

H.M. Robertson (1905-1984) took his Ph.D. at Cambridge in the late Twenties. He spent most of his life in South Africa, where he taught Economic History and Economics at the University of Cape Town from 1930 to 1970. Biographical details and an account of his research work can be found in the Obituary by J. De V. Graaff in the South African Journal of Economics (52:3, 204-9, September 1984). He is known in the field of Marshall studies for a long essay on Marshall's treatment of distribution published in HOPE 1970 (see reference below). The paper that we reproduce here is a further, somewhat lighter contribution by Robertson, which to the best of our knowledge has never appeared in print. The original typescript resurfaced from a bundle of old papers held in a cabinet at the Dipartimento Scienze Economiche, University of Florence, where Robertson was invited by Giacomo Becattini to hold a lecture to the students who attended the latter's course on "Political Economy and Socialism in Victorian England". The typescript is undated, but since Becattini taught the course only once, in the academic year 1980-81, early 1981 is the most likely date. A few obvious typos have been corrected without notice. Other editorial insertions, mostly bibliographical references (footnotes were appended to the main text but most of them were left blank), are signalled by square brackets.

Some thoughts on the relationship between the *Economics of Industry and the Principles of Economics*^[1]

H.M. Robertson

1.- It is not easy for me to have my say on Marshall in a single lecture, especially since my job is to tell you (or draw to your attention) some of the things you would not easily find for yourselves in books. This, I might mention in passing, was also Marshall's own conception of what a university lecture should do; and this he carried out often to the bewilderment of his class, because Marshall had such store of knowledge, and such intuition regarding the infinite interrelationships of socio-economic phenomena (which might be too complicated to be comprehended within any conceivable formal "model"), that the actual germination in the minds of his listeners of the intellectual seed which he broadcast so profusely was as chancy as that of the shyest in propagation of any of our wild flowers or proteaceae. But he expressed his utmost contempt of a teacher who

^[1] At the end of the paper there is the following abstract] The author, in this lecture, provides a reminiscence of Mrs Marshall and impressions given him many years ago by some who had known both Marshalls. He discusses, briefly, aspects of Marshall's concepts of continuity, and how they influenced the objectives and the structure of his work. He takes up the puzzle, recently discussed by Professor Giacomo Becattini, of Marshall's later disapproval of the *Economics of Industry*, published jointly by Alfred and Mary Paley Marshall in 1879. He picks out some features in this book which deserved preservation rather than suppression.

“dictated a sort of textbook of his own”.¹

I never saw Marshall in the flesh. He died at the age of just 82, 2 years before I went up to Cambridge; but I would not have met him had he still been alive, since he had resigned his chair when 66. Nor, had he been alive, would I have met Mrs Marshall; for she would then have been engaged in cosseting Alfred and assisting him, in his old age, in rescuing from oblivion more of the work of his comparative youth, like *Industry and Trade*, or *Money, Credit and Commerce*, which were published only in 1919 and 1923, when he was 77 and almost 81. As it was, she presided every day over the Marshall Library, in its original first humble habitation in Downing Street behind St. Andrew's Presbyterian Church, before going further along the street to the building previously occupied by the Squire Law Library or moving far across the river (but closer to Balliol Croft, the Marshall's home) to its present premises. Nor did she regard her duties as purely formal. It was a library whose resources she knew better than anyone, and she was quick to spot a newcomer and to find out why he was there and take a helpful interest in his work. I confess it was a little surprising to reflect on how this obviously mentally alert and spiritually young and lively old person, who clearly enjoyed the company of the young, could for so long [have] abandoned, so to speak, her own personality as a scholar and teacher in her own right, to become part nurse, part amanuensis, part subordinate research assistant, merely “devilling” material for someone else to use, for a man who from all accounts, for all his genius, had become something of a valetudinarian, something of a recluse, something of an eccentric and, indeed, something of a domestic tyrant. I could not imagine her as a woman who would have stood for years of submission to domestic tyranny.² My own understanding (such as it is) of Mary Paley Marshall's role came only later from observation of R. Fay's attitudes about the Marshalls. There was the affection for Marshall of genuine humility,

¹ Cfr. *Memorials of Alfred Marshall*, ed. by A.C. Pigou, London, MacMillan, 1925, pp. 448-49.

