

The Alfred Marshall the Left Doesn't Know

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Most leftists know economist Alfred Marshall (1842-1924), if they know him at all, only through the superficial account of him given in Robert Heilbroner's *The Worldly Philosophers*,[1] as only a fusty Victorian preoccupied with abstract mathematical models of economic equilibrium. But Heilbroner's sophomoric popularization of economics doesn't even begin to do justice to this "Father of Neoclassical Economics." Which is not to say there isn't some knowledge of fact in Heilbroner's account—but it only serves to vindicate the wisdom of Alexander Pope, "A little knowledge is a dangerous thing..." Because knowing too little is indeed often a dangerous thing—like knowing only "a little" about Afghans' reverence for the Koran is a dangerous thing if one is a U.S. combat soldier stationed in Kabul!

The only redeeming feature to the account of Marshall in *The Worldly Philosophers* is that Heilbroner has the good sense to quote John Maynard Keynes, one of Marshall's most distinguished students, on him (pp. 277-78). Hopefully, this brief snippet from Keynes's much longer critical encomium of the man will lead the curious reader to Keynes' full essay on Marshall contained in *Essays in Biography*. [2] Keynes's memorial essay gives a much fuller account of this seminal and complex economist, Alfred Marshall, one that should lead us of leftist persuasion to a greater regard both for the man and his economic achievement.

Indeed, that was precisely what happened to me as first, a university student economics, and then as an avid economic writer and enthusiast writing for left publications—I learned to appreciate just why my old academic advisor in economics at Indiana University-Bloomington, Distinguished Professor Emeritus Scott Gordon, a self-professed "man of the left," regarded Marshall as the "greatest economist." Which is not to say Alfred Marshall wasn't a fusty Victorian in some respects; but that's like saying Abraham Lincoln was only a President of the United States, comparable in this regard to Warren G. Harding or George W. Bush!

Keynes duly notes in his essay on Marshall, in the passage that Heilbroner incompletely quotes, the following traits that made Marshall an excellent economist:

The study of economics does not seem to require any specialised gifts of an unusually high order. Is it not, intellectually regarded, a very easy subject compared with the higher branches of philosophy and pure science? Yet good, or even competent, economists are the rarest of birds. An easy subject, at which very few excel! The paradox finds its explanation, perhaps, in that the master-economist must possess a rare *combination* of gifts. He must reach a high standard in several different directions and must combine talents not often found together. He must be a mathematician, historian, statesman, philosopher—in some degree. He must understand symbols and speak in words. He must contemplate the particular in terms of the general, and touch abstract and concrete in the same flight of thought. He must study the present in the light of the past for the purposes of the future. No part of man's nature or his institutions must lie entirely outside his regard. He must be purposeful and disinterested in a simultaneous mood; as aloof and incorruptible as an artist, yet sometimes as near the earth as a politician. Much, but not all, of this ideal many-sidedness Marshall possessed. But chiefly his mixed training [mathematics, philosophy and ethics before settling on economics] and divided nature furnished him with the most essential and fundamental of the economist's necessary gifts—he was conspicuously historian and mathematician, a

dealer in the particular and the general, the temporal and the eternal, at the same time. (pp. 140-41. Emphasis in original.)

Marshall himself wrote (in the third person) of his economic studies:

While still giving private lessons in mathematics, he translated as many as possible of Ricardo's reasonings into mathematics; and he endeavoured to make them more general. Meanwhile he was attracted towards the new views of economics taken by Roscher and other German economists; and by Marx, Lasalle and other socialists. But it seemed to him that the analytical methods of the historical economists were not always sufficiently thorough to justify their confidence that the causes which they assigned to economic events were the true causes. He thought indeed that the interpretation of the economic past was almost as difficult as the prediction of the future. The Socialists also seemed to him to underrate the difficulty of their problems, and to be too quick to assume that the abolition of private property would purge away the faults and deficiencies of human nature...He set himself to get into closer contact with practical business and with the life of the working classes. On the one side he aimed at learning the broad features of the technique of every chief industry; and on the other he sought the society of trade unionists, co-operators and other working-class leaders....and while engaged, in conjunction with his wife, in writing a short account of the Economics of Industry, *forcibly simplified for working-class readers...* (Quoted in Keynes, pp. 151-52. Emphasis added.)

Keynes further notes in regard to the publication of the first edition of Marshall's *magnum opus*, *Principles of Economics* (which Marshall repeatedly revised in eight editions over the course of his life, from 1890-1920):

The book reached the general public. It increased the public esteem of Economics. The minimum of controversy was provoked. The average reviewer liked the author's attitude to his subject-matter, to his predecessors, and to his readers, and delighted Marshall by calling attention to the proper stress laid by him on the ethical element and to the *much required humanising* which the dismal science received at his hands; and, at the same time, could remain happily insensible to the book's intellectual stature. As time has gone on, moreover, the intellectual qualities of the book have permeated English economic thought, without noise or disturbance, in a degree which can easily be overlooked. (p. 191. Emphasis added.)

