

# Peter Groenewegen (ed.), *Official Papers of Alfred Marshall: A Supplement*

Royal Economic Society Cambridge: Cambridge University Press, 1996, pp. ix+362

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The volume under review provides a supplement to the well known *Official Papers of Alfred Marshall* edited by John Maynard Keynes (Macmillan, London, 1926). Continuity is emphasized by the fact that the volume appears, like its predecessor, as a Royal Economic Society Publication. In the earlier volume Keynes claimed to reproduce "the written Memoranda and Oral Evidence prepared by Alfred Marshall at different times for Government Departments and official enquiries" (p. v), although the inclusion of Marshall's 1908 "Memorandum on the Fiscal Policy of International Trade", with its complex origins, makes the description a shade too restrictive. Keynes omitted the 1880 evidence Marshall gave in his capacity as Principal of University College, Bristol, to the "Committee on Intermediate and Higher Education in Wales and Monmouthshire", doubtless on the grounds that it had little or no bearing on Marshall's economic views, the focus of the volume. He also chose to omit a short memorandum of 1888, provided by Marshall at the request of the Gold and Silver Commission and published in its proceedings. This responded to a previous memorandum provided to the Commission by Joseph Shield Nicholson but not published by it, no copy of which has since been traced. The lack of Nicholson's memorandum makes Marshall's rejoinder somewhat impenetrable and much of it merely reiterates points made in other memoranda Marshall had provided the Commission, memoranda which Keynes did reproduce in *Official Papers*. It was probably for these reasons that he chose to omit Marshall's rejoinder. Mary Paley Marshall had agreed: "I expect you are right to omit the reply to Nicholson" (letter of March 22, 1926, Keynes Papers).

Keynes claimed to reproduce "the whole of Alfred Marshall's contributions to official enquiries on economic questions with the exception of his work on the Labour Commission". This was left out of account since Marshall's involvement with the commission of 1891-94 was only as a commissioner. He was not called as witness, as were some commissioners, or *formally* consulted as an expert. Thus, Keynes observed, "it has been impossible in this case to identify or separate his contributions from those of the Commissioners as a whole" (p. v).

Service on the Labour Commission was a significant and influential episode in Marshall's career. It would have been difficult for him, as Britain's leading economist, to decline the assignment, but he had complained to Frank William Taussig shortly after completing the onerous service on the Commission that "Looking back at the Labour Commission, I feel I can use but little of what I learnt there. If I could write a book on Labour alone, it wd be different; as it is my book [the never-completed second volume of *Principles*] would be further advanced if I had read about the Commission just what I wanted" (*Correspondence*, Vol. 2, letter 469). But in the preface to *Industry and Trade* he claimed to have "received from working men and other witnesses, and from members of the Commission, the most valuable education of my life" (p. vii).

Marshall's role and activities on the Commission had been pretty well ignored until Peter Groenewegen recently delved into the matter – I had suggested the topic to students over the years, but had found no takers; the voluminous nature of the Commission's publications acted as a strong deterrent, especially to those with access

only to microfilm or microfiche editions. As a byproduct of his enquiries Groenewegen has been able to select from the extensive record of the oral examination of witnesses various portions in which Marshall was the questioner. Supplemented by portions of the Commission's final report in which Marshall's hand appears to be prominent, and by a manuscript draft from the Marshall Papers, apparently designed for the Commission's final report but not incorporated, the new Labour Commission material covers almost 200 pages – more than half the 356 page text – in Groenewegen's *Supplement* volume.

The text is completed by the 1880 "Welsh" evidence (48 pages), the rejoinder to Nicholson (8 pages), an appendix (58 pages) concerning the 1908 Memorandum on Fiscal Policy, and a series of careful editorial introductions to the reproduced items.

The inclusion of the appendix derives from the claim by John Cunningham Wood to have discovered in the Treasury a printed copy of the original 1903 version of Marshall's "Memorandum on the Fiscal Policy of International Trade" which differs very considerably from the version eventually published as a Parliamentary Paper in 1908, thus belying Marshall's claims (*Official Papers*, p. 368, *Correspondence*, Vol. 3, letter 962) to have made only limited and specific alterations. Groenewegen reproduces the 1903 document, but argues compellingly in his introduction to it that it is not by Marshall, confirming my previous conviction (cited by Groenewegen p. 306, n22) that the evidence provided by Wood was totally inconsistent with Marshall's authorship. There is a temptation to attribute the piece, *faute de mieux*, to Marshall's correspondent in the Treasury, Theodore Llewelyn Davis, who is known to have written a memorandum in the summer of 1903 on the issue of the day, but there is no firm evidence to support such an attribution and authorship remains unknown.

The Treasury memorandum is competent and not devoid of interest, but considering the vast amount of writing provoked by Chamberlain's fiscal proposals the case for reproducing it seems tenuous. I would have preferred, for example, reproduction of the series of articles in *The Times* by William Albert Samuel Hewins which played an important part in provoking Marshall's own involvement in the controversy. Even better would have been an expansion of the Labour Commission material and a relegation of the issues taken up in the appendix to some other venue. However, judgements on this may well differ and it is useful to have the matter disposed of definitively.

