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Sudden leaps: The young Alfred Marshall

Butler, Robert William, Ph.D.
The Ohio State University, 1989

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SUDDEN LEAPS:
THE YOUNG ALFRED MARSHALL

DISSERTATION

Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of The Ohio State University

By

Robert William Butler, B.A., M.A.

* * * *

The Ohio State University
1989

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In memory of my parents
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Through you, British economists may boast among their foreign colleagues that they have a leader in the great tradition of Adam Smith and Ricardo and Mill, and of like stature.

Royal Economic Society to Alfred Marshall, on his eightieth birthday

In the summer of 1922, at the age of eighty, Alfred Marshall was feted by the Royal Economic Society he had helped found thirty years earlier. Marshall was in retirement by then, though he still continued to write and publish; a new book, *Money Credit and Commerce*, was nearly ready for the publisher. His great opus, *Principles of Economics*, had just been reprinted for the eighth time. He was the acknowledged leader of the English-speaking economic world. His support for the classical economics of laissez-faire and individual competition, and especially his admiration for the "chivalric" entrepreneur, had been communicated to generations of students at Cambridge. Marshall appeared to be the perfect epitome of the Victorian age: from his bushy moustache and sideburns to his scholarly
agnosticism and disdain for women students, he seemed as solid and unchanging as the pre-war world itself.

But the young Alfred Marshall had been quite a different man. Whereas the mature scholar lauded the individual entrepreneur, the young Marshall concerned himself with the working class. The older Marshall had voted against granting women Cambridge degrees in 1896; the younger, a generation earlier, had helped direct the first university education for women. The younger Marshall had been a firm Christian throughout his undergraduate career, not an agnostic; having lost his faith and his vocation to the priesthood, he spent several years reading philosophy before deciding to become an economist. The younger Marshall, in short, was a very different man from the older.

Alfred Marshall is known to students of the nineteenth century as the foremost economist of the Victorian age. Born in London in 1842, he attended Cambridge where he studied mathematics and planned to become an ordained priest in the Church of England. Shortly after graduation, however, he suffered a loss of faith which radically changed his attitude toward the world. In searching for a new vocation, Marshall became involved in several reform movements and investigated philosophy, ethics and psychology before finally
settling on economics and a career in the university. He taught briefly at Bristol and Oxford before returning to Cambridge as the professor of political economy in 1885. Once settled again in Cambridge, he set about creating a field of economics and establishing its standards for the coming generation.

Marshall’s *Principles of Economics* (1890) became the standard textbook of universities throughout Britain, the empire, and the United States. He served as a member of numerous parliamentary committees, and helped shape government policy toward trade unions by his work for the Royal Commission on Labour. He founded the Royal Economic Society in 1890 in order to create a professional body for economists. In 1903 he established the Economics Tripos at Cambridge, thus giving the subject a home of its own. After retirement in 1908 he published two more books, and continued to answer inquiries from undergraduates and cabinet ministers on economic questions. For thirty years his pupils—John Maynard Keynes among them—graduated from Cambridge to take up positions of leadership in universities, government, and the world of business. By the time he died in 1924, Alfred Marshall had become an architect of the modern world.
Marshall as a young man has received too little attention from scholars. It was from the young, reformist don that the mature professor of economics emerged. Much of the story has disappeared, since Marshall kept no diary and the majority of his correspondence was professional—and therefore written after the time he consciously chose economics as his profession. Enough hints and early work remains, however, to allow us to create a portrait of the young economist at this crucial point in his career, the years 1865-1879. In 1865 he set out on the path that led him toward economics; by 1879 he had published his first book and was gathering material for a much larger work, one that he hoped would set the standard for economic study in England. How did he decide to become an economist, and what influence did his varied interests in these years have on his later work?

This work is not intended to be a history of economic thought, nor is it an analysis of early Marshallian economic theory. Instead it tries to place Marshall as a young man into the context of his times, and to show the underlying framework of his thinking. Marshall's early studies in geometry, psychology, and the history of economics all left their mark on him; so did his tour of the United States in 1875. It was only
after touring America, as Marshall himself used to say, that he saw clearly what he wanted to learn. These broad experiences kept him from being a narrow economist, one concerned only with supply and demand curves. Marshall was convinced that economics must play a part in each individual’s development of character, and in society’s struggle to eliminate poverty. From this time forward, he had a firm goal in sight: how could a scientific economics explain this process and help encourage it? Marshall became ever less personally involved in social reform and ever more consciously a detached and scientific economist. The evidence suggests that he no longer felt social interference was necessary to reform the industrial world; the system would reform itself, in due time.

The study is based on primary and secondary material. The most important primary sources are of course Marshall’s own papers, now held at the Marshall Library, Cambridge. His early lectures, notes and letters from America, and proposed monographs give insights into his thinking at this time, as do the marginal notes in books he purchased in America. An uncompleted book on foreign trade and several early economic essays are printed in J. K. Whitaker, ed., The

There are seven chapters in the dissertation. Chapter One sets out the route by which Marshall became an economist, and considers the effects of psychology and the introduction of non-Euclidean geometry on Marshall. These had a profound effect on the kind of economics he studied in the early 1870’s. Chapter Two describes the works Marshall read and thus some of the sources of his intellectual world view as he worked toward becoming an economist. Chapter Three discusses the background of the United States in 1875, and follows Marshall across the continent and back again. Chapter Four considers the evidence Marshall collected: his notes of people and places, and the numerous books he brought home with him. Chapter Five reviews the use Marshall made of this evidence, and suggests that the trip is important not because of its immediate effect on his economic theory, but because of its long-term effect on his economic goal. Marshall believed that he had seen the future of the industrial world in America, and that it was a bright one. Chapter Six introduces Marshall’s work at Bristol, his first book, and a once-lost speech on America that demonstrates his evolution during the later 1870’s. Chapter Seven, the conclusion, briefly displays the significance of his early work for Marshall’s later life.
By the time Marshall published his first book in 1879, he was well on the way to becoming the most influential economist of the nineteenth century. It is hoped that this study will illuminate his first steps on that path.
CHAPTER I
THE YOUNG SCHOLAR

He found metaphysics powerful in destruction, but disappointing on the constructive side.

Alfred Marshall, "Eckstein" autobiographical note

Alfred Marshall’s early life and career were dominated by issues of the greatest importance to him, but economics was not included among them. As a schoolboy mathematics excited his thoughts, and at Cambridge he looked forward to becoming an ordained missionary. Shortly after graduation he lost his faith in God. This crisis destroyed two intertwining creeds: faith in God, and faith in a priori deductive logic. In mid-Victorian England these two canons, religious belief and intellectual paradigm, mutually supported and drew support from each other. Thus Marshall’s loss of faith, in the end, destroyed not only belief in a deity but also in a framework that had once made the universe an intelligible place. Yet he still retained within him, as his student John Maynard Keynes wrote, an "evangelical moralizer of an imp" that earnestly desired
to help mankind. To cope with this dilemma, Marshall embarked on a search for a new, secular vocation in his life.

In the nineteenth century, a vocation provided a calling that need not involve religion, delivering an acceptable social role and a source of income, and created a structure for one’s life that helped to make sense of a rapidly changing world.¹ Thus Keynes portrays his mentor traveling rapidly through stages of religious belief, despair, and agnosticism; turning to an interest in metaphysical studies of philosophy, psychology, and ethics; and arriving finally at economics. Once convinced of the importance of economics, he considered himself "not less ordained in spirit than if he had fulfilled his father’s desire" of becoming a clergyman.²

But a close examination of this overlooked tour of vocations reveals the slow creation of fundamental principles which shaped the mind and work of Marshall, both as young don and as mature economist. In the decade 1865-75, for example, he experienced far more

¹. See for example the use of this term in Martha S. Vogeler, Frederic Harrison: The Vocations of a Positivist (New York: Oxford University Press, 1984.)

than simply a loss of religion. Marshall’s lifelong interest in character first appeared during the years he studied psychology; and shortly afterward he settled for himself the relative importance of induction vs. deduction as scientific tools. Marshall went through four stages in his search for a vocation:

(1) The loss of faith in God and in a priori deductive truth. Marshall’s paradigm for deriving knowledge had once been based on the notion of deductions from received truth; this was destroyed in the years following his graduation from Cambridge.

(2) Deceived once, Marshall embarked on a search for the true structure of the universe, and the true method of gaining knowledge about it, in order best to help mankind.

(3) Coming reluctantly to the conclusion that absolute truth could not be found, Marshall became an agnostic in metaphysics as well as faith.

(4) Decisively turning away from metaphysics and "mental sciences," Marshall determined to make an inductive study of economics in order to help improve contemporary life and character.

His early years shaped his economic studies by leading him toward a study of character and an inductive economics designed to reform society directly. For a
time he flirted with socialism. In later years his thinking continued to evolve, but reform of character remained overwhelmingly important to Marshall. And in the Principles he was careful to speak only of economic conditions which he knew to be true from personal observation.

Thus this first chapter is not intended to be a complete biography of Marshall’s early life. It is an illumination of his search for a vocation and his changing perception of the universe, and the ways in which these affected his life and work. The sources for such a study are more complete than is often imagined. We know little of the details of Marshall’s philosophical interests, apart from the names of men whose works he read: Kant, Hegel, Reid, Stewart. Nor do we know what sparked his interest in ethics, except that it concerned some "youthful schemes for regenerating the world." However, Marshall’s interest in the philosophical implications of non-Euclidean geometry is easily traceable, and several of his early psychology papers survive. Besides giving a glimpse of the young Marshall’s broad interests, they demonstrate that in this era Marshall’s chief interest was not economic but epistemological: what can man know?

Birth and Early Life

Alfred Marshall was born to Rebecca and William Marshall on July 20, 1842. The second of four children, he arrived as the Marshalls were beginning a substantial rise in the world: the family lived in the tannery district of Bermondsey when Alfred was born, but had moved to the greener surroundings of Sydenham (Kent) and then into Clapham before his younger sisters were born. His mother was a homemaker and his father a clerk (later cashier) at the Bank of England. Of their direct influence on Alfred we know very little. Alfred always cherished the memory of his mother’s gentleness, the more so as it shielded him from his father’s hard discipline. William Marshall was a stern, self-righteous, unforgiving and intolerant man; he combined the worst attributes of a religious zealot with the

ceaseless toil of a Dickensian Gradgrind. Alfred later recalled that when a schoolboy, he had been kept up by his father studying Hebrew till 11:00 at night. Such late hours made him tired and ill (his schoolmates called him "tallow candles"), though his father seemed unaware of Alfred’s exhaustion. In later life, according to his nephew, Alfred Marshall suffered "the agonies of hell" when he realized he had made a mistake. Almost certainly such extreme sensitivity was generated by the experiences of his youth.

Alfred was a bright boy, and rather in spite than because of his father’s strict educational policy succeeded in having a brilliant career at Merchant Taylor’s School in London. William had sought a nomination to the school from one of the governors of the Bank of England, perhaps seeing it as another step in the family’s rise to gentility. Once enrolled, however, Alfred excelled not at the linguistic and literary studies his father preferred, but rather in the mathematical and geometrical studies that enthralled him— and which he enjoyed all the more when he discovered his father was unable to follow the theorems. Upon graduating he chose not to attend Oxford, where a classics fellowship would have fallen to him.
automatically under old statutes. Instead he went to Cambridge, where he could study mathematics.\(^5\)

By far the greatest influence on Alfred these years may be one we know least about: his family’s Evangelical religious tradition.\(^6\) His father was descended from a clerical line and after retirement wrote religious tomes with titles such as *The Dangers and Defences of English Protestantism*. He once objected to the song "Onward Christian Soldiers" because of its "papist" overtones ("with the Cross of Jesus going on before"), and took care to see that his family kept to the straight and narrow path which he trod.\(^7\) Alfred was destined by his father for ordination, and his younger sister married a clergyman after William forbade her affiancement with a young officer (it is only fair to add that William disliked the cleric as well, though he

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5. His father could not (Keynes, "Marshall," 3) or would not (Coase, "Mother and Father," 524, hints as much) aid him in this effort; Marshall used the proceeds of a small scholarship and borrowed money from an uncle to put himself through Cambridge.


did not prevent the union.) Nothing is known of Rebecca’s religious feelings, though it is unlikely she was allowed any which diverged from her husband’s; nevertheless Alfred took care to describe for her the different denominational services he attended while in America.

Evangelicals were renowned for the relentless austerity of their lives. They believed in duty and hard work, and despised as immoral fancy dress, gambling and hard drinking. Despite their early interest in humanitarian reform, by 1830 most Evangelicals were abandoning Whiggish and liberal allegiances. 8 Alfred’s own father was an extreme conservative who titled one of his many pamphlets Man’s Rights and Woman’s Duties. 9 Many of Alfred’s attitudes in later life were said to derive from his Evangelical childhood: his abhorrence of the world of fashion and distaste for gambling are characteristically Evangelical in their intensity. 10


9. Keynes, "Marshall," 2. Coase reports that the pamphlet cannot be found in the British Library and may not have been published, but the title is nevertheless consonant with William Marshall’s beliefs and attitudes; Coase, "Mother and Father," 524.

Of greater importance for a maturing intellectual, however, was the nature of Evangelical theology. Evangelicalism was a creed of personal hope and redemption.11 Every individual must have a personal sense of the awful majesty of God, the total depravity of man, and the sacrifice of the cross. Evangelicals did not acknowledge priests as mediators between man and God; they insisted that a direct knowledge of God was essential. In 1875 an Evangelical theologian named Edward Garbett affirmed that "the three cardinal Evangelical principals are the direct contact of the soul with God the Father, the freedom and sovereignty of the Holy Ghost and the sole High Priesthood of God the Son."12 In order to be saved, individuals had to undergo a conversion experience in which they directly and personally experienced God’s existence and love (Evangelicals in the Church of England believed this conversion could be a gradual process.) Though not all persons would experience these things, all persons could or were able to. The distinction is important since Evangelicals argued that the mind may directly

11. See: Bebbington, Evangelicalism; Chadwick, Church, 1: ch. 7; Bradley, Seriousness, 20-21, 121; Briggs, Improvement, 73, 173-75.

experience the existence of an all-powerful God. From their understanding of the deity and revelation, Evangelicals then deduced behavior proper for a godly person. Throughout his childhood, Alfred was steeped in these beliefs. His father intended him for the ministry, and as a young man, Marshall looked forward to ordination.  

The traditional form of Evangelical reasoning, deduction from an a priori truth, was therefore inscribed deeply into Marshall’s soul. As a recent work on Evangelical influence concludes, "the bedrock of


14. Deduction reasons downward from broad, accepted generalizations or a priori axioms to individual facts. The classic example is: All men are mortal; Socrates is a man; Therefore Socrates is mortal. The conclusion necessarily follows from the premise, but the premise is not always proved beforehand. If the premise is mistaken then the conclusion is valueless.

Induction reasons upward from individual facts to broad generalizations about them. It bases itself on empirical consideration of available evidence, and does not seek generalizations unsupported by that evidence. As new evidence is considered, more complete generalizations may arise, but there are no absolutes or a priori givens.

