baby
Rob, dog (cf. Mrs. Paley on p.11).

Historians, Economists, and the History of Economics

Alon Kadish
Hebrew University of Jerusalem

My initial reaction to Professor Peter Groenewegen's review of my book *Historians, Economists, and the Economic History* (1989) in *Marshall Studies Bulletin* (1992, n.2), was that it would be churlish on my part to answer to his criticism in print. One is taught that answering reviews is pointless and petty, and after all, he did praise my book as a "very interesting study" yielding "useful and interesting data". However, upon reflection, my distinct impression is that Professor Groenewegen's implication is: useful and competent, but wrong. "Be greedy for facts (useful)", he authoritatively concludes, "but also be careful of their use (wrong)".

The innocent reader may well come away with the impression that here is a case of technically competent scholarship, which has been made to produce some hasty and untenable conclusions. Yet Professor Groenewegen has found my book lacking in a "sistematic presentation of a hypothesis (objectionable or otherwise) to be tested", thereby inviting the readers "to draw their own conclusions". His actual target, and, I suspect, his reason for writing the review in the first place, is my article "University Reform and the *Principles*" (1991). In it I have attempted to demonstrate that Marshall's statements on the scope and method of economics in the first five editions of his *Principles* were not always cohesive and consistent, and that the key to his shifts, in substance and in emphasis, may be sought in the context of the sequence of reforms in the status of economics at Cambridge largely instigated by Marshall, ending with the foundation of the Economics Tripos. Ignore the latter article, Professor Groenewegen implies, and one may find the former work serviceable albeit occasionally flawed. Not very difficult, I might add, since these are two separate works on different subjects.

Historians, Economists, and Economic History is, as stated in the Introduction's first sentence, about "the emergence of economic history as an academic discipline in England". The book's thesis, which seems to have eluded Professor Groenewegen, is that the removal of economic history from mainstream economics in England was the result of two simultaneous and distinct institutional and intellectual developments

- the liberation and contraction of economics as an academic discipline, and the expansion of the study of history. It is further argued that institutional divisions such as those established by Marshall in the Economics Tripos, whereby economics was separated from history and the moral sciences, leaving economic history in the care of the former and economic ethics to the latter, has resulted in the erection of increasingly insurmountable disciplinary boundaries. My conclusion is that in order to encourage greater intellectual cross-fertilization within universities institutional fences must first be torn down. It would be interesting to discover where one is to find further "evidence (...) more systematically gathered than this book has attempted to do" (Groenewegen, p.63) in order to establish these arguments.

Actually Professor Groenewegen is not interested in my arguments about economic history, or, for that matter, the process whereby it became part of the study of history rather than of economics. His main concern is Marshall and he has found my treatment of his hero alarming. Marshall and Cambridge form only one part of my book in which the exclusion of economic history from the Economics Tripos is described. Professor Groenewegen is first and foremost an economist to whom Marshall is one of the great founders of modern economic theory. To him, and to similarly motivated economists with an interest in the history of their discipline, Marshall's contributions are sought in his mature works, and it is on their merits that his work is judged. The study of his earlier works is interesting as a means whereby the origins and evolution of his mature views can be traced, in the same way that the study of past masters serves to show the process whereby the current state of the science came into being. Early inconsistencies and shifts are of little relevance as such, unless they can be fitted into a linear and progressive narrative of his intellectual and scientific development. Otherwise they are mere nit-picking, to be treated accordingly: "It is (...) 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" (Groenewegen, p.62).

I, on the other hand, am an historian to whom inconsistencies and their explanation are at least as interesting as consistencies if not more so. There is no hidden subversive intention of undermining Marshall's scholarly reputation. My Marshall is not only the great economist but also the consummate university politician, who, for better or for worse, had accomplished one of the single most important institutional feats in the history of English academic economics. In studying Marshall's academic politics I have, as is common in the study of politics, compared statements with action, and have tried to argue that occasionally

statements on scope and method were means to an end. In doing so I have often found it expedient to follow the commonplace rule of explaining politicians by what they do as much as by what they say. Statements were interpreted in relation to their context as well as in relation to previous and later utterances on the same subject. Thus similar statements made under different circumstances may have served different purposes. Admitting that a statement on scope and method may be interpreted in more than one way must be inconvenient, but denying Marshall's skills as an academic politician ignores an important aspect of his life and work. Assuming, on the other hand, that all statements on scientific matters, whatever the circumstances, must be uniformly interpreted, is too simplistic.

The differences in our approach to the reading of economic texts has resulted in rather crude misrepresentations of my work. For instance Professor Groenewegen ridicules my interpretation of the few minor changes in Marshall's position on scope and method in the fourth (1898) edition of the *Principles* as "apparently designed with magnificent forethought to anticipate the 1901 reform committee from which the separate Economics and Politics Tripos eventually emerged" (p.62). The impression given is that Professor Groenewegen has exposed my absurd claim that Marshall had worked out a detailed plan for establishing the Tripos as early as the fourth edition. This, I agree, is highly unlikely, and nothing like my actual argument which is that Marshall's position in the fourth edition may be taken as a justification of yet another future modification of the History Tripos on the lines he had already accomplished in the Moral Sciences (Kadish, 1989, p.302). Another example: Professor Groenewegen rebukes me for maintaining that Marshall's complaint made in 1902 that in one year's teaching at Oxford he had better students than in 16 years at Cambridge was "exaggerated". "That", he points out, "depends on how the counting is done (e.g. selection of the base year)" (Groenewegen, p.59). But Marshall had actually complained about "all his Moral Sciences' students in sixteen years" (Kadish, 1989, p.88). The question of a base year, in other words, does not come into it. But more seriously Professor Groenewegen is not in the slightest intrigued why such an obviously exaggerated complaint should have been made in the first place. The context of Marshall's campaign for the new Tripos in 1902 is of no relevance to him. His instinctive reaction is to dismiss the possibility that Marshall may have resorted to an exaggeration in a private letter to J.N. Keynes in an effort to secure his support for the Tripos, and instead regard it as a detached statement of fact which must somehow be justified.