Little needs to be said about the rejoinder to Nicholson. The lack of Nicholson's original makes the argument difficult to follow, despite Groenewegen's best efforts. Marshall emphasizes that the standard quantity-theory prediction rests on a *ceteris paribus* condition but does not go significantly beyond what is already clear in his "Early Essay on Money" of about 1871 (*Early Economic Writings*). The most interesting statement is that "the prevalence of the [unjustified] opinion that a fall in the gold price of silver will lower prices may certainly cause such a fall, when it occurs, to check confidence, enterprise, and credit, and may thus somewhat lower the average level of prices" (p. 75). Is this an early anticipation of the concept of "sunspot equilibria"? In terms of substance, Keynes was probably correct for his day in omitting the memorandum from his edition, but at this point the compulsion for completeness may justify its inclusion, even though its substantive contribution is minimal.

The 1880 evidence to the "Welsh" inquiry is mainly of biographical interest, although it throws some light on Marshall's educational views. Much of the evidence is taken up by straightforward description, or clarification for questioners, of the state of affairs, plans, and prospects of the somewhat unprosperous Bristol College, which had opened in 1876 and of which Marshall had been Principal since 1877. The college was extremely small by modern standards – little if any larger than a typical modern university department – but it was notable as a pioneer of coeducation in Britain. Of more general interest are some of the educational hobby horses that Marshall rides. His conviction

that, apart from a few bluestockings easily spared by their families, young women would best study part time at a local college, allowing them to reside at home and perform important family functions, was already well formed. This conviction was to play a significant role in Marshall's subsequent arguments opposing degrees for women at Cambridge, or even the expansion of residential opportunities for women there. One wonders what Mary Marshall thought of it all.

The Cambridge – indeed British – obsession with elaborate formal examining is conveyed in the preconditions Marshall indicates as necessary for effective examining. Examiners should be specialists in the subject, be between 30 and 50 years old (mature but still vigorous!), should not have taught those examined, but should have had experience in teaching the examined subject. Successive versions of the same generic examination should not be repeatedly set or marked by the same examiners, as the papers would become predictable: "An able crammer, if you give him 50 examination papers set on any subject by any one specialist could put his pupil through a course of study that would probably enable him to get 20 per cent more marks" (p. 31). These conditions taken together severely restricted the nation's ability to provide competent examiners in any subject or related set of subjects, and demands for examining service from too many separate examining bodies could easily overload the small pool of competent examiners and divert them from their scholarly avocations. Hence, in Marshall's view "teaching ought to be localized and examining centralized" (p. 43). Local colleges would not be able for a century to conduct individually adequate degree examinations as these would require a staff of 50 in each group of subjects and 200-300 overall if undue reliance on external examiners was to be avoided. Oxford and Cambridge hardly met such a precondition. Nevertheless, small as they were, local colleges needed to offer faculty members the opportunity to specialise and to undertake research and scholarship. This would allow able teachers to be hired for a salary of less than half of what they could have earned at a leading school as full-time teachers with little time or opportunity to pursue their own researches. Mere teaching hacks would in any case be unable to hold the attention of college students: "they will not listen with patience to having a text book taught to them. You have to teach adults by persuading them that you are teaching something that they could not easily learn by reading a text book; and, consequently, I think it is impossible for a class to be held together, except by a man who has devoted the greater part of his time to the subject he is teaching and who is a leading man in that department" (p. 29). The need to allow specialisation limits the range of subjects a small college can offer, nevertheless too narrow a range of offerings can make it difficult to attract students to a college since there will be a considerable individual variation in the needs and interests of potential students.

The thought processes of the economist are revealed at several points. Student demand at the Bristol college might be reduced sufficiently by a fee increase to yield lower total fee receipts, but might actually be increased by the competition of other local educational institutions, since the availability of a range of educational options would attract foot-loose families to resettle in the catchment area (pp. 16, 30, 48). Proximity to a college is important to those who can attend while residing at home or with a relative but much less so to those who must leave home since the increase of transportation cost with distance is negligible compared to the total cost of college attendance (p. 18). Hence, it is difficult to start a new college away from a large urban area unless many earmarked scholarships are available to attract students to it.

In all, the evidence is of considerable interest and well worth making more readily available than it has been hitherto. It bears only slightly on Marshall's views on economic and social policy, and does not reveal him as a particularly prescient forecaster of higher-educational trends in the provinces. But it does throw light on the frustrating gap between his high and perhaps unrealistic educational ambitions and the compromises called for by the parlous state of the Bristol college. One senses that the task of shepherding a small struggling institution to piecemeal improvement through

incessant compromise and pragmatic adaptation was not one for which Marshall was fitted by temperament.