In terms of Marshall’s religious training and university education, the existence of God and the existence of an absolute Euclidean universe were accepted as a priori (but unproved) axioms. Everything followed from these premises and was demonstrated by deductive reasoning.
Evangelical belief was an a priori argument." In the mid-nineteenth century, the standard apologetic consisted of a logical, rational argument (based on the empiricism of natural theology) to demonstrate the existence of God and revelation. But once this fact had been demonstrated, "reason had done its work; it had brought people to the portals of scripture, whose message was then simply to be accepted, without any further exercise of human reason." What had been an exercise in logic became an argument from faith, and scripture became the fountainhead of doctrine. It seemed a surprising change: from inductive, empirical natural theology to accepted, a priori truth and deduction. Yet the switch was more apparent than real.

Evangelical theology was in fact overwhelmingly a priori. The natural theology of divines such as William Paley appeared eminently inductive, since it observed nature for evidences of design by God. But evidences of design (the very choice of word was significant) presupposed a Designer. As David Hume realized, the


argument assumed qualities of beneficent order and
design in a nature not proved to have them. And
Paley, that shrewd logician, alternated in his argument
between the use of the verbs "deduce" and "induce." In
any event, natural theology was intended to buttress a
pre-existing faith, one whose conclusions were not in
doubt: Paley claimed in the conclusion that his book
"facilitates the belief of the fundamental articles of
Revelation." Another important strand of Evangelical
theology was the Scottish common sense school of
philosophy. Increasingly regarded in the later
eighteenth century as the foundation of Evangelical
thinking, the common sense school held that certain
axioms of thought may be grasped intuitively. This
enabled Evangelicals to "express in a fresh way their
belief in the accessibility of God." Influenced by

17. "But let us still assert, that as this Goodness [of
God] is not antecedently establish'd, but must be
infer'd from the Phaenomena, there can be no grounds for
such an Inference, while there are so many ills in the
Universe." David Hume, The Natural History of Religion
and Dialogues Concerning Natural Religion, ed. A. Wayne
Colver and John Vladimir Price (Oxford: Clarendon
Press, 1976), 240.

18. David LeMahieu, The Mind of William Paley (Lincoln:
University of Nebraska Press, 1976), 89.

19. William Paley, Natural Theology (Boston: Lincoln
and Edmands, 1831), 295.

20. Bebbington, Evangelicalism, 59. Note the use of the
phrase "in a fresh way."
Romanticism and a reaction against the rationalism of the eighteenth century Augustan age, Evangelicals in the early nineteenth century increasingly preferred to "leave the way clear for the bare trust in divine revelation," to "rely wholly upon God."\(^{21}\) The solid core of the Evangelical creed was "a revived Puritanism of manners and a religion of personal hope and redemption."\(^{22}\) Responsibility for personal salvation was the basis upon which Evangelicals built; public effort to improve the secular world was a pious confirmation of personal faith, and some Evangelicals therefore favored limited social reform. All evidence indicates that the young Marshall had accepted this lesson by the time he left for Cambridge. A course in mathematics would precede his ordination, and he intended thereafter to become a missionary.

Marshall went up to Cambridge in 1862, coming to the university in the course of its great mid-century changes. Though some old sinecures and statutes dating back to Elizabeth’s time had been abolished, much of the eighteenth century attitude of leisurely eccentricity remained. Chapel was compulsory, though widely scorned; public enthusiasm of any sort was seldom encouraged.

\(^{21}\) Bebbington, *Evangelicalism*, 92, 94.

\(^{22}\) Briggs, *Improvement*, 73.
Individual dons ranged in character from the merely peculiar to the pair recalled by Macauley: one never opened his mouth without an oath, and the other had killed his man. Undergraduates annually rioted on Guy Fawkes Day, a fight so traditional that it had become respectable. Marshall matriculated at St. John’s College. Its great days as a center of the Evangelical movement were behind it by 1862, but it was well regarded for its mathematical teaching. The only other choice for a serious student of the mathematical tripos or honors course was Trinity College, far more worldly and High Church.

Both Oxford and Cambridge considered themselves to be passing on more than simple academic expertise to their students. The twin beliefs that God existed and that truth could be reached by a priori reasoning were reinforced at the universities. They transmitted a unified body of assured knowledge, a unitary vision of truth, and an assured moral order. The most important key to this vision in Cambridge (and indeed, in the intellectual community more widely) was geometry.


classics were studied to develop taste and wisdom, but mathematics and especially geometry developed habits of rigorous thought and indicated the existence of absolute truth, capable of being reached by pure thought.

Euclid's *Elements of Geometry* was believed to provide an indispensable paradigm for knowledge, as both mathematicians and philosophers agreed. Euclid assumed that there were certain axiomatic truths, which did not have to be proved by empirical observation; they were simply, self-obviously, true. Parallel lines never met: a fact which could not be proved by observation, but was part of the structure of space. Triangles had 180 degrees, no more, no less; it was impossible to conceive of a case where this was not so. Such axioms were knowledge of the universe that man's mind grasped intuitively, without the need for experience. Through geometry man could know the universe clearly, precisely, and absolutely, and he could achieve this knowledge by deductive reasoning from a priori principles. This axiomatic belief Marshall would have learned by rote.  

The implications for epistemology were fundamental and clearly recognized. Immanuel Kant wrote that there was no geometry other than that of Euclid, because none could be conceived. Empirical confirmation of geometry was unnecessary. We must think in terms of Euclidean geometry because Euclidean space is inherent in the structure of our minds, a priori, and therefore, as Kant said, "the concept of [Euclidean] space is by no means of empirical origin, but is an inevitable necessity of thought."26

At Cambridge, this concept was used to demonstrate the existence and attainability of absolute truth in other, non-mathematical fields. William Whewell, the renowned master of Trinity College, wrote:

The peculiar character of mathematical truth is that it is necessarily and inevitably true; and one of the most important lessons which we learn from our mathematical studies is a knowledge that there are such truths, and a familiarity with their form and character.27


In short, absolute truths existed in Marshall's universe. Our minds could intuit God, without empirical proof; our minds could intuit geometry, without empirical proof. The same paradigm was at work in both cases: the mind discovering fundamental ideas through a priori reasoning. Outside evidence was unnecessary because our minds and the universe could operate in no other fashion. For Marshall, then, his early religious experience and his Cambridge education reinforced each other. God and His universe were real and substantial and both could be known by deduction from absolute truths. Between any two points, for instance, there could only be one straight line, a fact which need not be confirmed by experiment. Such an example of an absolute truth was used to demonstrate the existence of other absolute truths: the correctness of Kant's moral philosophy, the teachings of the Christian church, the very revelation of God's existence.

With his strong affinity for Euclid, Marshall learned these lessons well.28 He spent ten terms preparing for the tripos, and was urged by his tutor to give up his favorite sport--bowls--lest it interfere with his concentration on what was virtually a test of

rote learning.29 Those who did well on the tripos were assured of election to a college fellowship, an invaluable beginning to one's career. In the fall of 1865 Marshall achieved the impressive level of Second Wrangler (second highest score in the mathematical tripos), received his baccalaureate, and was elected to a fellowship at St. John's. Physics had begun to attract him more than the foreign missions, though he still intended to become ordained. It was the age of reforming college dons and muscular Christianity, and in company with his other fellows the young Marshall appeared ready to blend Christian belief and high educational ideals.

Loss of Faith in God

The standard account of Marshall's loss of faith is not complete. Keynes' essay is here brief and lacking in specifics. What did Marshall's stern father say when his son announced he no longer believed in God? We do not know, for despite Keynes' claim that, later in life, Marshall often recounted the story of these years for his students, few concrete details have survived. Only

29. Pigou, ed., Memorials, 76. See also Ball, Mathematics, ch. 10.
an outline is available from Keynes, who says that the crisis occurred over the Bampton Lectures, a series of religious papers, and that Marshall’s struggle was short. Both these statements now seem open to question.

In the Bampton Lectures for 1858, Henry Longueville Mansel declared that the human mind uses perceptions of this world as its basis for knowledge. But the divine nature of God is so separate from this world that man’s mind cannot intuit God a priori, and reason deductively about him; nor can it perceive God’s particular qualities, and reason inductively from them. Man, in short, cannot reason about God; we must make "submission of Reason to...Revelation," and simply believe.\(^30\)

Many persons found such a philosophy pernicious in an age of progress; it exalted unquestioning faith, and denied the ability of the human mind to reason effectively. John Stuart Mill, whose reputation as the champion of reason emerged from this controversy, accepted Mansel’s premise that human knowledge comes through perception. But he rejected Mansel’s conclusion. All our knowledge, insisted Mill, comes to

\(^{30}\) Henry Longueville Mansel, *The Limits of Religious Thought*, 5th ed. (London: John Murray, 1867), Introduction, Lectures II, III; quote xix. Mansel held that we ought to believe if we have proof that religion is of divine origin, since some faculty within us urges us to believe.
us through perception, even our knowledge of God; reading the Bible is an act of perception. But Mansel had denied that God could be known by perception, an assertion with which Mill agreed. Without perceived knowledge, Mill's conclusion was that man had no evidence for believing in God.\(^{31}\)

Marshall found the argument devastating, for two reasons. First, in terms of theology, a philosopher Marshall honored had cast doubt on God's existence. Marshall had read Mill's *System of Logic* as a schoolboy, and Mill had become a hero to the young intellectual. For his model to doubt God was a terrible blow for the intended clergyman. Second, in terms of metaphysics, both Mansel and Mill denied a priori intuition and deduction; both argued that man can find knowledge only by empirical perception and induction. But this belief was opposed to Marshall's whole religious and educational training. If either Mansel or Mill were correct, a drastic change in paradigm from deduction to induction would be necessary.

\(^{31}\) John Stuart Mill, *An Examination of Sir William Hamilton's Philosophy*, 5th ed. (London: Longmans, Green and Dyer, 1878), ch. 7, and especially 114-19, 126-27. The book was Mill's attack on the philosophy of Hamilton, that man's reasoning power was severely limited. Mansel accepted and broadened this belief—Hamilton was his tutor—and ch. 7 in Mill's book is devoted to an attack on Mansel directly.
Marshall experienced, he wrote, "the sudden rise of a deep interest in the philosophical foundation of knowledge, especially in relation to theology."

The sentence is a critical one, for it shows that to Marshall the true question was epistemological: how can man know? What are we entitled to believe? With the energy born of despair Marshall dove into metaphysics to try and decide the issue for himself. He began rising at five o'clokh in the morning, reading philosophy (not theology) till he made himself ill and his foot began to swell. In 1868 he traveled to Dresden to learn German and to read Kant, the champion of a priori reasoning and theology, in the original. Though he became thoroughly familiar with Kant's work ("the only man I ever worshipped") he found his doubts enlarged, not diminished, by the experience. Marshall discussed his


34. Marshall's earlier interest in physics (noted only in Keynes' essay, and then only as an aside) may have influenced him here also. In the Critique of Pure Reason Kant had tried to develop a new metaphysics which would connect physics and metaphysics. He was unable, however, to develop a priori physical laws to his satisfaction, and so his work in this field is regarded as unfinished. See Dr. Viet Pittioni's review of Vilem Murdoch, Kant's Theory of Physical Laws New York: DeGruyter, 1987), in Philosophy and History [check date], 160. This might explain why Marshall, despite his a priori bent, did not follow up on his earlier interest in the world of physics.
despair with Henry Sidgwick, Cambridge’s celebrated agnostic, and later commented "The minutes I spent with him were not ordinary minutes; they helped me to live."\textsuperscript{35}

Once his faith in God was severely shaken Marshall realized that life could not go on as before. Even if his struggle over belief was not yet decided (and clearly it was a protracted battle, not the short, sharp episode portrayed by Keynes) a St. John’s fellow with sincere doubts could not conscientiously present himself for ordination.

\textbf{Psychology}

Keynes posits that Marshall had a brief argument with himself over the issue of religious faith, and that he quickly turned to agnosticism. This does not seem to be the view that Marshall himself held of his ordeal. It is true that Marshall rarely referred to God or Providence in his later works, and then only in the vaguest terms. Yet it is also true that while visiting America in 1875 he attended several religious services, and carefully described them in letters home. In a speech in 1881 he defined religion as "all that elevates

\textsuperscript{35} Keynes, "Marshall," 7.
Perhaps these were cases of idle curiosity and acknowledgement of public opinions. But to Marshall, the struggle over faith must have seemed anything but brief. These were long and bitter days for the new fellow of St. John's.

Marshall had aimed at ordination as an undergraduate. Now he needed a new vocation. Between 1865 and 1868 he earned a living by teaching mathematics, first in a boys' school in Bristol and then as tutor to Cambridge undergraduates. However, shortly after his loss of faith the subject of psychology became a deep interest of Marshall's. Why should intense interest have been aroused in a field totally unrelated to his earlier mathematical studies or interest in philosophy?

Psychology offered Marshall much that he desperately sought in these years. He believed in no God: psychology posited no deity but explained life, knowledge and thought in mechanical terms. He had doubts


over the acceptable use of deduction: psychology used the inductive method, based on observation and on the cause/effect relationship. Yet at the same time, it admitted the existence of a priori true structures in the universe. He looked for a vocation: psychology’s emphasis on mechanical cause and effect not only explained the formation of man’s character but opened intriguing possibilities for its improvement. Finally, and perhaps most importantly for Marshall, psychology functioned as an epistemological search for truth, the nature of man, and the nature of the universe. For Marshall, psychology in fact offered a new framework of belief, and he embraced it with all the enthusiasm of a newly converted disciple. How does man acquire knowledge? and are there any limits to that acquisition? All of Marshall’s surviving psychology papers center themselves around this theme.

Psychology had separated from philosophy in the late eighteenth century, and still retained much of its parent discipline’s methods and concerns. In England, the dominant school of psychology was associationism. Associationists held a very mechanical vision of the mind’s functions: the body experienced sensations of the outside world, usually described as painful or pleasurable. The mind then associated simple ideas with
these sensations: enjoyment or discomfort, the wish to continue them or avoid them. Gradually more complex ideas would form from units of simple ideas. If one required food, the sensation of the pleasure of eating would be associated with the idea of feeding oneself. Over time, by this association of ideas and sense impressions, man can derive the whole corpus of human knowledge. In the eighteenth century Étienne de Condillac’s *Traité des sensations* had portrayed a statue, suddenly given human senses, which acquired all man’s knowledge of the universe. This was the associationist case in a nutshell: sensory impressions alone were required for mental life. Extreme associationists such as James Mill held this completely mechanical view of the universe. Many philosophers such as Kant regarded it as a simplistic explanation. Some associationists were forced to agree and, in addition to pure empirical sensory perceptions, assumed self-consciousness as a sort of "central fire" of the human mind.

Marshall himself fell between these two extremes; he desired a purely mechanical operation but agreed with Kant and Herbert Spencer that some a priori knowledge did exist.

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38. Hearnshaw, *Psychology*, ch. 7 discusses this belief. Bain especially promoted this view.
The connections between associationist psychology and utilitarian philosophy are as clear today as they were to Marshall. Both utilitarianism and associationism had the same atomistic view of human life and society; large, complex organisms are only mechanical accretions of small, simple units. And both, in the end, faced the same problem: judgements of quality. For utilitarianism, the classic example was pushpin versus poetry—which was preferable for a man’s refinement? For associationism, the question was could pure cause/effect develop moral behavior?