² If interested in personalities, you might like to read C.W. Guillebaud's personal reminiscences of his uncle [‘Some personal reminiscences of Alfred Marshall’] in “History of Political Economy”, Spring 1971 [vol. 3], pp. [1-8] but I would like to add what Guillebaud had written to me about this earlier, before publication: “Some months ago Austin Robinson brought a lot of pressure to bear on me to put on paper, while I was still alive and able to do so, what I could remember of my personal contacts with Marshall. I agreed to do this finally, though not without some reluctance, partly because, for reasons that I explain in what I have written, my reminiscences are very slight and trivial; and partly because I felt I would run the risk of appearing disloyal to the memory of a great man for whom I have always had unbounded admiration and regard. As to this latter aspect, Marshall really was in many ways a very odd and idiosyncratic individual. Keynes is said to have characterised him, as a human being, as ‘preposterous’. In my own case, what is now popularly described as the ‘gulf or gap between the generations’, was so great that the personal and human relations between nephew and uncle were incredibly marked by a mutual lack of understanding”.

for the way in which Marshall had always been ready in ways both kingly and unassuming to turn his massive intellect to work to assist Fay in any sort of problem in which such help would be effective; and perhaps some fellow-feeling on the part of one who had himself experienced nervous strains which had at times interrupted his intellectual work. For Mary Marshall there was glowing affection for someone whose strong sense of humour kept her, in all circumstances, good humoured. It is nowadays a matter of regret for me that I ceased to be a regular frequenter of the Marshall Library, where I would have continued daily colloquies with Mrs Marshall, because material for the work which I was doing proved actually to be more plentiful in the Cambridge University Library.

I would not guarantee that my observations or reflections about Mrs Marshall were entirely spontaneous. I was a disciple of a medieval economic historian, Dr. Maud Sellers, who had gone up to Newnham in its very early years (I think the second) where she became friendly with Mary Paley, and she continued as an occasional visitor to the Marshall's house. She looked on Mary Marshall as a woman put upon, and she had little affection for Alfred. Indeed, from her reminiscences to me, I seem to recall one instance in which Mrs Marshall's sense of humour may have worn a little thin. After a lunch at Balliol Croft, during a fine summer, someone remarked to Mill Sellers on the Beauty of the weather and said it would be lively to bask all afternoon in the sun. Maud Sellers replied with her customary forthrightness (and no doubt in righteous recollection of working hard throughout the heat of the day, teaching in a school in sub-tropical-Queensland in another of her ventures into uncharted territory for those brought up as sheltered young Victorian women, and no doubt clad in all the layers of mid-Victorian costume which she still habitually wore in the 1920s) that in her view only very lazy people basked their time away in the sun. But just as she did so, Mary Marshall was there, waiting for them to finish their conversation in order to shoo them away, in order that Alfred could be undisturbed to bask in the garden in the sun, and she showed her annoyance. Maud Sellers, I might add, was unrepentant; she thought Marshall pampered himself and she believed that he was lazy. As a result, however, of this vicarious introduction to a Marshall household which I never entered, I think I had in the earlier stages of my academic life a certain prejudice against Alfred Marshall which by the end of my academic career had been fairly thoroughly dissipated. It certainly does not exist now!

2.- I am sure that in your earlier lectures on Marshall you have been told of his frequent quotation - of which it is easy to make fun - of the two mottoes or catchwords: 'Natura non facit saltum' and 'The many in the one, the one in the many'. The first was the motto of the *Principles of Economics* and the second of *Industry and Trade*, while, taken together, he said they signify that "economic evolution is gradual and continuous by each of its numberless routes".