There is much more. It is perhaps inevitable that Professor Groenewegen and

myself will disagree on the interpretation of some of Marshall's texts. But it would be considerably more helpful if he stuck to my actual text rather than invent a new one. It would be futile on my part to try to dissuade economists from insisting on a linear and progressive account of the history of economics and of the work of individual economists. It is, after all, a time honoured practice, employed to good effect not only in economics but also in philosophy, political science, etc. A much more serious threat to Professor Groenewegen's approach may be found from within, in works such as Terry Peach's on Ricardo, and his criticism of Samuel Hollander's interpretation. "Its sharpness of focus pushed Ricardo's qualifications and inconsistencies so far into the background that they became almost invisible". I, Peach states, am not "prepared to fudge a pleasing consistency when it became clear that none existed" (Peach, p.xii). On my part I would be content if an historian's view would be accepted at face value as an honest attempt to reconstruct given events from a perspective different from Professor Groenewegen's, rather than have it clumsily distorted and then rejected as an example of feeble scholarship. Intellectual monopolies are as tricky to justify and maintain as commercial ones.

Finally, Professor Groenewegen might consider dispensing with some of his expletives such as his professed astonishment "that an Oxford historian who presumably read his own proofs (...) could pass over a reference to Maine's *Ancient History* [sic!] for *Ancient Law*!" (Groenewegen, p.63). I sincerely and unreservedly apologize for the mistake and promise that I shall be more careful in the future. But is it not time that reviewers abandon the rather tiresome practice of ending reviews with an example or two of similarly horrific proof mistakes? I, for one, am prepared not to dwell on Professor Groenewegen's "Mendell" instead of "Mendell Creighton" (p.58), and "Regius professions", which should, I presume, be "Regius professors" (p.58). If us professors cannot agree on such basic courtesies what is the profession coming to?

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Historians, Economists and the History of Economics: A Rejoinder to Professor Kadish

Peter Groenewegen
University of Sydney

If it is "churlish" to write a comment on a review, how much more "vulgar" is it to write a rejoinder to the comments of an annoyed reviewee, as Professor Kadish clearly seems to be from the foregoing. Let me admit at the outset that he has clearly trumped my remark about poor proof reading, on which I stand doubly corrected; however, on the more substantial aspects of his criticisms of my review I plead not guilty and regret that he has either failed to grasp, or else to counter, the arguments about his writings which I put forward in it.

His complaints about the review seem to include the following. First, Professor Kadish seems to take umbrage with the fact that I have combined two of his writings in my review: the book explicitly mentioned in its title and the conference paper he presented at Florence for the *Principles*, Centenary Conference. As I indicated in my review, that article's content combines neatly with Chapters 5 and 6 of the book, just as its earlier chapters combine with his earlier writings on Oxford economics (Groenewegen, 1992, p.58). Not only does this still seem to me to be a reasonable procedure, but it was in fact suggested to me as appropriate by another member of the *Marshall Studies Bulletin* editorial board. Apart from noting its sarcastic style, Professor Kadish's reply offers little substantive on my criticism of the article's argument; while the destination for my review of his work explains its emphasis on Marshall with which he also seems to be rather unhappy.

Secondly, Professor Kadish complains of my failure to see a clearly testable hypothesis in his book. My reference to Koot's work shows that I was quite aware that the book focussed on the emergence of economic history as an academic discipline in England (Kadish, 1989, p.ix) but this is not, it seems to me, a testable hypothesis. Kadish now associates the latter with his conclusions about "the lack of cross-fertilisation" allowed by "universities intellectual fences" and the cost of over-specialisation by separating economics from history and moral sciences, "leaving economic history to the former and economic ethics to the latter" (Kadish, 1993). I find no such explicit statement in the book's concluding chapter, and

Professor Kadish in his comments himself fails to provide a reference to his book in this context. However, the concluding chapter points to Marshall as the villain in this "contraction" of economics, which is rather misleading under the circumstances. After all, Marshall wished to keep Political Economy in the History Tripos, sought unsuccessfully to keep it within the First Part of the Moral Sciences Tripos, and kept both Economic History and some lectures on Ethics (by Sorley) within the new Economics Tripos.

Thirdly, Professor Kadish seems annoyed with my alleged vision of Marshall solely as economist whereas he, as historian, sees him also as academic politician capable of exaggeration and untruths. In fact, my review concentrated on Marshall's position on history and historians, defending him from what I saw as Kadish's one-sided depiction of Marshall on this score. My account of the creation of the Tripos (Groenewegen, 1988) to which I briefly referred in my review, reveals Marshall, among other things, as an academic politician. Professor Kadish will have to await my biography of Marshall to assess how exclusively I concentrate on Marshall as economist in my account of his life. Another minor point may be noted in this context, relating to Professor Kadish's misunderstanding of my reference to the "relevance of a base year" to assess the accuracy of Marshall's complaints about the quality of his students drawn from the Moral Sciences men. Had Marshall included his early moral sciences teaching from 1868 to 1877 in the period complained of, his students from the moral sciences would have included Foxwell, J.N. Keynes and Henry Cunnynghame - that was the choice of base year I was contemplating. As it was, from January 1885 to January 1902, Moral Sciences men had only produced Chapman. This excludes Pigou, who in 1900 had only completed Part II of that Tripos, and Macgregor, who had only completed Part I by January 1901. That Marshall could exaggerate, or even be dishonest in correspondence and conversation when that suited him, I fully realise. In fact this is an aspect of the man treated at some length in my biography. Professor Kadish will have also to await the latter to see if it is the hagiography of one who portrays Marshall simply as his hero.