Given his loss of faith in God and his uncertainty about the applicability of a priori deduction, Marshall’s pressing needs were for just such an empirical and mechanical scheme of knowledge. He became thoroughly familiar with associationist psychology. The books that he studied were all associationist. They include Alexander Bain’s *The Senses and the Intellect* (1855) and *The Emotions and the Will* (1859), both well regarded associationist works. James Mill’s *Analysis of the Phenomena of the Human Mind* (1829) was a standard psychological text which Marshall used and quoted. Its emphasis was on sensory

39. Bain’s books were standard texts at Cambridge; Mary Paley Marshall used them in her Mental Science class with Henry Sidgwick. Mary Paley Marshall, *Remember*, 18.
perceptions of pain and pleasure. John Daniel Morell (Elements of Psychology, 1853) and Sir David Ferrier were both physiologists, Herbert Spencer a sociologist. All held associationist views, and were cited by Marshall in one or more of his psychology papers. Marshall knew the arguments of the leading associationist thinkers and consciously patterned himself after them. In his early enthusiasm, he seemed well on his way to becoming as cold and mechanical a utilitarian as the elder Mill.

Psychology also postulated a strong connection between associationism and character. This may be the source of Marshall’s lifelong fascination with the problem of character; it is at least the first evidence of his interest. However basic and rudimentary it appears when compared with his later work, Marshall never lost the conviction he now gained that character was acquired, not innate.

To the nineteenth century, character was the combined mental and moral qualities which distinguished an individual (or a nation or race.) An important but

40. Hearnshaw, Psychology, 21, 73; Flugel, Psychology, 97.

undecided question was whether such qualities were innate or acquired. Mental qualities could be said to be formed by education; moral qualities were rather a hazier subject. Psychologists had realized that, for all their emphasis on the body's reactions to sensations, physical sensations could not cure mental illness. Hence a space of sorts was believed to exist between the mind and the body, and this space was occupied by morals. Moral qualities such as duty, modesty, thrift, restraint, and industriousness were held to influence character. How therefore could these moral qualities themselves be influenced?

To the psychology of association, no "self-supporting spiritual agent" existed; self-consciousness, which some psychologists postulated, was not a quality of character but of awareness. Morals of right and wrong must therefore be somehow acquired. John Stuart Mill, for example, believed character was not innate but acquired, rooted in the psychological determinism of association. Psychologists believed that character traits such as sympathy were developed by natural selection; creatures which helped each other to survive

42. Rose, Complex, 23-25.

lasted longer than those which did not. Hence character
traits were environmentally produced. Physical
sensations affected morals as well as ideas, and so
influenced character as well as thinking. Character, it
was true, could be influenced in some fashion by the
desire and will of the individual; yet these also were
formed from sensations associated with ideas. To
empiricists, then, character depended on the
environment and sensations. Individuals could learn
better character traits: for example, to postpone
immediate gratification for delayed but greater
gratification.

The importance of encouraging proper character
traits, indeed the overwhelming importance of the
concept of character as a whole, must be seen in the
context of mid-Victorian life. Intellectuals worried
about the degeneration of the race. Townsmen
particularly, whose physical features had clearly
suffered the effects of overcrowding and poor nutrition,
were said to suffer from "de-moralization." It was
widely believed that each generation inherited the
acquired characteristics of its parents, thus passing on
weakened physical and moral constitutions to the
nation.44 In a time of unprecedented change, strong

44. Collini, "'Character'", 35.
character was "peculiarly suited to a future of unknown circumstances." The reform bill of 1867 had greatly enlarged the electorate, and trade unions indicated that the working class was rising to social prominence. Other changes such as the provision of municipal services or national education were continually urged. Character provided a guarantee of sturdy individuals for an uncertain future. It was widely held to inform all of life; Marshall later wrote that the same qualities of character which had given Englishmen political freedom gave them free enterprise as well. In a sense, character studies were a vocation of their own to Englishmen worried about the nation's future.

In the same years that he became interested in psychology, Marshall joined the Grote Club. Both helped expand his mental horizons and provided new intellectual meaning for his life. The club was named

45. Collini, "'Character'," 46


for John Grote, late professor of moral philosophy at Cambridge. It was a discussion society formed by Henry Sidgwick and patterned after Cambridge’s most famous discussion society, the Apostles. Most of its members (though not Marshall) had belonged to that elite club of Cambridge undergraduates, and one author has gone so far as to characterize the Grote Club as a senior version of the Apostles.\footnote{Allen, \textit{Apostles}, 57, 210.} The club was small, and details of its life are few. Members recalled that they met irregularly once or twice a term. One man presented a paper, which was then discussed and criticized. The Grote Club carried forward a tradition of liberal intellectualism into all aspects of life. Writing of his youth, Sidgwick said later that this attitude carried certain implications:

It had two aspects, one social and the other philosophical or theological. What we aimed at from a social point of view was a complete revision of human relations, political, moral, and economic, in the light of science directed by comprehensive and impartial sympathy; and an unsparing reform of whatever, in the judgement of science, was pronounced to be not conducive to the general happiness.

As regards theology, those with whom I sympathized had no close agreement in conclusions....What was fixed and unalterable and accepted by us all was the necessity and duty of examining the evidence for historical Christianity with strict scientific impartiality....
Such an attitude typifies the Grote Club of Marshall’s day, which discussed questions of philosophy and social responsibility, education and social change, ethical behavior and political reform.

Marshall became a member in 1867. In a memorial for Sidgwick he wrote that the club languished after 1868, but that new members reinvigorated it and "for a year or two" he himself was among its most active members.50 Between 1867 and 1870 the club was at the center of his intellectual life. It is surely no accident that these were also the years when Marshall was trying to re-establish some epistemological balance for himself. His psychology essays were apparently all shared with the Grote Club.51 But when Marshall abandoned his metaphysical search and took up economics his interest in the Grote Club seems to have faded. There is nothing to suggest that he ever read an economic paper to the club, though he had begun writing economic essays in 1870. These were read only by favored pupils of Marshall’s.52

49. Allen, Apostles, 208-09.


52. Whitaker, ed., Early 1: 117-22. An undated mathematical notebook shows also some very rough economic exercises from perhaps as early as 1867, but with one exception carefully crafted economic essays do
Perhaps the club’s greatest influence on Marshall was to keep him from becoming too utilitarian. The members objected so strongly to one of his papers that Marshall read a statement in his own defense at the next meeting. Men like Frederick Maurice, the Christian Socialist and the club’s most prominent member, and Henry Sidgwick, the founder, were apparently unwilling to let a pure utilitarian ethos pass unchallenged. The club was far more idealist than Marshall, in the sense that members were actively searching for the proper moral basis of society. Marshall, on the other hand, was looking for the physical origins of knowledge.

Four of Marshall’s psychology papers survive. One of them can be positively dated; Sidgwick’s diary records that the Grote Club listened to "The Law of Parcimony" on March 27, 1867. If the dozen or so members took turns writing essays, then even allowing for the ill-health of some members (Maurice) and the enthusiasm of others Marshall’s authorship and hence his interest must span several terms at least.

not begin before 1870 (Whitaker suggests a date of 1869 for part of an essay on Rent, though since the manuscript is undated this cannot be certain. Early, 1: 224.)

53. See Allen, Apostles, 208-10, for a discussion of the attitudes of Maurice and Sidgwick especially.
Considered solely as psychology papers, it cannot be said that they are breathtakingly original. There is no evidence of latent talent in psychology. They do, however, show us several unsuspected facets of the young Marshall. In addition to a depth of interest in psychology unreported by Keynes, they reveal Marshall’s early thoughts on the structure of knowledge and the nature of man. They make clear how far he went in reaction against a world of faith, giving another indication of the bitterness of his struggle. Finally, they show that it was not his interest in psychology which kept him from becoming narrowly utilitarian. The psychology he espoused was extremely narrow and utilitarian. Apart from his own personality, the humanizing influence historians have detected must be ascribed not to psychology but to agents such as the Grote Club, Henry Sidgwick, and Marshall’s later friendship with Benjamin Jowett.

The surviving papers are four. "The Law of Parcimony," presented to the Grote Club on March 27, 1867, is a discussion of different methodological approaches to psychology and epistemology. Can Darwin’s natural selection be said to work in the field

54. Marshall Papers, 11 (11); the papers of Alfred Marshall are held at the University of Cambridge’s Marshall Library of Economics.
of psychology as well as biology? Marshall attempted to find a single agent of action in the universe, and believed Darwin offered an attractive option. He briefly referred to the arguments of John Stuart Mill and Sir Edward Hamilton, familiar to him from the Bampton Lectures controversy, as well as the objections of Herbert Spencer to Mill’s absolute empiricism. The context of the argument establishes that for Marshall the question of nature’s method clearly revolves around an epistemological core.

A second paper was entitled "The Duties of the Logician or System-Maker to the Metaphysician and to the Practical Man of Science." Here he dealt with concepts about ideas, a priori axioms, reasoning ability, and methods of investigating phenomena. Interestingly, Marshall began by using the example of geometry and Euclid’s axioms as a basis for system and organization in the field of psychology. He noted that the possibility of a priori truth existing in other fields would not be decided in his paper. Instead, he proposed to use common elements in the thought of different intellectuals to show how the logician can

55. Marshall Papers, 11 (9). This papers is not listed by Whitaker as one of Marshall’s early psychology papers, but the quote taken from it proves Marshall himself obviously thought of it this way.
help create order. These elements included the use of empirical observation to help substantiate pure deductive thought. He offered by way of an example a new definition of a line, one which used the senses of sight and touch to define a geometrical truth: "What more can the psychologist want?" The definition itself was less than satisfactory; a later, penciled note of Marshall's on the manuscript observes "this seems a failure." But it showed that Marshall, while not denying the existence of a priori truth, attempted to support it with sensory evidence. Sources that he cited include William Whewell's *History of Scientific Ideas*, the philosophy of Immanuel Kant (but no specific work), Herbert Spencer, and Euclid's geometry. Marshall was leaning toward greater use of empiricism and inductive observation not only as a method of gathering knowledge, but also as a philosophy of life. He had not ruled out pre-existing axioms, however, and seems in many ways to be groping for answers. The title of the paper suggests an interest in systems, and of course system was a quality in Marshall's life that had been severely shaken a few years earlier. His later comment that his geometry example was a failure indicates that

he was aware his thinking remained confused on this issue.

A third paper was entitled "Ferrier’s Proposition I" (no proposition "II" has survived.)\(^57\) Ferrier’s proposition (which Marshall defends) is that any intelligence must also have self consciousness at its core. In this paper Marshall sets out his aim in these words:

"I wish to investigate what operations can and what cannot be performed by pure mechanism ....it will not be even at the present day easy to obtain general assent to the doctrine that all the phenomena of the human mind--all the direct internal and external indications of what people call the human soul--can be accounted for by means of mechanical agencies plus self consciousness."\(^58\)

These mechanical agencies he sums up under the term "process of association," and adds that "[I am] feeling my way towards a general theory of psychology which, I have growing tendency to believe, is capable of being developed into the true one."\(^59\) The association of sense impressions of pain and pleasure with memories and ultimately with ideas and actions is a process that can be performed by mechanism. All that humans have in addition is self consciousness.

\(^{57}\) Marshall Papers, 11 (10).


Marshall was severely criticized for this view. A postscript to the paper, headed "Note on the Preceding," claims that by broaching the general doctrine of mechanical agency, Marshall opened himself to misunderstanding and attack. In considering the criticisms later, he realized, members did not understand that he admitted the necessity of self awareness. Men were not simply machines; self consciousness was necessary in order to be able to distinguish between sensations of light and dark, pleasure and pain.

The exchange, even though we have really only one side of it, suggests the nature of the influence the Grote Club had upon Marshall. Marshall did eventually become the "Cambridge rationalist-idealist" C. J. Dewey described, passing on to generations of students the conception that moral values were of the greatest importance to a society. But Dewey mistakenly suggests that this was Marshall’s position from the beginning. There is little to support such an idealist view in his psychology papers, but much food for thought in the reactions to them of the Grote Club. Few members

of the club were ready to jettison all links of morality and ethics in society, links which Marshall did not include in his associationist view of knowledge. With the loss of faith in God (and few members of the club were practising Christians) the effort to find an acceptable source of morals and ethics had intensified. What that source would be was unclear—Sidgwick admitted he himself was a seeker in these years—but all were convinced that moral values did exist and should be cherished and strengthened. When Marshall announced a belief in a system which had no room for such values, the club appears to have sharply dissented. They did not change his mind overnight, but Marshall shortly began to retreat from pure associationism.

The fourth paper, "Ye Machine," is the most complete attempt to develop a psychology of pure empirical associationism. Marshall demonstrates an

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This article has become the center of controversy. Dewey's thesis, that Oxford Idealism and Cambridge Rationalism were actually quite similar, was fiercely attacked as "seriously misleading" and "inaccurate" by Stefan Collini in "Idealism and 'Cambridge Idealism'" (Historical Journal 18 (1975): 171-77.) But John Maloney, Marshall, Orthodoxy, and the Professionalisation of Economics (Cambridge: University of Cambridge Press, 1985), 14-15, points out that arguments over the validity of the title "Cambridge Idealist" have little bearing on Cambridge's orientation toward some social legislation: which, in the end, is Dewey's point. And Robert Skidelsky, John Maynard Keynes: Volume One: Hopes Betrayed 1883-1920 (London: Macmillan, 1983), 29 ff., suggests that by the turn of the century Idealism and Rationalism had merged.
atomistic vision of man’s nature and an empirical vision of the nature of knowledge. He attempts to combine both into a unified philosophy of life and education that is associationist, and to posit that human knowledge (including morals and ethics) can be developed by purely mechanical means. The essay begins:

A machine can be caused to receive, in the form of pressure light sound etc impressions or modes of motion which shall effect changes in the (stational & dynamical) relations of its internal parts. These will constitute the various kinds of what I shall call sensation'.

Marshall begins by describing the internal mechanism of such a machine. Necessarily it is a brief sketch; he was not an engineer, after all. But it is only necessary for his purpose to convince the reader that such a mechanism is plausible, since it is the human mechanism in which he is truly interested. He posits an indefinite number of wheels in the "brain" of the machine, connected to the limbs and to each other by loose bands. A sensation from the outside world would

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However, Collini does not deny that Marshall was deeply concerned with moral values and "economic chivalry" later in life. The attack on Dewey, therefore, does not vitiate the point above: which is that no trace of Marshall’s later moral interests can be found in his psychology papers. They are bloodless exercises in epistemology.

be transferred to these wheels, causing them to turn and either loosen or tighten their belts—thus causing other wheels, not directly connected to the limbs, to turn as well. Thus the machine would begin to react to the sensation.