He constantly invoked - or very frequently followed without invoking - these principles of continuity, and indeed upon various routes. One way was by his invoking a

principle of continuity - and neither a dialectical oscillation nor a revolutionary change from old to new “paradigm” - in the evolution of economic thought itself. The preface to *The Economics of Industry* asserted this continuity. Mary Paley had started this book before her marriage, at the request of some Cambridge University extension lecturers for a little text book, and it was completed jointly by Alfred and Mary Paley Marshall and published in 1879 - Professor Becattini indeed suggests that after their marriage Alfred tore it virtually out of Mary's hands, and that beyond Book I, Ch. V, (there were 26 more chapters) it was all his work. It was, according to the Preface, “an attempt to construct on the lines laid down in Mill's *Political Economy* a theory of Value, Wages and Profits, which shall include the chief results of the present generation of Economists...”. Thus its originality was successfully hidden away from most readers, and indeed its success in the market may have come in part from this, since it did not lead to fears that it might lead along unorthodox paths. To Marshall that other celebrated preface (of Jevons in the 2nd ed. of his *Theory of Political Economy*) seemed both false and harmful, viz. that “that able but wrong-headed man, David Ricardo, shunted the car of Economic science on to a wrong line, a line, however, on which it was further urged towards confusion by his equally able and wrong-headed admirer, John Stuart Mill”.³

In the *Principles of Economics* of 1890, Marshall made a similarly modest appraisal of his own book, according to the principle of continuity within “Economic science (which) is and must be of slow growth”, and in which when properly assessed, some of the more recent work which “has indeed appeared at first sight to be antagonistic to that of earlier writers ... has been found to involve no real breach of continuity in the development of the science...”.⁴ And so, he wrote, “the present treatise is an attempt to present a modern version of old doctrines with the aid of the new work, and with reference to the new problems, of our own age”.⁵

But though Marshall could bear with equanimity imputations of unoriginality he could not bear imputations of facile eclecticism which did not steadfastly seek “the one within the many”. “One thing alone in American criticism irritates me, though it be not unkindly meant. It is the suggestion that I try to ‘compromise between’ or ‘reconcile’ divergent schools of thought. Such work seems to me trumpery. Truth is the only thing worth having; not peace. I have never compromised on any doctrine of any kind ...”.⁶

To go back to his prefaces: *The Economics of Industry* (Preface to 2nd ed. 1881) was designed “to show that there is a unity underlying all the different parts of the

³ [W.S. Jevons, *The Theory of Political Economy*, ed. by R.D. Collison Black, Harmondsworth, Penguin Books, 1970, p. 72.]

⁴ [Marshall, *Principles of Economics*, ninth (variorum) edition, edited by C.W. Guillebaud, London, Macmillan, 1961, vol. I, p. v.]

⁵ [Ibid.]

⁶ [Letter to J.B. Clark, 24 March 1908, *Memorials*, p. 418.]

theory of prices, wages and profits”⁷ which was all that the little book was ostensibly supposed to deal with, but the principle of continuity, of course, plays havoc with self-imposed limits. The *Principles* blazoned this principle more strongly forth and indicated some of its further fields of application. Admitting the usefulness of the view that Economics is a positive science, and that “Economics are statements of tendencies expressed in the indicative mood, and not ethical precepts in the imperative”⁸, he yet pointed out “But ethical forces are among those of which the economist has to take account”⁹, for they mingle with other forces in the determination of human actions. “If the book has any special character of its own, that may perhaps be said to lie in the prominence which it gives to this and other applications of the Principle of Continuity”.