Finally, Professor Kadish depicts me implicitly as an ahistorical historian of economics - hence his subtle transformation of title in his comments - that is, I am implicitly depicted as one insisting "on a linear and progressive account of the history of economics and of the work of individual economists" (Kadish, 1993). I fail to see how this conclusion can be drawn from my review - in any case, Professor Kadish provides no explicit illustration therefrom - nor do I see how it characterises my published work as historian of economics with which, incidentally, he seems

virtually unacquainted. Basic courtesies, as Professor Kadish concludes in his comments, are imperative to a profession, and these include not reading into reviews opinions which are not there.

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Marshall's Cambridge

During the 1889-90 academic year The Cambridge Review. A Journal of University Life and Thought *published fifteen "Letters to Lecturers", continuing a series which had started in the preceding academic year. Two of these letters, the one addressed to Alfred Marshall (the ninth in the whole series) and the one to Henry Sidgwick (the sixteenth), are reproduced in this section. They are offered here as mere "period pieces", whose main interest lies in the flavour that they proffer of the human and intellectual atmosphere of the late nineteenth-century Cambridge. Despite our efforts, the authors of the two letters remain anonymous. We would certainly welcome any suggestions on the matter.*

TO PROFESSOR MARSHALL

DEAR PROFESSOR MARSHALL,

I trust that the impatience with which so distinguished an economist as you must naturally have expected the appearance of a letter has not caused you serious inconvenience. But in our society where so many are so great the business of selection is indeed hard, and you will I am sure be ready to pardon. In writing to you, I need scarcely begin by reminding you of the satisfaction which Cambridge felt when it was known that Mr. Alfred Marshall had been persuaded to take possession of the chair of Political Economy, vacated by the death of Professor Fawcett. A heavy task indeed to wear the armour of the mighty dead, for armour cannot, like clothes, be taken in to suit the new lodger, but in this heavy task who shall say that you have not triumphed? True that the Moral Sciences Tripos has dwindled by the growth of its more attractive younger brethren, and now pale Death seems to mark it for its own. And indeed to be numbered among the departed were better than to live in a state of intermittency, or sustained solely by some slight competition from Girton or Newnham, and thus to become a very scorn of men. But it is not for me to discuss the Moral Sciences Tripos. The fading away of it is surely to be laid at the doors of those who will neither make merry or mourn therein to the piping and wailing of yourself and the Professor of Moral Philosophy. For indeed your lecture room is itself a proof, be the Moral Sciences Tripos what it may, that Economics

have a hold indeed on the Cambridge mind. So well can I picture you to myself as you lay bare the intricacies of Normal Value to beginners, or speak to the more advanced of Banking and Money and the Economic Functions of Government. Each difficulty modestly cleared away in words that come now fast now slow, gaining emphasis by the increased quietness with which they are delivered. Nor are you without a sense of humour and the power of leavening a dull lump or so with it. When at times you stray from the narrow paths of the Science of Economics and tell us of the Stock Exchange, of "Brums" and "Berthas," of the peddlings of Jew and Greek, of Wall Street and American operators, you shew a touch and more of the driest wit. With eyes directed abstractedly towards the ceiling (some say you are often among the clouds), and a voice so tiny and quiet that all ears are kept astretch, is the story told. And when the eyes descend again upon the class we see by the twinkle there, that we and you are laughing together. Permit me to recall to you an occasion on which you gave notice that at the next lecture you would treat on the curves of demand mathematically for those who would please to attend, "only an elementary knowledge of mathematics will be required," and then you gave time to those who had recently floored the additionals to preen themselves and think they would certainly come, before you observed with the upward gaze and sly air "I don't think it will be much use for anyone to come who has not a fairly complete knowledge of differential and integral calculus." A sadder and a wiser class, among whom was I, went from that room thinking perchance that after all, elementary was a relative word. I wonder now do you have that little joke with each succeeding generation, or was it only played once?

But in general we, I speak as a beginner, leave your room, and, at your recommendation, go hot foot and buy your book; and what a charmingly innocent little book it seems, in its modest sage-green cover, price 2/6. One imagines as one reads in the preface that it was a work designed for use in extension lectures, and carelessly glances at the end to see its number of pages, that it will fall an easy victim to a day or two of moderate reading. Was ever so complete a take in? Oh, wretched little book! You who contain matter so closely packed, and, on first acquaintance, so confusing; abounding with definitions so long, and travelling to all appearance in circles as complete as ever circles were. Humiliation is good, and thou dost bring it with thee. Truly I loved thee not, nor even now have I o'ercome my first prejudice, though I have long looked upon thy bygone terrors with a fairly even mind.

And having spoken of the Professor in the lecture room and of the Professor's book, may I go further and speak of the Professor at home? We thank you for your

kindness and readiness in solving our difficulties, if we bring them to you as you sit in your study at Balliol Croft, a study all books, with scarce room for Professor and student. You meet us at the door as we are shewn in, do not know our names, never seem to recognise that we have been before, shake hands hesitatingly, and are with some difficulty started to talk: we learn much from your talk. Or else, plunging into statistics and dragging out that great MS. volume wherein are preserved figures upon figures, you will shew us curves, curves telling us of cotton and iron and rupees and measles, and to all seeming yet stranger mixtures than these. What does not that book contain: can it tell us of variations of the weather and of the boat race, whereon you are basing a theory that we win the boat race whenever a wet Lent term provides enough water in the Cam for us to row upon; or of the relative merits of Professors and undergraduates? I daresay it can. If you told me it was all there I should feel no surprise. A wonderful volume.