Marshall then goes on to show the way the sensations would be received, turned into ideas and memory, and eventually into self-motivated actions. Events occur in the outside world, "either by chance or by external means," which lead to sensations and the turning of wheels. If the event is repeated, the machine can recognize that the same sequence of event/sensation had occurred before and the sequence will become a memory. Lightning, for example, is followed by thunder. If the event (lightning) occurs again, the accompanying sensation (thunder) will come to be expected: "the laws of nature, i.e. the regular sequence of certain classes of phenomena," have created expectation. Since tightening the bands will cause the machine pleasure, Marshall stipulates, and loosening the bands will cause pain, the machine can recall the sequence of event/sensation which led to pleasure and attempt to repeat it. If the connection becomes very firmly established it might become an instinct. "Nay further, the machine, like Paley’s watch, might make
others like itself," and the instinct would then become hereditary. These descendants may vary slightly owing to accidental circumstances from the parent. Those which were most suitable to the environment would supply themselves most easily with fuel etc; & have the greatest chance of prolonged activity. The principle of natural selection, which indeed involves only purely mechanical agencies, would thus be in full operation.\(^3\)

"I now proceed", continued Marshall, "to instruct my machine in the leading branches of a liberal education."\(^64\) Language was a simple case. The machine could utter sounds in response to a change in its environment, for instance a monkey stealing coal from its boiler. Over time these utterances would be "associated" with specific events and communication with its fellows would be the result. Arithmetic could also be learned easily. If an unknown individual should pile up bricks of coal in its sight, the machine could remember the number of bricks it had fed itself (through the resulting sensations of pleasure or pain) and thus learn to count. A long series of such events could even lead to skills of multiplication. Geometry would be intelligible for the machine so far as the practical side of the subject went; measuring the sides of

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triangles would be simple. So would the laws of mechanics, and the subject of chemistry. Marshall admitted to uncertainty about the practical natures of biology and physiology; but if the fields were suitably pragmatic, they could be learned quickly, and a machine able to hold in its memory large numbers of associations might "discover laws that we have not yet attained to." In music the machine could utter an indefinite number of musical scores; in painting it could build up successive scenes in the same way.

After such an extensive education it is interesting to note that Marshall also listed knowledge which the machine could not learn by association. With no sensory experiences in some areas, the machine would be unable to generate pure self-motivated thought. Environmental responses could not help it learn algebra, for example, since abstract symbols and reasoning were required. Geometrical theory also required abstract reasoning and thus the machine could not be expected to develop such knowledge. In painting the machine could depict numerous images, but it could never create true art:

Of the secret springs of action it could say nothing; this indeed it would not be able to say in painting, but nothing corresponding to them would ever have entered into the machine.

& nothing corresponding to them could ever come out of it.  

In the final section of the paper Marshall adds an important element to his machine: a moral education. There had been hints of such a training earlier. When teaching the machine how to play chess, Marshall wondered if the machine would take the immediate advantage of an offered piece or look further ahead to a greater advantage? He believed that with enough wheels (or sufficient intelligence, to put it into human terms) the machine could look ahead to its ultimate goal of victory and choose the best course to achieve that goal. Such farsightedness would of course be a character trait to be encouraged in man. In addition, he had supposed the machine capable of using its language skills to warn other machines of possible dangers, which would cause "the habit of friendly offices to grow. (Incidentally I may remark on the great use of natural selection in promoting their growth.)"

Marshall believed that as a moral being, the machine's "fundamental principle would be that of sympathy." As with Mill, he believed sympathy would be produced and encouraged by natural selection. On

seeing another machine, the first machine would recognize the same states of feeling that it experienced. If another machine needed coal the first would conceive the idea of feeding it, perhaps even to the extent of taking the coal out of its own supply. Having associated the idea of hunger in itself with the hunger of another machine, the first machine would derive pleasure from the act of feeding the second. Thus different machines with "different moral characters" would associate the observation of a need with the action necessary to relieve that need. Natural selection would preserve those machines in which the principle of sympathy was strongest. Marshall concluded his paper by noting that, over time, these machines could acquire "a body of moral habits & practice wh most men might envy." 68

"Ye Machine" offers several important facts for a consideration of the young Marshall. First must be the number of limitations inherent in the paper and, by reflection, in Marshall’s thought. It would be inappropriate to expect perfection in what was, after all, a discussion exercise. The ultimate origin of the machines was left open, but then Darwin did the same for human life. Where did the bricks of coal come from to

fire its boilers, and what "outside individual" was kind enough to stack it neatly so that the machine might learn its multiplication tables? Such questions are mere quibbles, but Marshall's concept involves more significant gaps.

Marshall reveals that he was still a believer at this time in a priori thought and some human intuition. The machine, he realized, could not develop abstract a priori axioms, nor without intuition could it create true art. His associationist model was not perfect, as he himself was beginning to recognize. Yet other assumptions were made without apparent thought for their implications. The machine, from first to last, shows a memory the nature of which Marshall cannot define. A self-awareness, enabling it to feel sensations, and primitive volition, enabling it to take actions based on those sensations, are both simply assumed early on in the paper. Its fundamental character trait of sympathy is posited to be the result of natural selection, but this is never proved. All these attributes were extremely important to his associationist case, but pure mechanism does not explain them.

What Marshall aims at is the pure empiricist case for human knowledge. Having lost faith in God, he was trying to reconstruct human knowledge and human nature
along non-theological lines. Interestingly he admits that absolute empiricism is not satisfactory; his machine is limited without intuition and cannot pursue abstract thought. In an earlier paper he agreed with Herbert Spencer's criticism of absolute empiricism: to continually demand proof for each statement led eventually, said Spencer, to an unproved (but accepted) premise, or to the knowledge that no such premise can be reached: "Hence Philosophy, if it does not avowedly stand on some datum underlying reason, must acknowledge that it has nothing on which to stand."^{69} Despite his denial of God, or perhaps because of it, Marshall agreed with Spencer. He still found room for a priori geometric axioms and human intuitions.

From his early interest in psychology Marshall derived several themes of importance for the coming years, and in some respects for the rest of his life. He encouraged his great interest in the epistemological question of knowledge, an interest which, though undermined by later events, remained in the back of his mind. His early passion for extreme utilitarianism was modified by the criticisms of the Grote Club. He developed a great respect for empiricism and observation

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as the best foundations for scientific study and advance. Finally, and most importantly, he developed an interest in character, and how it might be formed and nourished by the outside world. It was an interest which became nearly all-consuming in the 1870's, and which formed the bedrock of Marshall's economic work thereafter.

Despite his loss of faith, Marshall had clearly not given up on the search for absolute truth. Empiricism and associationist psychology, he believed, offered the best chance of finding his own tree of the knowledge of good and evil. This, it would appear, was psychology's greatest attraction to Marshall: its ability to create order and find certain, secure knowledge.

The Impact of Non-Euclidean Geometry

Shortly after this came the second attack on Marshall's epistemological world. Like the earlier blow it took him by surprise, and made such an impression on Marshall that it completed the destruction of the epistemological world of his youth. This blow was the introduction of non-Euclidean geometry into Britain, arriving via Cambridge mathematicians. Was Marshall, with his deep interest in the foundation of knowledge,
aware of the questions which this new science posed to concepts of absolute truth and deductive, a priori logic?

From the early nineteenth century mathematicians in Europe had been investigating Euclid’s geometry, and two lines of approach had been developed by the 1860’s. The first was to eliminate Euclid’s never-proven fifth postulate, that parallel lines never meet. It was replaced with a postulate that parallel lines may meet. To their astonishment mathematicians found that this new geometry they had created contained no logical inconsistencies. But if there were no inconsistencies, then formal a priori deductive logic could no longer establish that there was one absolutely true geometry. Now there were several, apparently mutually exclusive geometries, and pure intuitive thought could not tell which if any was "true." The Hungarian mathematician Janos Bolyai wrote to his father "out of nothing, I have created an entirely new universe."70 He was right, in the sense that pure philosophy could no longer be sure that the universe was Euclidean. Some mathematicians, including the renowned William Kingdon Clifford who popularized the new geometry in England, began to believe that if parallel lines did meet it would

70. Greenberg, Geometries, 129.
demonstrate that space itself was curved. Many of Clifford’s Mathematical Papers refer to this concept, which affected his philosophical outlook as well.\(^7\)

The second line of attack started from a different premise, though it, too, ended by denying Euclid’s authority. This attack claimed that geometry was not based on a priori intuitions at all; that it was instead the result of empirical observations of the world around us. Other beings, in different worlds, would have different observations, and create different geometries. The classic case is Edwin Abbot’s Flatland, the two-dimensional fable of 1884. But there were more serious examples. The most famous was that of Herman von Helmholtz, a German physician and physicist, who proposed that beings living on the surface of a sphere, and knowing only the two dimensions of length and breadth, would know that between two points (as for example earth’s north and south poles) there could be not one line, as Euclid said, but an infinite number of lines (as in earth’s longitude lines.)\(^7\) This second line of attack showed that man assumes the universe is

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Euclidean, because our perceptions tell us it is. Geometries are based not at all in intuition, but in empirical observation.

By the early 1870’s several new geometries had been constructed. Taken as a whole, the field of non-Euclidean geometry established that there could not be one a priori structure to the universe. In the past geometry had seemed absolute truth; now, if the mind could not intuit the structure of the universe, what could it intuit? As one scholar concludes, "All people who concerned themselves with epistemological questions had to face the concept of geometrical truth." Epistemological questions, as we have seen, were just what Marshall was wrestling with. Did he recognize the implication of this new argument?

It is clear that he did, because the effects were profound. Among the few records giving us a glimpse of the young Marshall are the rough notes he kept of his tour of the United States in 1875. In Concord, Massachusetts, he spent an afternoon with Ralph Waldo Emerson, and as the following selection illustrates,

Marshall gave Emerson an account of his own loss of faith that is different from Keynes' essay:

Then we talked about Clifford's interest in the problem whether two straight lines can inclose a space. This also was new to E. He was amused, but a trifle scornful. This piqued me. So I fired off Helmholtz's case of beings living on the surface of a sphere. He listened hard and with effort. I waited for a reply. "Well," he said at last, "it is a very ingenious argument, but it has no practical bearing." I should have dropped the matter; but I had just seen him described in an American guidebook as "the greatest living transcendentalist;" so I seized the opportunity to get on the subject of Kant: and said, "Directly, no doubt; but indirectly it seems to me to bear on fundamental questions of theology and morality. E.g. Kant says the mind may know certain moral and theological propositions certainly and a priori; for it does so know certain physical propositions. I searched his work to find what instances he gave of this: when I found all these were deprived of value, I changed my attitude to some extent with regard to the other propositions."74

The two cases Marshall cited—Clifford's parallels and Helmholtz's spherical beings—were the two most famous examples of the day in non-Euclidean geometry. Marshall had the ability (one is tempted to say, "the unmitigated gall") to spring them both on Emerson, demonstrating his familiarity with both branches of non-Euclidean geometry. The young don, who shrank from discord throughout his life, clearly felt deeply about this subject since in effect he was challenging "the greatest

74. Marshall Papers, 6 (1), "Sketches of Character."
living transcendentalist" on his own ground. Marshall's interest was obviously a passionate one. As with intellectuals everywhere, he was aware of the implications this new geometry held for philosophers. Marshall knew that according to Kant we know theology a priori because we know geometry a priori. But the advent of non-Euclidean geometry had destroyed the validity of a priori reasoning; for philosophers everywhere, "there remained no clear case [with which] to demonstrate any a priori knowledge." For Marshall, the new geometry had destroyed the old deductive universe. Hereafter, some converts such as Clifford attacked any scientist who maintained a belief in God as intellectually dishonest. Marshall himself, however, was not a controversialist. Under the influence of non-Euclidean geometry, he completed his turn away from faith and a universe of absolute values, and became a thorough-going, agnostic empiricist.

We can date within narrow limits the development of Marshall's awareness of non-Euclidean geometry. The new geometry was popularized by Clifford, a fellow lecturer at Cambridge and Marshall's closest friend from 1868 to

76. Richards, Non-Euclidean, 135; Richards, "Reception," 156.
1871. Clifford's lectures in the summer of 1869 taught traditional Euclidean geometry, but in February of 1870 he read a brief paper at the Cambridge Philosophical Society, insisting that space was curved and citing Bernhard Riemann, a prominent non-Euclidean geometer. By the end of that year his lectures incorporated the new geometry. It seems probable therefore that Marshall learned of non-Euclidean geometry through Clifford in late 1869 or early 1870.77

Also in February of 1870 appeared the article by Helmholtz, discussing the spherical beings and the inductive origins of geometry. Later on in that year Marshall made another trip to Germany. It is tempting to think that this was a last attempt at Kant. Marshall once wrote that Kant had been his guide, "the only man I ever worshipped: but I could not get further: beyond seemed misty...."78 This undated fragment is attributed by Keynes to the first trip, but it could as easily derive from the second. In any event, it shows Marshall's early orientation toward a priori metaphysics, and his later disillusionment. Marshall recalled that after 1871-72 he could no longer consider

his field to be "mental science" (that is, metaphysics, psychology, and ethics) and he decided that henceforth he must concentrate on economics.\textsuperscript{79}

This second blow seems to have sealed the fate of Marshall's early epistemological and metaphysical views. By 1870 he had lost not simply faith in God, but faith in an entire philosophical and epistemological framework. Throughout his earlier life he had been able to assume the existence of absolute truths, truths which did not depend on human interpretation but which formed the bedrock of the universe. Even after his loss of religious faith, he had been able to assume a priori geometrical truths, as is plain from his psychology papers. Now he was left without a God, and without a justifiable belief in any absolutes whatsoever. The universe was a far emptier and more solipsistic place than he could have imagined. From a priori deduction, then, Marshall shifted to the opposite end of the philosophical spectrum.

\textbf{Activities in the Early 1870's}

Marshall's loss of faith had transformed his life. The commitment was far more profound to him than mere

\textsuperscript{79} Pigou, ed., \textit{Memorials}, 419.
agnosticism. In his personal activities as well as his intellectual studies, we can trace the effects of his sharp turn from deduction toward empirical observation and induction. Dramatic conversions are often accompanied by a burst of enthusiasm for the new faith. In Marshall’s case, after the prolonged struggle and final break, there is a sense of elation and relief to be found in the young don’s activities. It is as if, having struggled with a narrow paradigm of faith and intuition, he found himself suddenly free of a restrictive vision of the world. The powers of inductive reasoning opened undreamed-of vistas before him. It was at this time, for instance, that Marshall became famous among his circle for collecting the photographs of artists’ faces. He hoped to find physical characteristics that would set apart the poets from the painters from the musicians. It was an odd if touching faith in the powers of observation.

The subject of ethics soon dominated Marshall’s thoughts. Psychology had fascinated him because of its bearing on "the higher and more rapid development of human faculties...." But it led him to a consideration of Victorian society, which limited the development of the faculties of so many individuals,

especially of the working classes. The "moralizer of an imp," to use Keynes’ phrase, now began to stir again within him; Marshall recalled that he found it difficult to justify the existing conditions of society.\textsuperscript{81} An unknown friend suggested that political economy would explain the situation. Marshall read Mill’s \textit{Political Economy} and, fascinated, began his own inductive campaign to investigate economic truth. He recalled later how he began to walk the streets of the poorer quarters of cities, watching the faces of the people. In this early period it is characteristic that his attention was focused on the individual, and on inductive observation and not deductive reasoning.\textsuperscript{82}

In terms of Marshall’s personal activities, in the early 1870’s he became increasingly involved in social and educational reform movements of the day. His new inductive beliefs demonstrate clearly the links that he and other Victorians found between such apparently diverse fields as mathematics, philosophy, ethics, and economics. These links are in fact the reason John Stuart Mill had attacked Mansel so vehemently. The

\textsuperscript{81} Keynes, "Marshall," 10.