¹⁰

“This principle is applied not only to the ethical quality of the motives by which a man may be influenced in choosing his ends, but also to the sagacity, the energy and the enterprise with which he pursues those ends There is a continuous gradation from the actions of ‘city men’, which are based on deliberate and far-reaching calculations, and are executed with vigour and ability, to those of ordinary people who have neither the power nor the will to conduct their affairs in a business-like way ... but, when that is once understood, the theory of normal value is applicable to the actions of the unbusiness-like classes in the same way, though not with the same precision of detail, as to those of the merchant or banker”.¹¹

“As there is no sharp line of division between conduct which is normal and that which has to be provisionally neglected as abnormal, so there is none between normal values and ‘current’ or ‘market’ or ‘occasional’ values. The latter are those values in which the accidents of the moment exert a preponderating influence; while normal values are those which would be ultimately attained, if the economic conditions under view had time to work out undisturbed their full effect. But there is no impassable gulf between these two; they shade into one another by continuous gradations ... For the element of Time, which is the centre of the chief difficulty of almost every economic problem, is itself absolutely continuous: Nature knows no absolute partition of time into long periods and short; but the two shade into one another by imperceptible gradations, and what is a short period for one problem, is a long period for another”.¹²

⁷ [A. and Mary Paley Marshall, *The Economics of Industry*, 2nd edn, London, Macmillan, 1881, p. v.]

⁸ [*Principles*, vol.I, p. vi.]

⁹ [Ibid.]

¹⁰ [Ibid.]

¹¹ [Ibid., pp. vi-vii.]

¹² [Ibid., p. vii.]

“Thus ... the greater part, though not the whole, of the distinction between Rent and Interest on capital turns on the length of the period which we have in view ... and thus even the rent of land is seen, not as a thing by itself, but as the leading species of a large genus; though indeed it has peculiarities of its own which are of vital importance from the point of view of theory as well as of practice”.¹³

“Again, though there is a sharp line of division between man himself and the appliances which he uses ... yet, after all, these material goods are themselves generally the result of human efforts and sacrifices. The theories of the values of labour, and of the things made by it, cannot be separated; they are parts of one great whole ...”¹⁴ There was, he pointed out, a fundamental idea running through all the various parts of the central problem of Distribution and Exchange; and the fundamental unity of this he and Mrs Marshall had tried to show in the *Economics of Industry*. But the drift of the arrangement, he said, had not been made sufficiently clear. “Another application of the Principle of continuity”, he proceeded, “is to the use of terms. There has always been a temptation to classify economic goods in clearly defined groups, about which a number of short and sharp propositions could be made, to gratify at once the student’s desire for logical precision, and the popular liking for dogmas that have the air of being profound and are yet easily handled”.¹⁵ Yet it could prove misleading. “The more simple and absolute an economic doctrine is, the greater will be the confusion which it brings into attempts to apply economic doctrines to practice, if the dividing lines ... cannot be found in real life”.¹⁶

But there were other applications of the principle: “The notion of continuity with regard to development is common to all modern schools of economic thought, whether the chief influences acting on them are those of biology ... of history and philosophy ... These two kinds of influences have affected, more than any other, the substance of the views expressed in the present book; but their form has been most affected by mathematical conceptions of continuity ...”¹⁷ Here he mentioned two aspects, first that the mathematical notion of functions could rescue one from fallacious chain-arguments: “Nature’s action is complex: and nothing is gained in the long run by pretending that it is simple, and trying to describe it in a series of elementary propositions”¹⁸. The other was that “our observations of nature, in the moral as in the physical world, relate not so much to aggregate quantities, as to increments of quantities ...”¹⁹ It is, however, worth stressing here that Marshall saw the role of mathematics as a *supplement* to unguided

¹³ [Ibid., p. viii.]

¹⁴ [Ibid.]

¹⁵ [ibid., p. ix.]

¹⁶ [ibid.]

¹⁷ [Ibid.]

¹⁸ [Ibid., p. x.]