I fear I have spoken but inadequately to you. If so, remember the task was difficult, and look on my letter with kindly eyes. You are prone, as you showed us but lately, to accuse a brother economist of misrepresenting you in connection with the British Ass., and art seemingly sore on the matter. If I too have misrepresented you, I pray you have me excused.

(*The Cambridge Review*, volume XI, October 24, 1889).

* * *

TO PROFESSOR SIDGWICK

DEAR PROFESSOR SIDGWICK,

"There is no learned class in England," said the German Professor complacently, and a trifle didactically, as he lighted another cigar. "Pardon me, Herr Professor," replied his companion, "We have such a class, and they are known as - Prigs!" It was unkind of you, Mr. Sidgwick, so to mystify the worthy man, while you smiled to yourself at the gentle many-sided malice of your remark. And you would have been fitly punished, had you been involved with imperfect German in an hour-long explanation (the dreariest duty of mankind) of the term you had used, and the Nature of the Prig. You would never have got your German to understand. But stop, was it you after all? In the face of all inner probability I have heard it denied. But until I have the disavowal from your own lips, I shall continue to believe that the humour,

the tolerance, the impersonal delight in criticising yourself, your profession, your country and your adversary, all in one breath, the implied condemnation alike of all false, arrogant, or misplaced learning, and of Philistines who know not false from true, all this must be yours, and yours alone.

Your humour is well known to your friends, and is not the least nor the only charm of your conversation. With all honour to the others, I must hold you to be the best host in Cambridge. And even in your books and your lectures, those who know you will find the same qualities, though partly suppressed, and carefully subordinated to your main purpose. Human nature compels me to ask, Why so careful to suppress it? For you know, none better, that we average mortals are apt to find this matter of Moral Philosophy a trifle dull. It is strong meat for babes. We listen, and we reverence, but we sometimes yawn. The epigrams, and the homely illustrations, which you so sparingly allow us, come like sunshine in spring, or a fine day in summer, and leave us with a sense, that but for some perversity in causes which we do not understand sunshine and fine weather might always be there. But though they seldom come, they wished-for come, and such things are best left on the knees of the gods, who know what is for our good.

But humour is only the salt of Moral Philosophy. Your excellence as a Philosopher is best described as an infinite capacity for seeing both sides of the question. When some question of women's degrees, or what not, was coming to the front, I heard you describe yourself as "seated upon the rail." But this expressive vulgarism is not nearly expressive enough to hit off the unexampled dexterity of your funambulism. Now there's your "Methods of Ethics" -a wonderful book. I admire in it especially the skill with which you reproduce the method and even the phrases of your master Aristotle, but avoid all the roughness and intolerable obscurity of his style. So clear and fluent is your language that one reads and reads and fancies that one understands. System succeeds system, and retires shattered from the fray. Criticism succeeds criticism, each more subtle and more cogent than the last. In the play of fence, and luminous disputation we lose sight of the tremendous issues, and rejoice only in the prowess of our champion. But when the field is clear, and only the bruised and breathless fragments of our adversaries are left, we ask, For what have we been fighting, and what have we secured? In vain we try to recall, all remains misty and perplexed and negative. Then we read again. On each successive reperusal we may fancy to have won some authoritative teaching, but each time the results are different. Then perhaps we glance at the preface. There we find that some audacious pamphleteer has ventured to claim the author for a positive school, utilitarianism or

what not. Of him short work is made, and for a moment we fancy that common sense morality is to be set up for our guidance and obedience. But this also turns out to be incomplete. And the author arrives at an inscrutable result, which enables him to transcend both Intuitionists and Utilitarians. May I add, Professor Sidgwick, the limits of the human intellect itself?

But seriously, dear Professor, there is no one who admires more heartily and more humbly than myself your services in the field of philosophic criticism. Was it not Descartes, who said doubt was the necessary starting point of all philosophic investigation? Your impartial studies enable your pupils most effectively and thoroughly to doubt, and herein, I take it, lies your supreme merit. Cant and authoritative humbug is swept away, and the mind is left free to deal with problems for itself, and arrive at any or no result according to its bent. One of your pupils once rashly asserted, that on Utilitarian principles one could prove anything at will, and you replied-"Indeed, Mr. S. It would be interesting to hear you do it." No one doubts that you could do it, Mr. Sidgwick, your virtue is, that you have never tried. Where you drop, as in the Political Economy, unwarily into a new doctrine of foreign trade, I cannot think your success is so great as in your pure unauthoritative criticism of all the free and fair traders, individualists, laissez-faire philosophers, academic socialists, hobby-riders, quack-medicine vendors, who confuse the science and distract the state.

But this being the case, I cannot wonder that your lectures are so sparsely attended, especially by men. For apart from the fact that men are for the most part barbarians, and hate knowledge for its own sake, the few exceptions do not love it for its own sake, but for the sake of cut and dried formulæ which they can write down in their papers. The women come, for they are more apt to mind their book, and more accessible to the sacred sentiments of veneration and of love. But I must make free to doubt if even they understand it all. For if the written word is hard to follow, how much rather the spoken utterances.