\textsuperscript{82} Keynes, "Marshall," 10. Marshall did translate Ricardo’s theorems into mathematics, a far more deductive exercise, but Keynes clearly states that it was through ethics and not mathematics that Marshall came to economics.
argument between the intuitionists and those who believed in empirical induction went far beyond a difference in perspective; for anyone interested in the cause of reform, it was a matter of utmost importance. As Mill wrote in his Autobiography:

The practical reformer has continually to demand that changes be made in things which are supported by powerful and widespread feelings....There is therefore a natural hostility between him and a philosophy...which is addicted to holding up favorite doctrines as intuitive truths, and deems intuition to be the voice of Nature and of God, speaking with an authority higher than that of our reason.83

Marshall’s activities after 1870 make it clear that he thought of himself as a practical reformer. Without belief any longer in the inherent rightness of the existing order, Marshall began to push for constructive reform. He was one of the first lecturers to women students at Cambridge, and later became part of the university’s extension classes as well. He campaigned in favor of altering the outdated religious restrictions on fellowships. He addressed striking agricultural workers in Cambridgeshire. He read Marx, Lassalle, Owen and other socialist economists, and when touring the United States made a point of visiting the Shaker and Perfectionist communities to see socialism in action.

Above all, he was no longer content to simply let progress drift on a blind course. After describing the horrors of the Industrial Revolution, he told his students "I wanted to make it clear what must happen if we do drift, to show that if we do so, we shall always have an immense number of people very near starvation's limit." 84

A move away from deduction and toward observation and induction is also apparent in Marshall's economic work at this time. He toured factories everywhere in Britain, familiarizing himself with the demands of each occupation, until he could guess the wages of an operative to within two shillings a week. 85 He had begun writing unpublished essays on economic subjects in the late 1860's. This early work translated the theories of Mill and Ricardo into mathematical form. Papers on "Rent," "Value," "Wages" and the like retained, as one scholar notes, "the bookish, a priori tone of the studies in philosophy and psychology from which [they] grew." 86 But in the early 1870's came a substantial change. He took an increasing interest in

86. Whitaker, Early 1: 52.
economic fact and economic history, and less in economic theory. Comparing the influences of two economists whom he read in the early 1870's, A. A. Cournot and J. H. von Thunen, Marshall recalled that Cournot was the better mathematician; but he preferred von Thunen: "he was a careful experimenter and student of facts, and with a mind at least as fully developed on the inductive as on the deductive side." He attacked William Stanley Jevons for using mathematics poorly, but then suggested that the mathematics be not improved but left out altogether. An 1873 paper on "The Future of the Working Classes" cites John Stuart Mill, parliamentary commissions, and the poetry of Thomas Hood. Part One of an incomplete monograph on "Foreign Trade" details historical events affecting steadiness of employment in England, and provides examples from America contradicting the land theories of Ricardo.

In the meantime there remained the question of what to do with his life. In 1868, while in the midst of his philosophic turmoil, Dr. William Bateson, the Master of St. John's, had arranged a special lectureship in the

87. Whitaker, Early 1: 11-12 dates this as "about 1873," though the beginnings are evident earlier: see Marshall's review of Jevons' Theory of Political Economy in 1872.

moral sciences for Marshall. To the end of his days Marshall remained grateful for an appointment that, he said, helped determine the course of his life. It gave him a foothold in Cambridge’s academic community and a sense of direction. Toward what, exactly, was still uncertain; it was only later that Marshall became convinced that economics was the most important of the moral sciences. But another aspect of the lectureship may have been more important to Marshall. It was one of the few positions at Cambridge to which an uncertain agnostic could be appointed. As Henry Sidgwick wrote to a clerical friend in 1868:

The thing is settled. I informed the seniority that it was my intention to resign my Fellowship at the end of the year, in order to free myself from dogmatic obligations. With great kindness and some (I hope not excessive) boldness they have offered me, on this understanding, the post of lecturer on Moral Sciences (not Assistant Tutor), which I have accepted.89

There were in fact a good many non-believers in Cambridge, who found for themselves posts in the moral sciences: J. B. Mayor had held a lectureship at St. John’s, and John Venn held one at Caius. It was another indication that Marshall reflected the intellectual and moral concerns of his age.

89. Laurence and Helen Fowler, eds., *Cambridge Commemorated* (Cambridge: Cambridge University Press, 1984), 211.
Only gradually did he come to concentrate on economics. Despite his first burst of enthusiasm for Mill, he regarded learning the dry facts of economic life as a necessary evil, a distasteful duty to be endured. He regarded himself as "a philosopher straying in a foreign land," not as an economist at all.\(^90\) He taught economics, he said, only because as a junior lecturer he could not avoid it. But slowly its importance grew in his mind, as he noticed that of all the moral sciences political economy had been most neglected by academic thinkers. By 1870 he had begun writing a series of economic essays which were shared not with the Grote Club but with advanced pupils. In 1871-72

> I told myself the time had come at which I must decide whether to give myself to psychology or economics. I spent a year in doubt: always preferring psychology for the pleasures of the chase; but economics grew in and grew in practical urgency, not so much in relation to the growth of wealth as to the quality of life; and I settled down to it...\(^91\)

Marshall settled down to it by transforming his earliest essays into a monograph on foreign trade, "for the chief facts relating to it can be obtained from printed documents."\(^92\) The death of an uncle who had

\(^90\) Whitaker, Early, I: 7.

helped him attend Cambridge, and a consequent small inheritance, allowed him in 1875 to spend the summer touring the United States and investigating economic reality and foreign trade at first hand.

Conclusion

In the ten years 1865-75, Marshall had demonstrated a continuing concern for four themes in his life. These themes were more central to Marshall than any desire to study protectionism. They defined the way in which he thought about economics and life in toto. Some remained with him all his life, while others faded as the years went by.

The first theme was a simple question: what vocation would Marshall follow? Although it was a question that he had apparently answered by 1875, influences from the past lingered. Economics was not, after all, his first choice for a career; earlier he had been interested in philosophy, psychology and ethics.\(^93\)

And if Marshall was to be an economist, what sort of

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economics did he prefer? Beside his reading of Mill and Ricardo, Marshall demonstrated a strong sympathy for socialist economists. These were the years of his self-described tendency to socialism, in which he read Marx and Lassalle and approved their moral outrage if not their economic cure. His intention of studying protectionist economics in the United States may have been encouraged by his recognition of the close relationship between socialism and protectionism. His interest in the American religious societies of the Shakers and Perfectionists was linked to his desire to find some way to utilize the socialists' anger and concern for their fellow man.

A second theme was the continuing importance to Marshall of epistemology. Marshall demonstrated an enduring interest in the proper philosophic method of discovering truth. In the early 1870's Marshall came to believe strongly that induction was superior to

deduction. He once told an audience that criticism of Charles Darwin was justified, to the extent that Darwin extended his speculations to matters beyond observation.  Both as a metaphysical delight and as a paradigmatic tool, epistemology continued to fascinate Marshall for many years to come.

A third theme was a continuing interest in social reform. This theme had two points of origin. The first was philosophical, best elaborated in the works of John Stuart Mill. Mill despised a priori deduction from intuitive axioms because it was used to justify the order of society as it currently existed. Since the existing social order could no longer be justified as an a priori truth, reformers were free to experiment with constructive changes. Reforming society’s structure would automatically reform mankind.

The second point of origin was economic; a passion for the historical study of economics was then in vogue, especially in Germany, and Marshall wrote that in the early 1870’s he was in his "full fresh enthusiasm for the historical study of economics." Historical economics proposed that there were no valid a priori axioms such as the intrinsic advantages of free trade.

Only inductive observation could establish which economic policy was correct at any given time. Each case must be argued on its own merits, and as social and historical conditions changed so must economic theory. A nation therefore was free to experiment with other social and economic forms of organization. The resemblance to the deductive-inductive arguments in philosophy is not accidental. Historical economists firmly took the inductive side and castigated deductive economists as entirely too theoretical. The influence of these two arguments for reform can be traced in Marshall’s activities, since it was in the early 1870’s that he began his own reforming efforts such as the university extension movement and lectures to women students.

Character forms the fourth and most important theme of these early years of Marshall’s career. Not only was the largest single section of his notes from America concerned with character; it was a major goal of his studies and one that remained constant throughout his life. Marshall’s attention shifted from psychological influences on character to ethical influences on character.

character, and then to economic influences—but always the goal remained of understanding character and its formation. According to a recent study, he identified five essential character traits: honesty, respect for persons (including self respect), the pursuit of excellence, generosity, and deliberateness. Though race, heredity, and climate all had their influences, he came to believe that character would be most greatly encouraged or discouraged by economic conditions. In the *Principles* he wrote "man's character has been moulded by his every-day work." It was almost a repetition of his first public speech, twenty years earlier, in which he set out to examine "the characteristics of those occupations which directly promote culture and refinement of character." These themes ran in parallel, of course, since Marshall's mind was not made up of watertight

98. Marshall proposed that the coal-fired thinking machine could develop the ability to prefer greater but deferred pleasure over smaller but immediate pleasure, defining this as character in such a context. Marshall Papers, 11 (8), "Ye Machine." In "Foreign Trade" he wrote that an increase in wages will lead to a better environment for the worker and thus to a better character. Whitaker, *Early*, 2: 24.


compartments. An interest in social reform was influenced by Marshall’s background in ethics as well as his desire to elevate the character of the poor. The themes may be linked together with the phrase "evolution of conviction." By the time Marshall published his first book, *Economics of Industry*, in 1879, he had veered away from his interests of the early 1870’s. Marshall’s conviction that he was indeed an economist, his interests in reform, in philosophy and in character all underwent great change during the 1870’s. Considerably more sure of who he was and what he wanted, Marshall abandoned many of his earlier beliefs and attitudes and concentrated on the scientific presentation of economic theory.
CHAPTER II
CREATING THE ECONOMIST

Meanwhile he was attracted towards the new views of economics taken by Roscher and other German economists; and by Marx, Lassalle and other Socialists.

Alfred Marshall,"Eckstein" autobiographical fragment

By the early 1870's Marshall's interests were rapidly shifting towards economics. There were numerous reasons for this change, as discussed in the previous chapter. Some were deeply philosophical, as for instance his need to find an intellectual field where the boundaries were well-defined and in which he could be of service to the world. Other reasons were simpler and more pragmatic, such as his inability to dodge an unpleasant teaching assignment in political economy. ¹ Despite his longing to return to the purer "mental sciences" of logic, psychology, philosophy and ethics, Marshall found his attention increasingly engaged by a

field that, in his mind at least, offered the possibility of including all of his earlier interests.

His work in philosophy had left him convinced that accurate scientific work depended on close inductive observation. He found grist for his new economic mill by walking the poorer quarters of industrial towns, observing closely the faces of individuals he passed, perhaps quietly comparing them to his collection of artists’ faces in Cambridge. Ethical questions began to shape themselves in economic terms; he wondered at the propriety of a system which denied to many an equal opportunity to share its benefits. Slowly this attitude broadened, encompassing his earlier interests in character and an inherited trait of "sympathy" which had developed in his psychological period. As with John Stuart Mill, whose Autobiography Marshall read as soon as it appeared, he found himself increasingly on the side of would-be reformers of society for both philosophical and practical reasons.

This change involved more than simply a redirection of interest. Marshall began to read new books and undertake new projects that harmonized with his devotion to economics and reform. The coming years deepened his

commitment to economics and gave it the beginnings of its characteristic "Marshallian" shading. By this is meant Marshall’s particular blend of ethics and economics, in which he insisted that ethics was the mistress and economics the handmaiden. Throughout his life he devoted himself to the development of the individual and the elimination of poverty. By the 1890’s this devotion resulted in the famous call for an "economic chivalry," which would encourage social justice as well as competitive behavior. But a generation earlier this attitude was present in embryo, as becomes clear from an examination of Marshall’s early writings and lectures.

This chapter, then, is less about Marshall’s economic theory per se than about the kind of economist Marshall wanted to be. Certainly the creation of


4. This by itself, of course, is not a new insight; many commentators have noted Marshall’s broad and humane interests. These interests have not always been traced to their proper sources, however. Marshall early attitudes toward women, for example, are illuminated (if not explained) by sections of his "Lectures to Women" and underlined passages in his copy of John Stuart Mill’s essay The Subjection of Women.

5. Marshall’s early economic theory has attracted the attention of numerous scholars. See for example the
theory is critical in terms of his later work. Yet as is clear by now, he did not decide to become an economist in a valueless vacuum. In the development of Alfred Marshall the intellectual, the larger question must be not what was his economic theory, but what did he wish to do with it? To what end did he create these economic tools which he used?

Marshall’s changing attitudes and the first stages in the creation of his theory can be traced in his early career as a moral sciences lecturer. This offers us a chance to discover his attitudes about economics and the larger society in which he found himself. A close examination of his intellectual resources and his use of them in the "Lectures to Women" will offer useful insights into the development of Marshall’s stance toward society.

Creating the Economist

Like most university teachers, Marshall kept a substantial private library and added to it as his interests evolved. Many of the books he read are still kept in what has become the Marshall Library of Economics and Political Science at Cambridge. Working

with this library and with reminiscences by colleagues and former students, it is possible to recreate some of Marshall’s reading interests in the late 1860’s and early 1870’s. Clearly for Marshall the process of becoming an economist involved several conscious decisions as to what kinds of economics he would investigate, and which he would choose to follow.

By the time he published the *Principles* in 1890 Marshall had made his name as a neo-classical economic theorist, one who believed that classical economics were basically correct but that special emphasis must be laid on marginal increases in wages or prices which led to the final decision to spend or save. In essence, neo-classical or marginalist economics was a more closely measured classical economics, in which motives other than pure economic rationalism were understood to operate in each person. Marginalism marked the end of "economic man," the exceedingly rational construct of the early nineteenth century, and replaced it with an emphasis on the observed behavior of actual human creatures. Marshall later claimed, at the turn of the century, that his marginalist theory was complete in its essentials by about 1871.6

6. In a 1908 letter to economist J. B. Clark, Marshall claims that "my main position as to the theory of value
In fact, however, there is little concrete evidence to support this claim. The existing evidence suggests just the opposite: that Marshall slowly built up his theoretical framework over a number of years from numerous sources, some of which he later abandoned and forgot. 7 He always gave credit to the classical tradition of Adam Smith, David Ricardo, and John Stuart Mill. Yet in the early years of his career he also read widely in the contemporary "historical school" of German economists, and in the socialist economics of Karl Marx and Friederich Lassalle: two very different economic traditions which influenced Marshall's activities in the 1870's, but which were later relegated to appendices and footnotes in the Principles. The evidence indicates that Marshall spent several years trying to create a judicious harmony of these three traditions, classical, historical and socialist; in 1875 he tried to persuade John Neville Keynes to teach economic history, "a subject that wants treating thoroughly." 8 The theory that Marshall eventually espoused was a conscious

7. See Whitaker, ed., Early 1: 37-51, which discusses this issue in depth.

8. Letter from James Ward quoted in John Neville Keynes Diary, 13 December 1875; Cambridge University Library, Add. MSS 7831.
creation, reflecting his early exposure to the most important economic works of the day.