¹⁹ [Ibid.]

common sense, not as a *substitute* for the application of common sense, and I would like to quote Marshall's famous description of his method: "But I know I had a growing feeling, in the later years of my work at the subject that a good mathematical theorem dealing with economic hypotheses was very unlikely to be good economics: and I went more and more on the rules - (1) Use mathematics as a shorthand language, rather than as an engine of enquiry. (2) Keep to them till you have done. (3) Translate into English. (4) Then illustrate by examples that are important in real life. (5) Burn the mathematics. (6) If you can't succeed in 4, burn 3. This last I did often"²⁰.

I give you this extract in full because though often quoted, it is so frequently quoted to end at stage 5 as to arouse strong suspicion that the quotations are carried over from one author writing about Marshall to another author writing about Marshall without any independent reading of Marshall himself at all. For it was stage 6 that was all-important and it involves not the possibility of translating the mathematics into English, but that of translating the mathematics into economics - and into economics of some significance, at that. For ill-applied mathematics can be just as inimical to good economics as fallacious, non-mathematical chain-arguments. As Marshall mentioned later in the letter, "Mathematics used ... by a man who is not a mathematician by nature - and I have come across a great deal of that - seems to me an unmixed evil"²¹. Marshall fortunately did not always burn the mathematics, as can be seen from the mathematical appendix to the *Principles*, which is often very helpful in making absolutely clear one's understanding of the text. But he undoubtedly burned too much. If he had preserved all - or at least many more - of his workings, and had provided a complete mathematical companion to the *Principles*, I believe he would have lengthened still further the effective life of the *Principles* as a major item in the armoury of economic enquiry, and saved the later development of economics from a good deal of unnecessary effort, and from some blind alleys.

3.- It was along these lines that the little book of 1879 as well as the big book of 1890 had proceeded. Indeed there were elements of happy expression in the little book which the big one somehow lacked. Book II of the *Economics of Industry*, on Normal Value, for example started off with the "law of demand", which was rather neatly described as the "Law of the eagerness of buyers". It derived the law of diminishing eagerness - or diminishing utility - from the revealed preferences of a potential purchaser faced with a price schedule for flannel, who would have bought only one yard at 5s. but who buys 20 yards (yet who would not be induced to buy 21 yards) at 1s, per yard (pp. 69-70); and, out of respect for continuity in terminology, it adopted "Mr Jevons' happy phrase", that in the example, "the *Final Utility* of a yard of flannel to him is measured by one shilling". In the *Principles*, however, he found that the same principle allowed him to adopt an almost exactly similar concept of "marginal utility" employed by the Austrians, which he preferred.

²⁰ [Letter to A.L. Bowley, 27 February 1906, *Memorials*, p. 427.]

²¹ [ibid.]

However, the Marshalls had not delayed long over this concept before pointing out that it was one-sided to consider normal value as determined by the eagerness of buyers to buy without considering the factors which determined the eagerness of sellers to sell. And here they exercised their ingenuity in showing the continuity between reckoning up all the money costs involved (including what the person concerned could have earned in another capacity), which directly influenced producers' decisions (which they defined as their "expenses of production") and a more profound and difficult calculation, which underlay these money expenses, of all the muscular exertion and fatigue and abstinence from immediate consumption directly or indirectly involved in the production of the goods (73). These real costs of different sorts, which even though their money measures were the same, "are certainly not equal to another", would thus exert their influence on value (and an equal influence for each equal expense, but unequal cost) "... not directly indeed, but indirectly - Cost of production affecting Expenses of production, and Expenses of production affecting Value" (94-5, 97, 146, etc.).

"It is then incorrect to say, as Ricardo did, that Cost of production alone determines value: but it is no less incorrect to make utility alone, as others have done, the basis of value ... It is true that the price of every commodity must be the measure of its Final utility ... But it is not true that this Final utility determines value: for it changes itself, according to the Law of Demand, with every change in the amount of the commodity that is offered for sale ... " (148). This conclusion - which may well have been formulated before Jevons' or Menger's books had been written (though hardly before Jevons' anticipatory paper to the British Association in 1862) - remained Marshallian doctrine to the end.