This being your character as a philosopher, one might fancy that you would be slow and irresolute in action. And so it is in fact, where two plans are each supported by powerful advocates, and weighty grounds. But where a new truth is weak, and unnoticed, we find you in the forefront of reform. You gave up your fellowship rather than countenance what you held to be a fiction. You lay down your wealth for science, and that a science not your own. You support the higher education of women, perhaps in the hope that they may shame their husbands and brothers out of barbarism. And when you are forced by your position into action which you do

not approve, you adopt an attitude of cheerful pessimism, which encourages at once and chastens your less enlightened followers. But though such as I have described you, you are hardly one whom kings or majorities delight to honour. For kings and majorities act after their kind. So much the worse for the University!

What a long letter I have written! I wish you would write me one equally long, and all about yourself. For though you are the least egotistical of mortals, you must find yourself an interesting study. How impartially you would treat the question - what wealth of hidden virtues and amusing faults you might disclose - and whatever you might say, one feels sure that you would steer clear both of arrogance and self-depreciation. May my own remarks be equally free from the corresponding faults.

(*The Cambridge Review*, volume XI, January 23, 1890).

BOOK REVIEWS

Recent Marshall Studies in Japan

I have been requested to supply some information to this *Bulletin* about recent Marshall studies in Japan. First I asked Prof. K. Fujii to review *The Economics of Alfred Marshall*, edited by S. Hashimoto, the contents of which were introduced by Prof. P. Groenewegen in the first issue of the *Bulletin*. The review appears in this number.

On my part, I would like to provide some information on the symposium which took place during the Annual Conference of the HET Society (Japan) held in November, 1990 to commemorate the centennial of Marshall's *Principles*, on the four papers contributed to the special issue for the centenary of the *Principles*, and finally on the second volume of the Marshall studies mentioned above, *Marshall and the Economics of his Age*. I shall be pleased if these reports are able to help in some way to soften the frustration of readers.

I
The Marshall Symposium in Japan (1990)

Although not named so, this was *de facto* the Marshall symposium. In the early 1970's, scholars of the history of modern economics in Japan were not active enough to publish any of the Society's volumes of essays. But since the 1980's, studies in this field, together with studies of the history of Japanese economic thought, have become more enterprising. This research trend helped to produce the Marshall symposium, the special issue on the *Annual Bulletin*, (1991), the publication of interesting volumes of essays on Marshall and new Japanese translations of Marshall's writings, such as *Economics of Industry* (1985) by S. Hashimoto, *Principles* (1985), *Industry and Trade* (1986), *Money, Credit and*

Commerce (1988) and *Memorials of Alfred Marshall* (1991) by Etsuro Nagasawa.

A summary of the five papers read at the symposium was published in the *Annual Bulletin of the Society for the History of Economic Thought*, no. 29, October 1991. The papers were as follows: 1) "English empiricism in Marshall: The concept of laws in economics" by K. Kasai, 2) "Marshall and H. Spencer: Marshall's evolutionary economics" by H. Isokawa, 3) "Marshall's critique of the tariff reform campaign in 1903" by Y. Onoda, 4) "On the logic of «life and progress» in Marshall's economics" by A. Fujita, and 5) "On recent Marshall studies" by S. Hashimoto.

The first paper throws light on the characteristics of Marshall's concept of economic laws and points out the significance of empiricism in Marshall's economics as well as his evolutionary economics from the viewpoint of the ecological approach in economics.

The second paper is devoted to showing the features of Marshall's evolutionary economics in relation to H. Spencer. Isokawa argues that Marshall not only evaluated biology as a higher science to be aimed at, but depended on the biological approach to form his basic thought in order to provide an answer to historical and social problems, especially the crisis of liberalism. Marshall had something in common with H. Spencer on this point, but whereas Marshall tried to answer by developing his evolutionary economics, Spencer did so through the formation of his evolutionary ethics.

In the third paper, Onoda firstly stresses that there are two aims in Marshall's economic thought: the elimination of poverty at home which causes degeneration, and the preservation of British industrial leadership in the keen competition with Germany and the USA. Since 1873 the decline of British foreign trade had posed a serious question with regard to traditional free trade policy. First, Onoda analyses in some detail J. Chamberlain's campaign to retain the protective tariff policy, supported by historical economists such as Ashley and Foxwell, and the "Anti-Chamberlain Manifesto" which supported free trade policy, and was signed by Marshall and 13 leading economists. And finally he takes up Marshall's memorandum on international trade and fiscal policy and Marshall's plan for "a federated Anglo-Saxondom".

In the fourth paper, Fujita poses the question of how we should interpret the relationship between the two approaches in Marshall's economic thought: the price-equilibrium approach and the human progress or econo-biology approach. According to the writer, the latter approach is the essence of Marshall's system, and

he maintains that the central logic of the human progress approach is Marshall's logic of "life and progress". He particularly stresses the significance of co-operatives in Marshall for maintaining economic progress and the intellectual and ethical progress of labourers.

In the last paper by Hashimoto, the general trend of Marshall studies is traced. Starting with the assessment of Marshall by Keynes, Schumpeter, Shove, Howey, and the studies on Marginal Revolution in general, he points out that Marshall studies began to take on a wider perspective through Whitaker and Wood, and that recent studies examined more in depth Marshall's economic thought as a whole in the context of social history, the history of science and wider perspectives of the history of ideas through the works of Maloney, Kadish, Groenewegen and others.

II

The special issue for the Centenary of Marshall's *Principles* in the *Annual Bulletin of the HET Society* (1991)

The following four articles were contributed to the special issue: 1) "Marshall on method in the *Principles*" by S. Hashimoto, 2) "Statics in Marshall's *Principles*" by M. Sakaguchi, 3) "Dynamics in Marshall's *Principles*" by E. Nagasawa, and 4) "Marshall's *Principles* and the Cambridge School" by M. Nei.