At the same time, Marshall was reading numerous non-economic works which substantially influenced his decisions and actions in the field of economics. Sir Henry Maine’s treatment of ancient law and community first suggested to him, Marshall later wrote, how custom eroded among traditional societies.9 The novels of George Eliot upheld concepts of duty and sacrifice that he found very appealing, and he recommended her novels to his classes.10 Though few details of Marshall’s discovery of Charles Darwin have survived, Darwin’s theory of evolution had an immense impact; in later years, Marshall used biological metaphors of growth and change in describing the progress of economic science.11 And John Stuart Mill remained an overwhelming influence on Marshall. Mill’s Autobiography was read by Marshall as soon as it was published, and his copy of The Subjection of Women was carefully annotated,


11. See Appendix B of the Principles.
demonstrating Marshall’s agreement with Mill on this as on so many issues. All of these authors modified the way Marshall conceived the world and helped him create a new framework of values, replacing the now-discarded system of beliefs that he inherited in his youth.

Finally, Marshall’s career had taken a new and important tack at this time. Instead of priest or physicist he now aimed himself at a career as a university don. The surroundings of the workday environment now began to have a cumulative effect on him. As a lecturer in the moral sciences at St. John’s, Marshall undertook a new set of problems and opportunities. Some were congenial to him, and others not. He enjoyed lecturing on philosophy much more than on economics at first, and may have found the students a bit trying at times (John Neville Keynes, calling on Marshall, caught him in his bath tub in the spring of 1874.)12 In all, however, there were new perspectives on the world. He kept up his links to the intellectual world of Cambridge by attending numerous club meetings: the Grote Club, the Eranus, the Cambridge Reform Club (where he read a paper on "The Future of the Working Classes"), the Cambridge Moral Science Club (where he

read a paper on "Some Features of American Industry"),
and a Social Discussion Society which he himself
founded. His fellow dons, especially the young ones
he was friendly with, were all dedicated to the cause of
reform. Being a don was a new career both in the sense
of a personal choice for Marshall, and in the sense that
it was a vocation which had scarcely existed earlier in
the century. In the age of university reform, the
mission of the university itself was changing: from
instilling an education in virtue, to discovering and
passing on new knowledge. As is often the case when
reform seems to be in the air, some reformers had no
specific cause in mind, just a conviction that things
ought to be changed. Henry Sidgwick became involved in
women's education because he felt he had to do something

Club: Whitaker, ed., Early 2: 352; the Social
Discussion Society: Walter Hubback, No Ordinary Press
Baron: A Life of Walter Layton (London: Weidenfeld and
Nicolson, Ltd., 1985), 15 (no date is given for the
founding.)

14. Owen, Church, 2: 441, suggests this was true of the
universities generally. For Cambridge, see Garland,
Cambridge; Rothblatt, Revolution; for similar changes
at Oxford, see Reba Soffer, "History at Oxford,"
Historical Journal 30 (1987) 77-104, for the conflict
between researchers and those who wanted to instil moral
imperatives and social obligations. The expansion of
science education is another example of this trend; a
College of Science was founded in Newcastle, affiliated
with the University of Durham, in 1871.
positive; William Kingdon Clifford wrote of H. R. Seeley that he "wants to get up all sorts of things independent of the authorities and stir up the place generally. I must take care to have him in to tea."\(^\text{15}\) St. John's College was a central focus of the reforming spirit. Its master, William Henry Bateson, was widely regarded as "the head of the liberal party in academic matters." He advocated the end of religious restrictions for fellowships and promoted women's education (his wife gave dances for the women students at Newnham in later years.)\(^\text{16}\) Marshall joined these efforts and began to involve himself in reforming causes. The long walks along the Cambridge backs gave way to tours of industrial districts in the cities, and Marshall joined the university extension movement as well as the experiment in women's education at Cambridge which became Newnham College.\(^\text{17}\)


\(^{17}\) W. R. Scott, *Alfred Marshall 1842-1924* (London: published for the British Academy by Humphrey Milford, Oxford University Press, n.d. [1924]), 2, notes that as an undergraduate Marshall often walked from the Backs to Coton and "'shouted with joy to find himself in the real country.'"
These three changes—the discovery of economics, the non-economic reading which affected his ethical standards, and a new career as a don—provided the background for some important questions all economists, including Marshall, must have considered. First, what were economists exactly? Gifted amateurs such as Ricardo and Mill—or was their day passing, and the future in the hands of academics like Sidgwick and William Stanley Jevons? Second, what role should economists play in mid-century Britain? Should they be isolated theorists? Should they be critics or social activists, or neutral scientific researchers? Finally, and perhaps most importantly for Marshall, what kind of economist did he see himself becoming? In 1870 the field of economics was in a state of flux, and models could be found for many different career patterns.18

Economics—The Classical Tradition

Marshall began his investigations in economics in the late 1860’s. At the same time, of course, he maintained his interests in other fields such as mathematics and psychology. As his orientation changed

18. Maloney, Orthodoxy, points out in chapter 1 that such questions were a constant subject of debate among economists in the early 1870’s.
from a priori deduction to inductive observation, so did his work in economics. A note Marshall made of his long vacations reveals the timing of the change. In the summers of 1866 and 1867, he studied philosophy; in 1868 he began work on economic graphic curves, work which continued in the vacations of 1869 and 1870. These curves and the notebooks accompanying them are extremely theoretical in nature, retaining (as one scholar says) a "'bookish' a priori tone."19 In the summer of 1871 comes a sudden change; Marshall described it as "Miscellaneous, a good deal of history," and in 1872 and 1873 the entries read "chiefly history....ditto."20 The intellectual changes Marshall was experiencing were reflected in his vacation research interests. By 1866 he had discovered the Bampton Lectures, and the ensuing religious crisis led him to a study of metaphysics. The economic work which began in 1868 reflected his deductive habits; but after the shock of non-Euclidean geometry destroyed deduction in 1870, theoretical effort took second place behind the more inductive study of history. It is understandable, then, that Marshall studied the more theoretical classical economics first in the late 1860’s, and read the more empirical German


The term "classical economics" refers to the economics taught nearly universally in England in the nineteenth century. It has passed into the literature about the Victorian Age as one of the chief hallmarks of that era, even though by 1870 virtually no first-rank economist accepted its teachings without reservation. Based on enlightenment philosophy, classical theory held that there were certain inflexible natural laws of economics which man could discover but not alter. Among these were the superiority of free trade in all aspects of the economy, the benefits of open competition which ensured a strong character for the individual and (via the "invisible hand") maximum progress for the society, and a belief that population increase was inevitable up to the limit of food available. There were numerous corollaries and conclusions which went along with these laws. Among the corollaries were the unspoken beliefs that all men were rational creatures, making decisions about economic affairs on the basis of rational expectations of the future; that free trade, both between nations and inside them, was an absolute good; that competition would be between approximate equals in the workplace, according to Adam Smith; and that the
masses, according to Thomas Malthus, would always live near the starvation level and that their wages, according to David Ricardo, would never rise far above the minimum, so that consequently one could only expect a small number of wealthy. The two conclusions widely drawn by society at large from these laws and corollaries was that government laissez-faire, or noninterference, should be the watchword in social as well as in political and economic affairs, and that the system was thus not adjustable. The natural action of the marketplace would someday lead to a better distribution of goods; till then, society should concentrate on production.\textsuperscript{21}

The system of reasoning used by classical economics was narrow deduction. Economists constructed a model, then reasoned closely from that set of given conditions. This method developed in part from a belief in natural law: given certain unchanging facts of nature, what will the result of any variable be? It also had the advantage of isolating one part at a time for individual study, while the other parts of the model were presumed to be stable and changeless. Modern critics often

\textsuperscript{21} It should be noted that most economists did not support the extension of economic laws to the social arena; most economists, for example, favored the Factory Acts of the 1830's and 1840's, as Marshall was aware. See Principles, Appendix B, esp. 763.
dismiss such a method as inconsistent with reality (Joseph Schumpeter called it "an excellent theory that can never be disputed and lacks nothing save sense") but to early nineteenth century economists England’s economic success was apparently based on the results of such studies.\textsuperscript{22} Free trade had vastly expanded the nation’s prosperity and it was widely assumed that progress would continue. Nevertheless, because of its rigid inflexibility, economics in the classical period left little hope for a change in the system. Many observers repeated Thomas Carlyle’s scornful epithet, the "dismal science," and Walter Bagehot struck a chord when he wrote at mid-century, "no real Englishman in his secret soul was ever sorry for the death of a political economist; he is much more likely to be sorry for his life."\textsuperscript{23} This was the tradition of economics Marshall learned, and his three greatest influences were Adam Smith, David Ricardo, and John Stuart Mill.

Marshall was fond of telling his students "it’s all in Smith" and came eventually to attribute nearly all of modern economic thought, at least in embryo, to Smith’s


Adam Smith (1723-1790) was the sceptical professor of moral philosophy at Glasgow. Believing in a natural order of society, he tried to delineate the natural order of economics which he saw complementing it. His most famous book, *An Inquiry into Nature and Causes of the Wealth of Nations*, was published in 1776 and blended the natural law of the enlightenment with close observation of the world of economic production. It was the most comprehensive account of the theory and operation of the economic world published for the next hundred years.

Smith’s work rested on a foundation of enlightenment philosophy. He believed in a natural order of society, dependent upon natural laws of liberty, self-interest, and competition. Excessive interference by governing authorities impeded the operation of these natural laws. If left to operate by themselves, they created an open society and a marketplace in which goods could be freely exchanged to the ultimate benefit of all. Smith therefore emphasized economic growth, security of property, and freedom of trade in *Wealth of Nations*. He combined deductive reasoning from such natural laws and empirical observation of their operations around him, organizing the evidence according to a relatively few coherent
principles, to create a truly formidable treatise on
economic operations at the close of the eighteenth
century.  

Marshall claimed in later years that Smith was one
of the formative influences of his early days in
economics. A letter of 1892 claimed that in the early
1870's he tried to trace the origins of Smith's
doctrines and was especially impressed by the Scotsman's
balance and proportion. Smith's use of analysis to
explain history and history to correct analysis
especially appealed to Marshall. In 1885, at his
inaugural speech as professor of political economy at
Cambridge, he said that Smith had singlehandedly made
the greatest advance in economics by providing a careful
inquiry into the way that value measures human motives;
Marshall called it a new scientific tool for
investigating human relations. Yet there is little
appreciation of Smith directly in the late 1860's and
early 1870's. Marshall's first notes in economics are

24. Schumpeter, Analysis, 181-94; Denis O'Brien, The
29-37; William J. Barber, A History of Economic Thought


26. Pigou, ed., Memorials, 157. The speech was
substantially reprinted as part of Appendix B, "The
of Mill, not Smith. His earliest essays in 1869 and 1870 barely refer to Smith; one surviving note which does so, on raising corn, is extremely theoretical in tone and does not take advantage of Smith’s empirical observation, which Marshall later so admired.  

If Smith was an early influence, we might expect that Marshall would try to copy the method of Smith as early as 1868, when he began lecturing on the moral sciences. In fact this is not the case; not until years later in the early 1870’s does Marshall begin to express admiration for Smith and try to trace his doctrines. In an uncompleted manuscript Marshall himself implies the reason for this odd treatment of an early influence: men, he wrote, were so dazzled by the deductive brilliance of other economists (especially Ricardo) that they lost sight of Smith’s inductive work.  

The statement was true of economics in general but even more of Marshall in particular. Before 1870 Marshall was a strong believer in deduction, and Smith’s inductive method evidently had little appeal for him. Yet shortly after 1870 he lost faith in deduction, opted instead for induction and historical economics, and it seems that it was at this point, "the early seventies, when I was in

my full fresh enthusiasm for the historical study of economics," that he began to study Smith carefully. 29 That Marshall was a strong believer in Smith’s basic mechanism is not in doubt; a belief in freedom, individual competition, and natural law was a part of his youth. Yet several natural laws had been destroyed for him in 1870, and on another occasion he claimed to have discovered the virtues of competition by playing tennis with friends. At the time of his introduction to economics, Marshall was influenced less by Adam Smith’s world per se, than by what others did with that world: especially Ricardo and Mill.

David Ricardo (1772-1823) came from a family of wealthy financiers in London. Quarreling with his father, Ricardo had struck out on his own and soon became a wealthy man via speculation in financial markets. Accompanying his wife to the fashionable resort of Bath, he had picked up a copy of Smith’s Wealth of Nations out of boredom but soon found himself fascinated by its intricacies. After corresponding with James Mill he published his own conclusions on economics, Principles of Political Economy and Taxation, in 1817. A gift for leadership and a polemical talent

soon gave him a school of followers. The most important contribution of the book (and of Ricardo’s followers in general) was its method: a carefully constructed model operated by deductive logic yielded a series of firm conclusions about land, labor and value. Ricardo was a narrow critic, not a system-builder with a broad vision as was Smith (or, later, Marshall.) But his method did provide answers that were logical, and economists almost universally followed his deductive model-building form during the next half-century.

It was an odd sort of triumph, because the direct influence of Ricardo’s book had vanished in a generation. Ricardo had tried to prove a single narrow point: the Corn Laws were forcing a fall in the economic returns to land and labor, and were destined to bring about a grim stationary state where most citizens lived at starvation’s door. The method he had used to prove this was simple but profound and remained valid even after the Corn Laws had been repealed in 1846. Ricardo defined the system thus: inputs of labor and capital, added to land, produce grain. The cost of these inputs is described not in money but in real terms, that is as a percentage of the final grain crop, thus giving the model a permanency not invalidated by currency fluctuations. As the population grows, more
grain must be raised; but now less fertile land must be used, and so greater inputs of labor and capital are needed for what is proportionately a smaller and smaller grain crop. Decreasing returns are therefore explained and even predicted. In the end, believed Ricardo, the model may stand for the entire economy since everyone needs grain. The model was very appealing for two reasons: first, Ricardo's style of writing was very spare and clean, avoiding rhetorical flourishes. Second, and more important, Ricardo had penetrated past the immediate problem of the Corn Laws to an analysis of value: "in all countries, and at all times, profits depend on the quantity of labor requisite to provide necessaries for the laborers, on that land or with that capital which yields no rent."30 Ricardo had provided a workable definition for determining value in society, and an hypothesis for predicting when profit would end.

The influence on Marshall was immense. His earliest essay on "Rent" (1869-70) discussed raising grain by applying variable amounts of labor and capital to a fixed amount of land.31 The similarity to Ricardo is inescapable. Indeed, the evidence suggests that Marshall was fascinated with Ricardo: Marshall referred

30. Quoted in Barber, Thought, 79.
to "genius," "brilliant originality," and "the brilliant school of deductive reasoning, which Ricardo led." Part of the reason for this may be that, as Keynes says, Ricardo’s theories lent themselves easily to mathematical work; as Second Wrangler, Marshall was eager to find ways to use his mathematical expertise. Another reason must be Marshall’s early devotion to deductive theory. The earliest essays Marshall completed were Ricardian in tone: "Rent" and "Value," both from the period around 1870, are clearly influenced by Ricardo. A brief note on economists believed to be from the late 1860’s says "Ricardo knew clearly what he was assuming: and Smith did not." Ricardo’s work on money and currency were carefully read by Marshall; this area was one which he studied in America during his tour of 1875. And in Economics of Industry (1879), Marshall’s first book, he uses a Ricardian definition of normal value.