Keynes writes apropos of Marshall's esteem for working persons, quoting again from Marshall himself:

About the time that I first resolved to make as thorough a study as I could of Political Economy (the word Economics was not then invented) I saw in a shop-window a small oil painting [of a man's face with a strikingly gaunt and wistful expression, as of one 'down and out'] and bought it for a few shillings. I set it up above the chimney-piece in my room in college and thenceforward called it my patron saint, and devoted myself to trying how to fit men like that for heaven. Meanwhile, I got a good deal interested in the semi-mathematical side of pure Economics, and was afraid of becoming a mere thinker. But a

glance at my patron saint seemed to call me back to the right path. That was particularly useful after I had been diverted from the study of ultimate aims to the questions about Bimetallism, etc., which at one time were dominant. (p. 176)

Keynes culled and transcribed the following thoughts from Marshall's lectures on economics:

The chief fault in English economists at the beginning of the [19th] century was not that they ignored history and statistics, but that they regarded man as so to speak a constant quantity, and gave themselves little trouble to study his variations. They therefore attributed to the forces of supply and demand a much more mechanical and regular action than they actually have. Their most vital fault was that they did not see how liable to change are the habits and institutions of industry. But the Socialists were men who had felt intensely and who knew something about the hidden springs of human action of which the economists took no account. Buried among their wild rhapsodies there were shrewd observations and pregnant suggestions from which philosophers and economists had much to learn. (p. 171)

But on Marshall's economics Keynes writes:

...his strong sympathy with socialistic ideas were compatible, however, with an old-fashioned belief in the strengths of the forces of competition. (p. 186)

and

In earlier days, particularly between 1885 and 1900, he was fond of asking working-men leaders to spend a week-end with him—for example, Thomas Burt,[3] Ben Tillett,[4] Tom Mann,[5] and many others. Sometimes these visits would be fitted in with meeting of the Social Discussion Society, which the visitor would address. In this way he came to know most of the leading co-operators and Trade Unionists of the past generation. In truth, he sympathised with the Labour Movement and with Socialism (just as J. S. Mill had) in every way except intellectually. (p. 194)

Scott Gordon remarked that Marshall's conception of the ideal economic society was one with both high productivity and high wages. Marshall wanted the working class to share in the fruits of economic development and progress, not just be consigned the rinds and the scraps. But he clung stubbornly to the idea that old-fashioned competitive capitalism was the best way to achieve this.

Fortunately, the Eighth Edition of the seminal *Principles of Economics*, the last edition Marshall prepared in his lifetime, in 1920, is available as an inexpensive paperback,[6] and is just as fruitful to peruse today as it was earlier. (For decades the *Principles of Economics* was the standard college textbook in the field; Scott Gordon recalls using it when he studied economics as an undergraduate in 1940.) Here we can see clearly in this philosophical discussion below of the ends of economics the humane nature of Marshall's understanding of ultimate economic ends, and his sympathies for, and desire to better the lot of, the working class through economic activity. Marshall's argument is worth quoting in its entirety:

In every civilized country there have been some followers of the Buddhist doctrine that placid serenity is the highest ideal of life; that is the part of the wise man to root out of his nature as many wants as he can; that real riches consist not in the abundance of goods but in the paucity of wants. At the other extreme are those who maintain that the growth of new wants and desires is always beneficial because it stimulates people to increased exertions. They seem to have made the mistake, as Herbert Spencer says, of supposing that life is for working, instead of working for life.

The truth seems to be that as human nature is constituted, man rapidly degenerates unless he has some hard work to do, some difficulties to overcome; and that some strenuous exertion is necessary for physical and moral health. The fullness of life lies in the development and activity of as many and as high faculties as possible. There is intense pleasure in the ardent pursuit of any aim, whether it be success in business, the advancement of art and science, or the improvement of one's fellow-beings. The highest constructive work of all kinds must often alternate between periods of over-strain and periods of lassitude and stagnation; but for ordinary people, for those who have no strong ambitions, whether of a lower or a higher kind, *a moderate income earned by moderate and fairly steady work offers the best opportunity for the growth of those habits of body, mind, and spirit in which alone there is true happiness.*

There is some misuse of wealth in all ranks of society. And though, speaking generally, we may say that every increase in the wealth of the working classes adds to the fullness and nobility of life, because it is used chiefly in the satisfaction of real wants; yet even among the artisans in England, and perhaps still more in new countries, there are signs of the growth of that *unwholesome desire for wealth as a means of display which has been the chief bane of the well-to-do classes in every civilized country.* Laws against luxury have been futile; but it would be a gain if the moral sentiment of the community could induce people to avoid all sorts of display of individual wealth. There are indeed true and worthy pleasures to be got from wisely ordered magnificence: but *they are at their best when free from any taint of personal vanity on the one side and envy on the other; as they are when they center round public buildings, public parks, public collections of the fine arts, and public games and amusements. So long as wealth is applied to provide for every family the necessaries of life and culture, and an abundance of the higher forms of enjoyment for collective use, so long the pursuit of wealth is a noble aim; and the pleasures which it brings are likely to increase with the growth of those higher activities which it is used to promote.*

When the necessaries of life are once provided, everyone should seek to increase the beauty of things in his possession rather than their number or their magnificence. An improvement in the artistic character of furniture and clothing trains the higher faculties of those who make them, and is a source of growing happiness to those who use them. *But if instead of seeking for a higher standard of beauty, we spend our growing resources on increasing the complexity and intricacy of our domestic goods, we gain thereby no true benefit, no lasting happiness. The world would go much better if everyone would buy fewer and simpler things, and would take trouble in selecting them for their real beauty; being careful of course to get good value in return for his outlay, but preferring to buy a few things made well by highly paid labour rather than many made badly by low paid labour.* (pp. 136-37. Emphases added.)