The first paper introduces and reviews the recent Marshall studies on method by Coase, Collard, Tullberg, Whitaker and others, focusing on Marshall's method in his early period and in the *Principles*.

The second paper is again a review article of the relevant studies on Marshall's statics centering on *Centenary Essays on Alfred Marshall*, edited by Whitaker (1990) and *Alfred Marshall in Retrospect*, edited by McWilliams-Tullberg (1990).

In the third paper which deals with Marshall's dynamics, two essential features are pointed out before discussing the concrete topics of dynamics in Marshall such as biological analogy, the long-term supply curve and distribution in organic growth: 1) The change and growth of factors of production, knowledge and organization to connect them and of the activity of entrepreneurs rather than the change and growth in the life of consumers. 2) The emphasis on the partial equilibrium approach or partial solution.

The final paper by Nei, which discusses Marshall's relation to the Cambridge School, focuses on 1) Keynes's rejection of Marshall's position that the economic

system is self-adjusting in the long run, and on 2) internal and external economies by contrast with Schumpeter's theory of economic development.

III

Takutoshi Inoue and Masashi Sakaguchi (eds.), *Marshall and the Economics of his Age*, Minerva Press, 1993, xvi, pp.303 (Japanese)

This volume of essays throws light on Marshall from the viewpoint of his contemporary economics in a wider sense. It is composed of two parts and ten chapters with preface, appendix and bibliography. It begins with "Marshall and Classical economics" by S. Hashimoto, which discusses in general how Marshall inherited and developed British Classical political economy by taking up Smith, Ricardo and J.S. Mill (though not Malthus), showing the essential features of Marshall's reconstruction of Classical political economy.

This first essay is followed by another entitled "Marshall and W.S. Jevons" by S. Vemiya, which clarifies the essential features of Marshall's economics as a theory of organic economic growth inherited from Smith in comparison with Jevons's system as a theory of economic maximization based on utilitarianism.

The third essay by M. Kondo on "Marshall and J. S. Mill: a comparative examination of their views on labourers" provides an interesting comparative account concerning their views on labourers, theory of population, education of labourers, trade unions and co-operatives.

This elaborate essay is then followed by H. Isokawa on "Marshall and H. Sidgwick", in which the writer focuses on the formation of Marshall's evolutionary economics in comparison with Sidgwick through a discussion of Sidgwick's influence on Marshall in his early period and a comparison of their thoughts in the process of their development.

The next essay on "Marshall and Keynes" by H. Hayashida provides in conclusion a list of comparisons between Marshall's and Keynes's economics, showing those points which Keynes inherited from Marshall and those renovated by him. This topic is too popular but provides good grounds for survey.

This is followed by a unique essay, "Marshall and Marx: «Waiting» and «Reproduction»" by K. Yagi which provides an interesting account of the nature of capital and interest in both economists. This is a sharp comparison from a fresh

viewpoint, and is both suggestive and stimulating for the reader who is familiar with both types of economics. But unfortunately the theme itself is far too vast to be discussed sufficiently in such a short space.

This excellent and suggestive essay is followed by another with new and excellent perspectives by M. Nishioka on "Marshall and Francis Walker: A reconstruction of orthodox economics in late 19th century England and the USA". This gives an excellent account not only of Walker's contribution to the formation of the early Marshallian theory and thought, but also of the important role played by Walker's economics in establishing Marshall's economics.

The next essay, "The place of Marshall in the history of monetary economics" by M. Okada tries to evaluate Marshall's monetary economics in comparison with K. Wicksell, and confirms in conclusion the Marshall-Wicksell-Keynes line in the development of the saving-investment approach, stressing Marshall's contribution as an important predecessor.

This instructive essay is followed by T. Inoue's invaluable essay on Marshall's economics in Japan, "The introduction of Marshall's economics into Japan". Its coverage is limited to the earlier period, 1890's to 1910, but gives a solid account of the influence of Marshall's economics in the development of economics in modern Japan with abundant material and wider historical perspectives on the introduction of modern economics into Japan.

The final essay on "The role of composite quasi-rent in organic economic growth" by M. Sakaguchi, is a technical essay of rather narrow scope which examines Prof. Baba's interpretation of composite quasi-rent, concluding that composite quasi-rent is a short-term phenomenon which disappears in the long-term. He denies therefore that it plays a central role in the process of organic economic growth. An appendix, "Marshall and the education of economics" and the bibliography are also useful.

This volume of essays as a whole aims at uncovering a totally new image of Marshall's system of theory and thought through wider, many-sided and more comprehensive perspectives and tries to show the position of Marshall in the history of economic thought. We may of course find some controversial issues here and there in the essays, in addition to which it is easy to see, for example, that the volume lacks discussion on the relation to Pigou and an indispensable comparison with Walras in order to build up a new understanding of Marshall. But it is nevertheless true to say that it provides abundant stimuli for all Marshall scholars.