32. See Keynes, "Marshall," 23; Pigou, ed., Memorials, 99; Marshall, Principles, 761. These statements date from the early 1870’s in the case of those from the Memorials, and from 1890 in that of the Principles.


Only in later years did Ricardo come in for criticism. By the mid-1870’s Marshall noted that despite the brilliance of Ricardo, economists were coming to favor the induction of Smith. In his 1885 inaugural address at Cambridge, Marshall criticized Ricardo and his school for neglecting the study of facts, assuming all men resembled the city financiers they were familiar with, believing that human nature was fixed and unchanging, and above all for not making clear that they were creating an economic machinery of investigation instead of laying down unchangeable natural laws. No doubt this last criticism owed its origin to the academic politics of the time; creating a "machinery of investigation" at Cambridge was by then Marshall’s most cherished goal. Yet by the time Marshall wrote the Principles in 1890, he had come to give Ricardo second place behind Smith. As a young

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36. "In fact men were for a time dazzled by the splendid display of the power of deductive reasoning in economics which Ricardo exhibited. But latterly a reaction has set in towards the circumspect inductions of Adam Smith, which had been thrown into the shade by Ricardo’s brilliant performance." It is hard to escape the feeling that Marshall was describing his own experience here. Whitaker, ed., Early 2: 119-20.

37. Pigou, ed., Memorials, 154, 156, 162.
economist, however, there is no doubt which had
influenced him most: one of the few autobiographical
fragments we have from Marshall (written in the third
person) states that "while still giving private lessons
in mathematics [1867], he translated as many as possible
of Ricardo's reasonings into mathematics; and he
endeavoured to make them more general."39

The final influence from the classical tradition
was John Stuart Mill, whose works formed the mainstay of
Marshall's lectures to the students of Newnham.
Although he never met or corresponded with Mill,
Marshall read and referred to nearly all the older
author's important works: from the Logic (which
Marshall had read as a schoolboy) to the posthumous
Essays on Socialism. John Stuart Mill (1806-1873) was
given a stringently intellectual and utilitarian
education by his father, the philosopher and economist
James Mill. The younger Mill was a child prodigy; he
translated Latin verse at age eight, learned the
economic system of Smith and Ricardo at thirteen, and
determined at fifteen to explain utilitarianism to the
world. But at twenty he collapsed from a near-total
breakdown: he had no friends, no hobbies, no emotional

outlet of any kind. He had become the "logic-chopping engine" of Carlyle's disdainful phrase. Mill began to read Coleridge and other Idealist writers in an attempt to develop his emotional side, and in his written work (accomplished in the hours away from his post at the East India Company) started to revise utilitarian thought. In Mill's hands, as he tried to enlarge utilitarian thought, it became a system which could include altruism and the higher pleasures of duty and self-sacrifice, and thus a more complete guide to life. On the educated youth of the nation, and especially at Cambridge, his influence by midcentury was profound. As his life went on he became ever more interested in reform: he advocated land tenure changes in Ireland, the disestablishment of the Church of England, an improved status for women. His stance linked philosophy and social reform. Convinced that intuition and conservatism were natural allies that wished things to remain as they were, he remained a dogmatic empiricist who believed that observation of actual conditions must precede any reform. By the end of his life the man whom Gladstone had called "the saint of rationalism" had become the most influential intellectual of his time.  

Mill’s influence on Marshall was two-fold. In terms of economic theory, Marshall began his work by translating many of Mill’s arguments (and Mill’s versions of Ricardo’s arguments) into mathematics. Mill’s work was an advance on Ricardo and Smith, and his Principles of Political Economy (1848) became the textbook for Marshall’s generation. It emphasized empirical work, and in content was approximately two-thirds fact, one-third analysis. Its broad sweep covered everything from peasant farmers to international trade. Mill had noticed and included the effects of changes in the economic environment: economies of scale in manufacturing had been unknown to Ricardo, for example, but were featured in Mill’s book. And the nightmare of starving masses that Ricardo foresaw was dispelled by Mill; he pointed out that wages had risen as efficiency of labor increased, and that technical progress in agriculture had made it possible to feed more people at lower cost than ever before. In addition, Mill altered several portions of economic theory. Ricardo had defined progress solely in terms of increasing capital. Mill took a broader view, defining progress as better human life, and defined numerous ways

41. Whitaker, ed., Early 1: 37, lists two different examples of Mill’s works translated by Marshall.
in which mankind could progress: capital increasing faster than population, population increasing faster than capital, both increasing at the same rate, both constant but technology reducing the necessary amount of input so that in real terms there was more to go around. Mill’s most important theoretical distinction was between two different types of economic laws. The laws governing production, said Mill, were immutable. Production of wealth depended on natural resources and natural laws, and these cannot be altered. But the laws governing distribution of the product were adjustable. It was society which decided how to distribute the resulting wealth, and society could change these laws as it wished. Mill described one such change taking place as he wrote; the working class was educating itself and reducing its population growth, thereby decreasing the risk of Malthusian overcrowding. Marshall was quite taken with this notion and referred to it in an early article defending Mill’s work. Using Mill as a source, Marshall said it was the proper work of economic investigation to discover more about the process of distribution.42 Clearly, this vision of Mill’s opened the way for a reform of society’s division of goods.

though it is crucially important to note that it comes for Mill as a result of education and self-restraint rather than as a socialist panacea. Toward the end of his life Mill claimed that he had become a socialist, though again it was a socialism that had more in common with an older, co-operative ideal, a voluntary redivision of effort and reward, than with the new state socialism of Marx or Lassalle.

Mill's influence on Marshall, in terms of economic theory alone, was immense. Marshall's earliest notebook on economics is full of work on Mill's treatment of money, rent, wages, and other topics in graphical form. An early series of notes on economists and their work usually compares them to Mill. Marshall's earliest essays—on "Value" (1870), "Wages" (1870), "Capital" (1870), "International Trade" (1872-74), and much of his unfinished manuscript on "Foreign Trade" (1869-77) rely on Mill. His 1876 defense of Mill against an attack by J. E. Cairnes stated that most Englishmen used the economics of Mill as a standard; and

43. Keynes notes that Mill and Ricardo were the supreme economic theoreticians of the day ("Marshall," 20), and Whitaker calls Mill the pre-eminent influence on the young Marshall (Whitaker, ed., Early 1: 50.)

44. Whitaker, ed., Early 2: 268-83. He dates these entries from 1868 to 1873; it may be the "translations of Mill into mathematics" that Marshall spoke of, though we have little other evidence for this.
the emphasis on the adjustable laws of distribution was singled out by Marshall, providing a clue as to Marshall’s emphasis in these years. Even Mill’s essays on socialism are cited by Marshall as influential; in the introduction to Industry and Trade, he wrote that "I developed a tendency to socialism; which was fortified by Mill’s essays in the Fortnightly Review in 1879."^5 As time went on and his own powers expanded Marshall became more critical of Mill. He was castigated in absentia for not grasping the concept of growth by marginal increments or keeping the number of variables equal in his equations.46 By the time Economics of Industry was published in 1879 Marshall had made minor advances of his own on Mill’s theory, for instance correcting Mill’s overemphasis on supply and

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45. Alfred Marshall, Industry and Trade (London: Macmillan and Co. Ltd., 1920), vii. In this regard it is important to remember the kind of voluntary socialism Mill had in mind, instead of the state socialism increasingly popular in the 1870’s. See also Rita McWilliams-Tullberg, "Marshall’s ‘Tendency to Socialism,’" in Wood, Assessments 1: 374-408, for a critical opinion on this "tendency:" her belief is that despite his walking tours of industrial districts, Marshall had no experience of poverty and in his "socialistic" writings never really dealt with the existing structure of economic power and wealth.

underestimation of demand.\textsuperscript{47} But in the early 1870’s especially, Marshall was a strong supporter of Mill.

Mill was also a great influence on Marshall’s general view of the world. Marshall had admired Mill’s \textit{Logic} as a schoolboy; the \textit{Examination of Sir William Hamilton’s Philosophy} forced his break with religion; his \textit{Autobiography} was read by Marshall and quoted on more than one occasion. Mill’s essay on \textit{The Subjection of Women} was read and annotated in the spring of 1869, judging from Marshall’s inscription on the title page of his copy; its thesis was one that he strongly supported.\textsuperscript{48} Marshall address on "The Future of the Working Classes" (1873) begins with a quote from Mill, acknowledging the influence of Harriet Taylor, which Marshall used to show that progress would be more rapid if women were brought into the mainstream of life. At this stage of his life, Mill was at least as influential for Marshall’s intellectual framework as for his economics.\textsuperscript{49}

These three men—Smith, Ricardo and Mill—set the boundaries for Marshall’s economic beliefs. He accepted

\textsuperscript{47} Whitaker, ed., \textit{Early 1:} 69.

\textsuperscript{48} It carries his stamp, Alfred Marshall; written above it is "St John’s College Book Club May 1869".

\textsuperscript{49} See below, p. 46.
the concepts of the classical economic world: free markets, individualism, the role of the economist as scientific investigator. At first it was a congenial fit because of his delight in deductive reasoning. After becoming more inductive and empirical, Marshall discovered that the classical economic house was large enough to accommodate his new interests as well. Though Marshall soon adjusted the classical model to suit himself, he never totally abandoned the world of Smith, Ricardo and Mill. Instead, he blended into it the fruits of his investigations in historical economics and the socialist alternative.

**German Historical Economics**

In the early 1870's, Marshall wrote later, he entered his "full fresh enthusiasm for the historical study of economics."\(^{50}\) The significance of the date should not be missed; the study of an inductive, empirical discipline coincides too neatly with Marshall’s rejection of deductive reasoning to be an accident. The "bookish, a priori tone" of his earliest essays gave way to a fascination with historical fact; he began collecting historical data on a scale that

\(^{50}\) Pigou, ed., *Memorials*, 378.
would, he later realized, have filled six volumes. The historical economists whom Marshall was most
influenced by, as he himself wrote, were the Germans:
"he was attracted towards the new views of economics
taken by Roscher and other German economists."^2


towards history, or study following the change of them over the decades. In his youth he admired history,
reading the works of Sir Henry Maine and Richard Jones among others, and telling his Newnham students in 1873
that "the history of the world is roughly a history of the subordination of custom to competition" ("Lectures
to Women," VI); a generation later, he told another class that "when causes and events make melodramatic
connections, historians connect them—suspect the connection" (Pigou, ed., Memorials, 76.) Although he
taught some economic history throughout his career, it soon ceased to interest him and he began simply to
repeat old material; his history lectures of 1873 look quite similar to his history lectures a generation later: compare the "Lectures to Women" of 1873 (or indeed the historical appendices to the Principles,
written roughly at this time) to the notes taken by Walter Layton in 1906-08 (Layton Papers, Trinity College
Library.) Thus Schumpeter (Analysis, 822) calls Marshall a better historian than many of his historical critics,
of Political Economy 20 [1988] 627-67]) says that Marshall’s 1885 inaugural address was a methodological
plea for historical awareness.

On the other hand, Whitaker writes that Marshall’s history reveals more about his own frame of reference
than it does about actual historical fact (Whitaker, ed., Early 1: 108n); Koot, Historical, 29 says that
Marshall’s history amounts only to illustrations for his theory; and Maloney, Orthodoxy, 99 insists that
Marshall’s references to historical economics in the inaugural were couched "in a decidedly obituary tone."
German economists had always been more nationalistic than their English brethren. Aware that free trade benefited England more than it would Germany, they insisted that national differences be taken into account when promoting economic theory and policy. They associated Ricardo with Manchester laissez-faire, and believed that neither was as appropriate to German interests as they were to English. Instead of natural law, then, assumed to be valid for all times and places, German economists sought national history to substantiate stages of human development.

New currents in philosophy, jurisprudence, history and science had combined in the early part of the nineteenth century to create an historical approach to

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economics. The Romantic movement, affecting philosophy as well as literature and art, had emphasized the national feeling of a people, not the cosmopolitanism of the enlightenment. In history, the desire to tell the story of each people led to a search for new and unbiased sources and a belief that each nation had an important past, immediate and specific to itself. Jurisprudence was affected by this same spirit; researchers went to old bodies of law to explain the origin and development not only of modern law, but of the society that law reflected. An important link between jurisprudence and historical economics was established when it was discovered that property rights had evidently evolved in stages from community ownership to private ownership, and that these stages were tied to economic progress. The concept of "evolution" provides the scientific strand of influence, since even before Darwin the idea was in common parlance. Lamarckian evolution had predated that of Darwin, and concepts of geologic time vastly expanded the scale on which the universe was believed to operate. Economists were not only aware of these currents of thought, but used them consciously to create new economic vistas; Wilhelm Roscher cited historical and jurisprudential work as examples for economics to follow.
The historical school believed in an organic concept of human society. They beheld nations not of individualists, as did classicists, but of social beings. Therefore they put less emphasis on the individual man and more on the community which nurtured that man. Laws of social development did indeed govern the evolution of communities, but these laws were different for each society. Hence a close study of the community and its past was necessary before any economic theories could be postulated. Historicists stressed the social duties of mankind, not its natural rights. As Wilhelm Dilthey, a notable member of the historical school, described his mission:

This school of thought was animated by a purely empirical approach and a loving absorption in the uniqueness of the empirical process; aiming at a universal vision of history it tried to determine the value of particular circumstances from the context of their development; its historical approach to social theory sought an explanation and a model for contemporary life in the study of the past; it saw all mental life as historical.  

In the 1840’s this system of beliefs developed into what became known as the "older" historical school. It placed its emphasis on historical investigation, believing that empirical work was preferable to grand

theorizing. Historical investigation, it was believed, would provide the basis for a national policy that would scientifically develop both social and economic objectives. Historical economists hoped eventually to see "a total science of culture to which economics might contribute its share." By the 1870's this hope had evolved into the "younger" historical school. The multiplicity of human motives members of the younger school saw around them ruled out any return to classical economics with its overly-simple model of economic man. They continued to rely, as had the older school, on historical inquiry and expert guidance (by historical economists) of national policy. But they concentrated more heavily on current problems of economic and social policy and included a strong moral element in their economics. They insisted that state action was needed to achieve society's ends, and that the economist should be not just critic but activist as well.

We do not know how Marshall discovered the German historical economists. Perhaps it was simply a serendipitous result of England's rediscovering the continent of Europe in the 1870's, as she periodically did throughout the nineteenth century. A more

professional explanation may be construed from the example of his vacation tour of America in 1875, when Marshall purchased and carried home the works of the leading American economists. Reading German as he did, traveling and vacationing in central Europe as was his habit, Marshall almost certainly would have taken the chance to learn something of German economics, the more so as it was one of the few organized schools of thought not in accord with the classical school he knew. What is important is that Marshall did find the school, and that it answered several needs for him in the early 1870's. Its empirical nature clearly appealed to Marshall after his crisis of faith. Its emphasis on mental life as historical and evolutionary would delight a young intellectual with a disdain for eternal verities and an enthusiasm for Darwin; and its moral tendencies and concern for contemporary life pleased the reformer in Marshall. Finally, it offered additional food for thought on the question, what should an economist be?