The most valuable material in the book is, however, undoubtedly that relating to the Labour Commission. The two extracts reproduced from the Commission's final report bear Marshall's stamp in both content and cadence, echoing some familiar Marshallian themes. There is a short 6 page section (Part II section 7 of the Report) on good and bad effects of trades unions, and a longer 30 page section (Part VI of the Report) on irregularity of employment, which includes an assessment of the mitigating possibilities of temporary public employment. Direct evidence of Marshall's authorship is not available and the attribution to him rests mainly on claims made by Mary Marshall to Maynard Keynes in 1924 and 1926. These claims seem plausible, but there remains uncertainty as to the extent to which a draft by Marshall may have been edited, amended or amplified at the suggestion of others, or tailored in advance to meet the supposed views of other Commissioners so as to secure their collective approval. My guess is that these extracts are in fact largely unadulterated Marshall, and if so they – especially the longer piece – do provide a useful but not revolutionary addition to the Marshallian canon. Like difficulties do not apply to Marshall's 9 page "Memorandum on Disputes and Associations within Particular Trades Considered in Relation to the Interests of the Working Classes in Other Trades". This is based on a manuscript in his hand and clearly indicates that the Labour Commission was the intended audience. (The manuscript was not included in *Early Economic Writings* as its date lay beyond the 1890 cutoff, but has been well known to scholars who have consulted the Marshall Papers.) This short piece too is a modest but useful addition to the canon.

It is Marshall's examination of witnesses that provides the most fascinating and entertaining material in the book, however. We see him hectoring Sidney Webb on a quite extraneous issue in a way coming close to an abuse of authority, while at the other extreme Sir Robert Giffen blandly and patronisingly dismisses both American statistical work and Marshall's own suggestions that his office at the Board of Trade might be able to improve its own statistical work. Henry Hyndman is subjected to the kind of indulgent coaxing that a rather dense Cambridge pass student might get in a tutorial, but Thomas Mann – a fellow commissioner – is subjected to a heavy dose of Socratic questioning which aims to convert him to Marshall's view of things rather than to extract and clarify his own views. This, I think, exemplifies a general weakness in Marshall's questioning. He tends to be more interested in proving that witnesses are wrong or misguided than in trying to understand and evoke their own thoughts, but the intended function of the witnesses was presumably to educate and inform the Commission, not to be educated by it. The most successful interaction was that with the American statistician Elgin Ralston Lovell Gould, a poised and articulate witness with whom Marshall was clearly impressed and from whom he was clearly anxious to learn.

Marshall's inquisitions throw new light on his character and verbal virtuosity, and are a "must read" recommendation. But there is some danger in treating his questioning as fully representative of his views, since he would obviously steer clear of topics already dealt with by other commissioners, or which he felt other commissioners would wish to pursue. Despite valiant editorial efforts to close the gaps, frequent allusions to questions of other commissioners or to the answers witnesses have already given to such questions can only be fully resolved by going back to the original full report. Fascinating as the extracts are they cannot stand alone as a self-contained research aid.

As is to be expected, Peter Groenewegen's editorial work, surrounding and annotating the original material, is careful and exhaustive. One thing missing, however, is substantive biographical information on the witnesses quizzed by Marshall before the Commission. These witnesses are for the most part well known but, for example, Gould (whose full name and years are not even given) is hardly a well known figure (and on the

evidence given here perhaps deserves to be better known). In reading through the original material that is reproduced I came across several words or phrases which are clearly erroneous and serve to garble the message. Whether due to the mishearings of a stenographer or the errors of a typographer, these would perhaps have deserved editorial notice. There are also some errors in the transcription of the manuscript from the Marshall Papers. The needed corrections of both sorts are briefly indicated in a footnote (1). But these are minor blemishes and Peter Groenewegen certainly deserves a vote of thanks for making these materials more widely and easily accessible than hitherto.

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## Notes

1. The following apparent errors were noted. Each case gives the page and line of text, the word or phrase in question, and the suggested alteration. Subheadings but not footnotes are included in line counts. Only those deviations from the manuscript involving sense or grammatical structure are reported.

### *Published evidence*

18:5up/for Bristol/from Bristol; 72:19/important/importing; 154:1/leather/leisure; 195:14/ /connected/corrected; 206:14/those/whose; 214:5/time/true; 238:21/correspondent/ /component; 264:12/it is/is it; 275:9/performer/reformer; 280:10/unemployed/employed.

### *Manuscript*

287:8/III/VII; 287:15/VII/VIII; 287:30/carefully/chiefly; 288:10-11/persons who can speak/persons who have considered the former and who can speak; 288:11/evidence of the latter/evidence on the latter; 288:25/disadvantageous/disadvantageous terms; 288:3up/ /weaver and less high/weaker and less highly; 289:6/the attempt/and the attempt; 291:2/ /as/as to; 291:16/coal owners/mine owners; 292:13/by this checking to demand/by thus checking the demand; 295:10/dangers/danger; 295:17/that it should work/that its strength should grow without limit and that it should work.