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Shoichi Hashimoto(ed), *The Economics of Alfred Marshall,* Minerva Press, Kyoto, 1990, pp.X, 306 (Japanese)

Brief mention of this book was made in the report by Peter Groenewegen which appeared in the first issue of this *Bulletin*. As he lamented there, it is written in Japanese. This review intends to introduce it to fellow scholars outside Japan. Before reviewing the book, some information on the history of Marshall studies in Japan might not come amiss. Many of you may be surprised to learn that the introduction of Marshall to Japan dates back to 1886 when *Economics of Industry* was translated into Japanese. This was followed by a translation of the *Elements of Economics of Industry* in 1896 which was for a long time to remain a best seller. The *Principles of Economics* was used as a textbook for the first time in 1905 and was translated into Japanese in 1919. The translation of *Industry and Trade* appeared in 1923; and that of *Money, Credit and Commerce* in 1927. But it was only after the Second World War that substantial theoretical study began. The publication of Guillebaud's *Variorum* edition in 1961 and its Japanese translation in 1965 acted as a stimulus to Marshall studies in Japan. From then on, the number of articles dealing with Marshall has been on the steady increase. Translations of Marshall's works have been successively renewed during the 1980s: *Principles* and *Economics of Industry* in 1985, *Industry and Trade* in 1986, and *Money, Credit and Commerce* in 1988. As a centenary event, the annual meeting of the Japanese Society for the History of Economic Thought held in 1990 had a special session on Marshall. Its *Annual Bulletin* also featured articles on him. The book under review was published as the first volume in a series on Marshall studies now in progress.

Let us begin our review. I shall comment on each article in order.

The introductory chapter by Hashimoto, who is one of the leading scholars in this area in Japan, gives a chronological survey of Marshall studies, starting from Sraffa's critique up to the most recent contributions. He also illustrates the perspective shared by the contributors to this book. As noted by Groenewegen, the stress is on the "organic growth" which inevitably accompanies the advance of human beings and improvements in organization. All the contributors to this volume seem to share the understanding that the importance of Marshall's economics lies in the fact that he constructed it as a constituent and coherent part of the study of human beings.

Chapter 1, "The Formation of the Economics of Marshall" by M. Nishioka, discusses the early Marshall from the late 1860s up to the *Principles*, endeavouring to reconstruct Marshall's gradual but incessant progress towards this work. He asserts that two sources which flow into the *Principles* can be detected at the outset of Marshall's career as an economist. One is the point of view that was to lead to the idea of human capital formation. The other is the understanding of the demand-supply theory with emphasis on their reciprocal dependence through time. Nishioka shows how these seminal ideas grew step by step through criticism from and debates with others. His story seems to leave us in doubt as to whether there was not perhaps a significant turning-point on the way to the *Principles*.

Chapter 2, "The Province of Evolutionary Economics" by H. Isokawa, inquires into the sphere that Marshall's planned, but never-written, second volume of the *Principles* would have dealt with. In Isokawa's opinion, the three published volumes and the fourth unpublished one would have comprised a consistent system of evolutionary economics. Although to some extent recognizing the validity of a micro-macro division of Marshall's economics adopted in Reisman (1987), Isokawa argues that another more embracing norm of division is needed to capture the fourth volume in perspective. He considers the major part of the published three volumes as a retrospective survey of evolution up until Marshall's time, and the second volume of the *Principles* as prospective of the evolution to come. In this way he proposes a norm of division of a retrospective-prospective type. Using this norm, he concludes that the main theme of the second volume would have been that of how ethical improvement - which was the key to the evolution to come - would be guided by a government. However interesting and ambitious this conjecture is, the probably more important question of why the volume was never written remains unanswered.

Chapter 3, "The Economics of the «Standard of Life»" by M. Kondo, endeavours to show that the study of labourers was both a starting point and an end to Marshall's economics, in the sense that the improvement of the life and character of labourers was not only a motive which led him into economics but also the most important result which organic growth would bring forth. Assessing the formative process of the "standard of life" notion, Kondo characterizes the development of Marshall's economics as a gradual shift from the economics of desire to the economics of activity. While Kondo describes Marshall's organic growth as an upward spiral of high rates of efficiency of labour (therefore, of wages) and "standard of life", the precise meaning of the latter, in my opinion, remains to be clarified.

Chapter 4, "The Doctrine of Elements of Production" by S. Hashimoto, focuses on the fourth book of the *Principles* which Hashimoto asserts has so far failed to command the attention it really deserves. He thinks it shows how Marshall could have come out of the pessimistic vision of the Classical economists, the core of which he considers as consisting of three propositions. These are the law of decreasing returns, the Malthusian law of population and the wage-fund theory. Reviewing Marshall's critical treatment of these propositions, Hashimoto identifies a common theme in the idea that "substitution" and "external economies" can counteract, or at least delay for a long period of time, the dismal results the Classicals anticipated. In his opinion materialization of this idea is the addition of organization as the fourth factor of production.

In Chapter 5, on "The Theory of Industrial Organization", Hashimoto analyses the latter half of the fourth book of the *Principles*, which is exclusively devoted to the discussion of organization. In it, according to Hashimoto, Marshall argued that there is room for "substitution" and "external economies" to become the largest and most promising source for growth. He calls attention to the fact that various types of economies are discussed, of which those realized by entrepreneurs, though important, are merely a part. Hashimoto recommends that the theory of industrial organization be viewed as part of the theory of returns, thus indirectly criticizing the interpretation that puts emphasis on entrepreneurship alone. Another point he elaborately makes is that the progress of industrial organization is coupled with and guided by the ethical improvement of human beings. In his opinion, this feature is the characteristic of the Marshallian version of evolutionism.

Chapter 6, "An Aspect of the Price Theory" by T. Ogata, has a somewhat intriguing title, but its intention is clear. Ogata understands Marshall's price theory as distinct from the Neoclassical one in the sense that time and organization can never be abstracted from. As an introduction, he first reviews how the definitions and roles of the classical notions of free competition and natural price changed, and how Marshall himself understood them. He subsequently turns to the controversy aroused by Sraffa's attack on Marshall and the ensuing developments up to the theory of imperfect competition. The upshot of his argument is that this line of development is beside the mark Marshall aimed at and that the empirical critique by J. Steindl succeeds in making the same point as Marshall's, that is the interdependence between the way a market is organized and the way firms compete.