The somewhat formal and moralizing tone of Marshall's prose above belies the limpidness and luminescence of his thought, which is humane, and states principles the ecological, socialist and Occupy activists of today would readily rally around. Marshall wrote the *Principles* to be accessible to the average businessman of England (or for that matter, the literate worker, the trade unionist, and the socialist interested in economics), although it is a deep economic text—confining his formal expositions of economic theory and proof of economic propositions to footnotes, footnotes elegant

and easily comprehensible to the reader who had studied high school geometry (Marshall preferred geometric diagrams to algebraic expressions). He was a complex man whose heart tugged one way, and his intellect another. Old-fashioned politically in some ways, yet in other ways a thoroughgoing humanist, Marshall had deep sympathies for the working and lower classes of society, yet believed competitive capitalism, not socialism, was the only workable way to their betterment. But whatever Marshall was, he was *not* a neoliberal as we understand the term today.

This same contradictory complexity carried over in his views on other issues. He was opposed to admitting women to the degree programs in the traditionally male universities, despite his wife, Mary, being a former student of his, lecturer in economics at Newnham College, and collaborator of his in writing his first book, *Economics in Industry*. Indeed, he had taken up his position at Bristol University after his marriage "attracted thither chiefly by the fact that it was the first College in England to open its doors freely to women," and he had written in 1873 "how our progress could be accelerated if we would unwrap the swaddling-clothes in which artificial customs have enfolded woman's mind and would give her free scope womanfully to discharge her duties to the world." (Keynes, p. 202)

Similarly, Marshall supported British involvement in World War I and was unflinching in that support, yet, as Keynes wrote, "he was much opposed to the inflaming of national passions. He remembered that he had 'known and loved Germany,' and that they were 'a people exceptionally conscientious and upright.' He held, therefore, that 'it is our interest as well as our duty to respect them and make clear that we desire their friendship, but yet to fight them with all our might.' And he expressed 'an anxiety lest popular lectures should inflame passions which will do little or nothing towards securing victory, but may very greatly increase the slaughter on both sides, which must be paid at the price of resisting Germany's aggressive tendencies.' These sentiments brought down on him the wrath of the more savage patriots." (p. 211)

Marshall also believed in eugenics when it was common and respectable to do so, that time of the late 19th and early 20th Centuries when optimistic faith in science as social savior combined with uncritical endorsement of wholesale social engineering—and not just in biology. But Marshall was far from alone in this; those who endorsed eugenics at that time reads very much like a Who's Who of scholarly and renowned persons, many of whom considered themselves socialists, civil libertarians, and humanitarians.[7]

So—while we of the left certainly can't call him Comrade Alfred Marshall, or even see him as a congenially consistent fellow traveler, we can see him as a beacon of lucidity among the obfuscatory darkness of ideological assertion, a conservative man and thinker whose sympathies were with the radicals and reformers. A contradictory conservative who, nonetheless, brings much enlightenment to the left he's not a part of, but contributes to.

"What need have we of science?" an anonymous *sans-culotte* asked during the French Revolution when the great scientist Lavoisier, a monarchist, was guillotined. What need have we? The need we of the left all have for knowledge.[8] Knowledge is needed for consciousness, for informed left praxis. And comes from many sources, including contradictory Victorian economists who do not know themselves what positive revolutions they may help spark.

Notes

1. Fourth Edition, New York: Simon and Schuster, 1972; Marshall is mentioned, discussed, on pp. 166, 199-204, 247, 277-78.

2. New York: W.W. Norton, 1963, pp. 125-217. Originally published in 1933; the essay on Marshall was completed in August 1924, following Marshall's death in July. All references to Keynes below are from this essay.
3. 1837-1922, British trade unionist and one of the first working-class members of Parliament.
4. 1860-1943, British socialist and trade union leader.
5. 1856-1941, British trade unionist.
6. Amherst, NY: Prometheus Books, 1977, Great Minds Series. The reference cited below is from this edition.
7. Scott Gordon, *The History and Philosophy of Social Science* (London and New York: Routledge, 1991), p. 521. Among those cited by Gordon as supporting eugenics are prominent British socialists George Bernard Shaw, Sydney and Beatrice Webb, Harold Laski and H.G. Wells.
8. After all, the Latin root word for "science," *scientia*, means "knowledge."