4.- I would have liked to have taken you on a more extensive tour of this little book, for it is exceedingly scarce, so that it would be a legitimate task of enlightenment for me to take you through it on the basis of the notes I once took when reading the second edition of 1881 - the only copy I have had in my hands. I know of no copy of it at all in South Africa. Today it is probably less accessible in English than in Italian, since the publication in 1975 of an Italian translation [22]. Professor Becattini's introduction, "An invitation to a re-reading of Marshall" which, covering 114 pages, is a long introduction to a short book. They are 114 fascinating pages, too, covering a good deal of biography, a discussion of the economic and social milieu of the Britain in which, and for which, Marshall was writing, and some very acute observations on the book itself. The problem that most has intrigued Professor Becattini has been the problem of why Marshall, after the publication of his *Principles*, suppressed the little book. This is a problem already touched upon by Ray Petridis ²³ in which he put forward changes in Marshall's attitudes

²²[A. Marshall e Mary Paley Marshall, *Economia della produzione*, with an introduction by G. Becattini, Milano, ISEDI, 1975.]

²³ [A. Petridis, 'Alfred Marshall's Attitudes to and Economic Analysis of Trade Unions:

to Trade Unions as a possible explanation, at any rate in part. Becattini seems to suggest, on the other hand, that Marshall may subsequently have felt that, for reasons connected with its origin, it scraped too closely to “capitalist” apologetics.²⁴

That Marshall acquired a dislike for the book is undoubted. I feel inclined to give more weight to some of Marshall's own statements which seem to bear upon the point. For example, I doubt whether he ever got over his dismay, as the result of Macmillan's not wanting to sacrifice the use of type that had already been set up, over the fact that to him the book was something of a hybrid: “The first chapters were written at a time when it was proposed to give the volume a more elementary character than was ultimately found advisable.”²⁵ There is his statement in the *Economic Journal* in 1898²⁶ that, though he adhered to the general notion of distribution set out in 1879, “there are changes: for I was unwilling at that time to write upon distribution at all, because I did not then see my way clearly as to some parts of it.”²⁷ There was his complaint, in an autobiographical fragment, that he had intended first to write a series of special monographs, out of which he would fashion a general treatise, and then, but not before, he might be ready to write a short popular treatise, but he had had, perforce, to stand his programme on its head. This was coupled with the further complaint that the *Economics of Industry* had been “forcibly simplified for working-class readers”²⁸

Perhaps the most significant admission of some of his reasons for dissatisfaction, from one who so fiercely proclaimed “I have never compromised on any doctrine of any kind”²⁹, came in asking Francis Walker to accept a short interim reply to some criticisms he had raised, until the appearance of the *Principles*, which “will contain a full statement of my position as to business earnings, and deal with certain difficulties which are evaded not only here (i.e. in this reply) but in the *Economics of Industry*”³⁰. But I admire the perceptiveness with which Becattini has seen that, as it were, the very attachment of his favourite pupils at Cambridge to the little green book, as a sort of summary pre-view of the *Principles*, putting in a clear explicit light what was obscured in the subtle nuances of the bigger work, was what finally turned him to revulsion. It showed that they had not appreciated that these subtler nuances were not embellishments of, but movements away from the clearer simplicity of 1879³¹.

A Case of Anomalies in a Competitive System’, *History of Political Economy*, 5:1 (1973), pp. 165-98.]

²⁴ [G. Becattini, introduction quoted in note 22 above, pp. lxxxvii-xciii.]

²⁵ [*Economics of Industry*, p. vii.]

²⁶ [A. Marshall, ‘Distribution and Exchange’, *Economic Journal*, 8 (1898), pp. 37-59.]

²⁷ [*Ibid.*, p. 58]

²⁸ [*Memorials*, p. 20.]

²⁹ [*Ibid.*, p. 418]

³⁰ [A. Marshall, ‘The Theory of Business Profits’, *Quarterly Journal of Economics*, 1 (1888), pp. 477-81.]