Chapter 7, "The Theory of Organic Growth" by M. Sakaguchi, asks why and how Marshall's growth theory of his early days became elusive later on in the *Principles*.

Sakaguchi begins with an assessment of the early draft on growth theory reconstructed by Whitaker in 1975, the logic of which, albeit with some evasiveness, is judged to be clear enough to be reconstructed as a mathematical model. Sakaguchi then traces Marshall's gradual shift to vagueness in the *Principles*. Special attention is paid to the evolution of the notion of "standard of comfort" and the later appearance of the "standard of living", the difference between which he explains in terms of a quantity-quality distinction. Following this, he argues that one can find a cumulative spiral made up of relations such as a qualitative rise in "standard of living" which brings about a high rate of wages through an improvement in labour efficiency, and vice versa, which he identifies as the core of Marshall's theory of organic growth. But, how does a qualitative upgrading bring about a quantitative rise? Probably, in the present reviewer's opinion, the "standard of living" is better not described as having only a qualitative aspect. We can understand factors like the love for one's own family or prospective ability, which are elements of the "standard of living", without difficulty, as also having quantitative aspects.

Chapter 8, "The Theory of Foreign Trade and its Politics" by Y. Onoda, mobilises not only the early essays but also memoranda and letters by Marshall with the aim of putting his theory of foreign trade and trade policies into the historical perspective of his time. Among the various topics discussed here, the one referring to Marshall's stance in the tariff reform debate is the most noteworthy. Onoda demonstrates Marshall's historical relativism in the dimension of policy issues, which means that free trade policy was preferred to protectionism because Marshall, having taken account of the interests of various classes, industries and so on, thought that a free trade would lead to greater benefits considering the historical conditions of Great Britain at that time. This interpretation raises the question whether and to what extent Marshall was a relativist in the theoretical dimension, which in turn might reveal the existence of a possible gap between the two dimensions. Another related topic is Marshall's concern over the industrial leadership of Britain. As Onoda elaborately shows, Marshall believed that the matter of Britain's leadership should be discussed along the lines of a parent-child relationship between Britain and her colonies.

Finally, a comment on the book as a whole. The sphere dealt with is mainly limited to the *Principles*. This is not because Marshall studies in Japan are in embryo but because the book under review was published as a first volume in the series mentioned above. The second volume has been published recently, and covers the area "Marshall and his contemporaries". The tone of interpretation of the *Principles*

revealed by each article is, as it were, that of Marshall fundamentalists. By this I mean that all the contributors seem to object to any attempt to interpret the *Principles* from the neoclassical point of view. Their shared aim is to interpret the economics of Marshall as evolutionary economics. Of course, this cannot be achieved only by study of the *Principles*. This book together with the ensuing volumes will hopefully give rise to a thorough evaluation of the economics of Marshall.

Kenji Fujii

Peter Groenewegen is currently negotiating with Cambridge University Press about the publication of a supplement to *Official Papers of Alfred Marshall* as edited by Keynes for the Royal Economic Society in 1926. It may be noted that the Royal Economic Society has likewise expressed unofficial interest in supporting this project if it goes ahead. The contents proposed for inclusion at this stage is as follows:

1. Marshall's evidence to the Committee on Higher Education in Wales and Monmouthshire given when Professor at Bristol in December 1881.
2. A Comment on Nicholson's evidence to the Gold and Silver Commission dated 30 June 1888.
3. Material from the Labour Commission (1891-94) including extracts from its final report which Mary Paley attributed to him, and extracts from his questioning of witnesses drawn from the sittings of Committee B and from those of the Commission sitting as a whole.
4. The first version of the Fiscal Policy of International Trade as identified by John C. Wood and published in 1903 as an internal public document, with cross references to the version actually published in 1908 and reproduced by Keynes in *Official Papers*, 1926.

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HISTORY OF ECONOMIC IDEAS

History of Economic Ideas is a new international series of *Quaderni di Storia dell'Economia Politica*, a journal founded in 1983 to promote collaboration between scholars who share an historical approach to the major issues in economics. The journal, which is written in English and published three times a year, examines the origins of these issues, the various "revolutions" which have left their mark on economics and the spread of economic ideas beyond the narrow circle of specialists. Besides essays and critical surveys, the journal includes archive material and reviews of new books on history of economics. The second issue (1993/2) contains the following articles: A. Zanini, *The individual and society. On the concept of "middle conformation" in Adam Smith's Theory of Moral Sentiments*; P. Bernholz, *The importance of Böhm-Bawerk's theory of capital and interest from a historical perspective*; M. Dimand, *100 percent money: Irving Fisher and banking reform in the 1930*; W.J. Samuels, *Three lives and the control of the human labor force through the control of government*; S. Manzocchi, *What concept of economies of scale? Old debates reconsidered in the light of the "new" growth theory*; A.W. "Bob" Coats, *Some reflections on Lakatos's methodology of scientifc research programs*. The third issue (1993/3 and 1994/1) is devoted to the work of Gustav Schmoller.

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SUBSCRIPTIONS AND INFORMATION: GRUPPO EDITORIALE INTERNAZIONALE®, Via S. Bibbiana, 30, I-56127, PISA, ITALY.

Annual subscription rates outside Italy, U.S. $ 55, U.S. $ 85 for institutions (single issue, U. S. $ 30). Joint subscription to HISTORY OF ECONOMIC IDEAS and IL PENSIERO ECONOMICO ITALIANO, U. S. $ 80, U. S. $ 120 for institutions.

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