³¹ [Becattini, introduzione, p. cx.]

In place of the *Economics of Industry*, Marshall, with scissors and paste, concocted out of the *Principles* (save for one elegant but somewhat inconclusive chapter on trade unions) an *Elements of the Economics of Industry* to serve as a junior *Principles*. But if, as Becattini suggests, Marshall had become ashamed of a book which he thought barely escaped from being a work of “vulgar economics”, the new book, largely in the very language of the *Principles*, really constituted a work of vulgarization. It was the *Principles* with the more difficult parts left out. It therefore was a real obstacle to the student who hoped to gain an earlier and easier introduction to the *Principles* by way of the *Elements*. For when he later started on the *Principles*, the somewhat glutinous language of which (obscuring the penetration of the thought) was already an obstacle, he would be seized with an awful sensation of the *déjà vu*. Its novelty was completely lost. Yet it was not only the *déjà vu*; it was also the *mal compris*. Not only, in fact, would the *Economics of Industry* still have served as a better introduction to the more elaborate and later work, but its suppression also removed from the literature until Marshall's extreme old age, most of Marshall's thoughts upon industry, including industrial fluctuations, which it would still have been valuable to have kept before his fellow economists, few of whom had in fact, during his lifetime, advanced so far.

It would have been instructive, I feel, had time permitted me, to illustrate the way in which Marshall had in 1879 followed through his principle of continuity, from considering the normal values of consumer goods to considering those of proximate factors of production and of the broader categories of the agents of production (in which he refurbished the discredited wage fund into an earnings and interest fund - regarded however as an annual flow - in [place] of the national product - in which that component of profits which represented earnings of management was hived off into the same category as wages, making the major division of distribution one between income for all kinds of work and income from the possession of capital of all kinds). In this, incidentally, he had already formulated all the elements of national income accounting, including the distinction between the national income - or as he (and I) would prefer, the national dividend - at market prices and at factor cost. As it is, I must content myself with saying that a good deal of ground is covered in my long article upon his aims and methods as illustrated by his work on distribution ³²; but to read it may prove more exhausting than reading Marshall himself, and even then is merely a guide, useful when reading Marshall (or so I believe), but no substitute.

One continuity which comes out inadequately in the Marshallian structure is the continuity between the economy in “real” terms (analysed as though there were implicit, instantaneous barter via a sort of neutral *numéraire*) and the reality of a money economy in which money itself is one of the important variables. That, Marshall

³² [‘Alfred Marshall’s Aims and Methods Illustrated From His Treatment of Distribution’, *History of Political Economy*, 2 (1970), pp. 1-65.]

intended to show in projected companion volumes, but they came late, and in the case of the book published only a year before his death, perhaps too late. Much more was done informally, in lectures and discussions not in print, and in the tedious form of answers to other people's questions, before Royal Commissions, than is usually supposed. But this is one further reason to regret the premature demise of the *Economics of Industry*.

For some quite seminal ideas were sown in brief passages in that little book. Incidentally, a sidelight is thrown on the reasons for its suppression by the fact that when Marshall was satisfied with the treatment in that book and had not yet developed more elaborate treatment to replace it, he made no bones about making extensive quotations elsewhere and quoting it as the source ³³ and some of the more significant of such quotations come in this field in which Marshall had published little, but had thought deeply. But it would need another lecture to give a truer picture than the conventional one, of the real links between that little book, via the later Marshall, and then in particular through Frederick Lavington, and in many respects Dennis Robertson, towards that Keynes of 1936 on whom - though probably only at first or second remove - you have all been brought up.

³³ [Probably in this footnote Robertson intended to refer to the long quotation from the *Economics of Industry* contained in Marshall's answers to the Royal Commission on the Depression of Trade and Industry (1886), in *Official Papers by Alfred Marshall*, London, Macmillan, 1926, pp. 7-9]