So Marshall dove into historical inquiry. By 1875 he had constructed his "Red Book," "arranged so that if a pin were run through its may pages at any given year the pin-hole would show what was happening that year in Philosophy, Art, Science, Industry, Trade, etc."57

read and admired H. T. Buckle’s fact-filled history of England and began to appreciate Adam Smith more than before. His wife Mary, one of his first pupils at Newnham, later recalled that in the early 1870’s, "he was keenly interested in Economic History."58 Marshall included in his lecture topics the History of Economics, Hegel’s Philosophy of History, and Economic History from 1350; as his wife noted, these lectures formed the basis for the historical appendices to the Principles. Though it is not known exactly when Marshall wrote the appendices in their final form, they contain an appreciation of national characteristics and the growth of freedom, couched in Darwinian and Hegelian tones. They also display a good knowledge of three German economists from the historical school: Roscher, Schmoller, and Wagner.59

Wilhelm Georg Friederich Roscher (1817-1894) taught at the University of Leipzig for forty-six years.60 His strength lay not in originality (Schumpeter called


60. Riha, German, 72-74; Schumpeter, Analysis, 508, 540, 741 quote on fricasee. Schumpeter does not consider Roscher an historical economist, and does not in fact accept the existence of a older historical school at all (the title is well-accepted by most other writers.)
his business cycle theory "a fricassee of most of the ideas that were current") but in his sympathetic understanding and broad knowledge. He is usually considered to be the founder of the older historical school, and insisted that all human activities fell into historical categories. To understand a nation, he felt, one must understand its historical development to see how its economic thought, achievements and failures arose. He believed that a study of political economy could explain the present, though not necessarily predict the future. Nevertheless laws of historical development did exist and could be found by using a tripartite research pattern consisting of work in the political, economic and legal sciences. In the body of the Principles Marshall cited Roscher on the shifts in national policy, which alternately encouraged or discouraged population growth. In the historical appendices, Marshall noted approvingly Roscher’s tribute to Hegel’s value to economics, but was critical of his tendency to draw easy parallels between modern and ancient social problems.  

Adolph Heinrich Gotthilf Wagner (1835-1917) was a conservative reformer and economic theoretician. He

used a method which was part historical relativism and part deductive theory. He considered the extremes of the economic right and left, Manchester laissez-faire and Marxist socialism, to be ethically unsound. His hope was to see the state (guided by ethics and morality) correct social and economic excesses and protect the weaker of its citizens. To support this view he used historical illustration to show that the state’s responsibilities had increased in modern times. He did not intend to destroy the work of the classical economists but to amend their theories in the light of modern experience. Wagner and Marshall corresponded infrequently in later years, complimenting each other’s books, and Wagner once visited Marshall in Cambridge. In the *Principles* Marshall approvingly cited Wagner on the greatness of Adam Smith, and used his definition of conjuncture (or environment) as the sum total of the technical, economic, social, and legal conditions faced by any person.63

Hugo Eisenhart Gustav von Schmoller (1837-1917) was the leader of the younger historical school.64 For two

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62. Riha, *German*, 88-90; Schumpeter, *Analysis*, 851. The date of the visit to Cambridge is unknown, but since John Maynard Keynes was present, it must have been in the 1890’s or later.


generations, he was known as the "professor maker" in Germany because of his stranglehold on the discipline. He and his many pupils despised the classical school’s emphasis on individualism and personal profit; they threw themselves into the struggle for social reform in late nineteenth century Germany. The economics Schmoller practised had no use for mathematics and championed instead history and psychology, placing great emphasis on ethical conduct. In time he hoped to see a new ethical system harmonizing individual and organic principles. Schmoller was cited quite early in the *Principles*, on the necessity of using both induction and deduction to reveal the interdependence of economic phenomena. Marshall also used Schmoller’s history, noting that modern business thrives because there is a higher level of intellectual and moral strength and closer bonds of social sympathy than existed in the ancient world.\(^65\)

Beyond his own declaration of his early fascination with Roscher and his companions, little is currently known of the historical economists’ early influence on Marshall.\(^66\) He complimented their efforts insisting on

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66. For instance, his nephew, C. W. Guillebaud, noted that Marshall had a "considerable regard" for Schmoller,
broad motives in human affairs and decrying the narrow concept of "economic man," though Marshall may have reached this conclusion on his own as a result of his earlier interests in philosophy, psychology and ethics. Some of his lecture notes in the Marshall Library in Cambridge demonstrate an extremely wide interest in the economic record of the past. He referred, among others, to Hallam on the price of labor, Maine on property, Gneist on the foundations of governments, Marx on feudal organization, Thorold Rogers on English medieval agricultural labor, and Brentano on labor laws. The breadth of his interests may suggest a man looking for an answer to some question, but certainly it indicates a deep attachment to historical economics. And yet he quickly left most of this attachment behind. Many of the citations of Roscher, Wagner and Schmoller in the Principles are not particularly historical in nature.

Marshall came to consider that the analysis of most historical economists tended to be less than accurate. No record remains to indicate precisely why he believed this, but an answer and approximate date can be inferred from later works. In the Principles Marshall included


two historical appendices, setting forth "The Growth of Free Industry and Enterprise" and "The Growth of Economic Science." They are not, as Marshall himself stated, meant to be taken as broad historical treatments, but are designed to show how current states of affairs evolved. In the appendices, Marshall was critical of the historical economists' attempt to equate past and present problems. It apostatized their own guiding principle, that man's environment and actions differed in each age. According to his wife, the appendices are on the same lines as historical lectures Marshall gave in the 1870's; if this is so, he may have come to this conclusion early on in his career. And in the unpublished manuscript of "Foreign Trade," written in the early 1870's and abandoned in 1876, Marshall decried the "rash and impatient use of history:" no fact can be used till it is interpreted. To do so discredits the solid work of historical economists in Germany who are extending man's knowledge about the past. This particular diatribe was sparked by his

68. Marshall, Principles, 10. When the Principles was first published, Marshall was strongly attacked in the Economic Journal for his historical interpretations. He defended himself in the same issue, and effectively silenced his critics. See volume 2 of the variorum Principles, 735-50.

dislike of American economists' habit of choosing only the facts that supported their side of a question and ignoring the rest. So by the mid-1870's Marshall had turned away from historical economics, at least partly under the influence of his American trip.  

Socialist Economics

Marshall's early interest in socialism is difficult to pin down.  

We have his statement in the 1920 *Industry and Trade* that in his youth he developed a "tendency to socialism," and in his 1881 farewell address to University College, Bristol he said: "I read the Socialists, and found much with which anyone who has a heart at all must sympathize, and yet I found not one Socialist who had really grasped economic science." It is uncertain, in fact, just what Marshall meant by the term socialist; his attitude in later years is reminiscent of Lord Hartington's famous phrase "we are

70. Later in his career, Marshall quarreled with and attempted to cut out from the main body of professional economics the English historical school (centered at Oxford.) See Kadish, *Oxford;* Koot, *Historical;* and Maloney, *Orthodoxy.*


all socialists now." Certainly Marshall favored improved conditions for the working class, but he never advocated violent revolution or even a political party representing the workers. When the Principles was published in 1890 he noted that Marx's labor theory of value surplus takes for granted what it later tries to prove. By the turn of the century he told his classes "I should be a socialist if I had nothing better to do" and scorned their utopian plans which, he said, ignored human nature.

However, his recollections and attitudes make clear that at one time he took the socialists seriously enough to thoroughly read their works and consider their merits and defects. As a young man, it is plain that he spent much time trying to understand the socialist position. He claimed to have read nearly all of Lassalle's works, and referred in "Foreign Trade" to Lassalle's criticism of capitalist economics. In particular, he admitted that Lassalle was correct in claiming that the interests of each individual did not necessarily unite to serve society as a whole. He read Marx's Das Kapital in 1870 (one of a handful of Englishmen to do so) and gave

Marx much credit for his use of government "blue books" and his thorough investigation of the actual conditions of the Industrial Revolution. Both Lassalle and Marx based their work on the philosophy of Hegel (albeit in different ways) and this may also have added to their appeal for Marshall, since he himself admired Hegel. Familiar with their ideas and arguments, he complained once of a preacher who did not know the difference between communism and communalism, and while visiting America toured two of the most successful socialist communities of the day (the Shakers and the Perfectionists.)

Marshall’s flirtation with socialist ideas and his later denunciation of them are more easily understood if it is kept in mind that socialism itself was changing at this time. Earlier in the century, socialism had been "non-Marxist and associationist." Though Marx and his followers later derided them as utopian, socialists of the 1820’s to the 1850’s emphasized voluntary co-operation among men and believed reason, not revolution, was the key to the future. They found much of their inspiration for such a view in the record of the past. A recent book on early nineteenth century socialism indicates that Robert Owen (whose biography Marshall

76. Schumpeter, Analysis, 454.
owned and annotated) hoped to re-establish a "traditional moral economy." Concepts such as a fair wage and property held as a social trust were thought to rest in natural law, and could be put on an economic base. Such a belief was versatile enough to support many different kinds of communal efforts: socialist communities, co-operative societies, or trade unions. As scholars have noted, the ideas demonstrate a "pre-industrial mindset based on the artisanal system of production."  

Marshall was attracted to such concepts of community and voluntary co-operation. In his "Foreign Trade" manuscript he treated ironmasters and trades unionists as separate communities inside society, writing that "they constitute for some purpose a nation" inside the society as a whole. He spoke warmly of the benefits of co-operative societies and trade unions, and took pains to describe their absence in America as a loss to that country. But he never approved of state-sponsored socialism in any way, fearing that it would

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stifle the individual's competitive edge. In this attitude he reflected the opinions of many of his contemporaries, who approved voluntary socialistic efforts but not state-mandated schemes. Charles Nordhoff's *Communistic Societies of the United States* (which Marshall owned and annotated) was sympathetic to voluntary communal efforts, because Nordhoff saw them as "alternatives to the labor-oriented socialism that was gaining strength" in Germany. Henry Fawcett, in *Protectionism and Free Trade*, similarly approved voluntary socialism but strongly attacked state socialism. And John Stuart Mill's socialism, as mentioned earlier, was always of the voluntary kind. Marshall's socialism was utopian, not scientific.

Despite a careful reading of the socialist argument, Marshall concluded that the case was not a strong one. He was always sympathetic toward the goals of socialism, but placed little reliance on their plans. Even his admiration of voluntary socialism dimmed in later years; in "Social Possibilities of Economic Chivalry" (1907) he declared that utopian collectivism could only be maintained by religious enthusiasm, not by

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mere human altruism. The love of competition was a stronger force than love of fellow man.

**Outside Reading**

Of the numerous authors Marshall read besides economists, five will be highlighted for their contribution to his thought in the 1870's. They are John Stuart Mill, Hegel, Sir Henry Maine, Thomas à Kempis, and George Eliot.

Mill has already been cited as one of the foremost influences on the young Marshall. Among the many books of his that Marshall owned was *The Subjection of Women*. Marshall's copy is dated 1869, when he had already become interested in reform. The book is a condemnation of woman's position in western society: a woman is expected not to have a life of her own, but to live for (and through) her husband and children. Since this is their destiny, young women almost never receive the kind of enlightening education their brothers are given; as a result, their minds are unprepared and give no evidence of original thought. But this can be changed, wrote

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81. Pigou, ed., *Memorials*, 340. Marshall supported this statement by reference to his trip to America, where he visited two such religious communities in 1875. Clearly this is evidence of the influence of his American trip, discussed in Chapter III.
Mill, pointing to women throughout history who have achieved great things despite the handicap of being born a woman in a man's world. A thorough education could change many things; give women the same preparation as men, and then judge them by the results.

Yet Mill did not really expect that women would become simple copies of men. He retained an ambivalent vision of the sex: while pressing for their emancipation, he still viewed them as complementary to men and believed that their substantial differences of character suggested a separate sphere of activity. He wrote, for example, that women were seldom eager for fame, seeking rather the approval of those immediately around them, and sidestepped the question of whether this was an innate or acquired trait. In the same way, he suggested that charitable organizations often did more harm than good because of the women who run them. Without a proper education to show them the long-term effects of their actions, they fell back on a short-sighted attempt to control other people's lives and improve their surroundings. This destroyed the independence of the poor and left them without motivation to improve their own lives. What Mill

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suggested was an education for women which would guide their sympathetic feelings, so that they might avoid "unenlightened and shortsighted benevolence," and instead encourage charity that will support "self-respect, self-help, and self-control."\textsuperscript{83}

These passages are of interest for two reasons: they were noted by Marshall in his copy of Mill, and they could serve as leitmotifs for Marshall's 1873 "Lectures to Women." After giving a brief overview of the nature and history of political economy, Marshall suggested to the women that they use their education by helping the poor to help themselves. In particular, he suggested to them charitable works because he believed they coincided well with women's "power of sympathy, ready yet restrained."\textsuperscript{84} These lectures are discussed in detail below, but the point should be made that Marshall appears to be influenced in his views on women's position by his reading of Mill.

Georg Wilhelm Friedrich Hegel (1770-1831) was greatly admired by Marshall; he called Hegel's Philosophy of History one of the most important influences on his life.\textsuperscript{85} Hegel opposed abstractions

\textsuperscript{83} Mill, Subjection, 88.
\textsuperscript{84} Marshall Papers, "Lectures to Women," VI.
\textsuperscript{85} Keynes "Marshall," 11.
and sought instead concrete details in life. At the same time he believed he had found an overarching purpose to history, something Marshall himself sought. He admired Hegel's emphasis on the continuity of human institutions and the development of the "humanistic sciences." What Marshall chiefly admired, though, was apparently the philosopher's concept of history as a process of evolution, in which the spirit of each individual age contributed to the unfolding of freedom. This gave a governing concept to history and, by virtue of its evolution of freedom (and by implication, individualism) offered a purpose to history in which individual freedom was of the greatest importance. Again, there is little evidence to suggest when Marshall first read Hegel. The philosopher featured prominently in his classes in the early 1870's.

Sir Henry Sumner Maine was important to Marshall's work because it was Maine's *Ancient Law* which first

86. Scott, Marshall, 4.


88. Hegel's concept of the state has been used to justify totalitarian philosophies from time to time, but there is no evidence Marshall ever viewed it this way.
suggested to Marshall how custom might be overcome by progress. Maine was the author of numerous books and lectures on the history of law, and of ancient societies as reflected in their law. Marshall owned two of his books, Ancient Law and Early Institutions. Ancient societies, explained Maine, had universally featured communal ownership of land in self-organized, self-governing village communities. This joint ownership he called "natural communism," but Maine pointed out that it dissolved into family ownership and then developed into private property. It was not a swift process; as Maine wrote, only "slight or insensible departures from it [custom] would be practical or conceivable. But over time, as custom is eroded, private property becomes the norm; and "there can be no material advance in civilization unless landed property is held by groups at least as small as Families; and I again remind you that we are indebted to the peculiarly absolute English form of ownership for such an achievement as the cultivation of the soil of North America." 89 Maine's work contained food for thought on the concept of community vs. individual as well. In ancient law, not the individual but the family had been important. In progressive

societies, held Maine, one always found the dissolution of family ties and the rise of the individual—in legal terms, contract replaces status.\(^90\)

For Marshall, it was the solution to a problem that had puzzled him: if custom oriented peoples' lives as he knew it did, how was progress ever made? In the rebuttal to the attack on his historical work, Marshall wrote that Maine’s works had first suggested to him how the cake of custom might be broken.\(^91\) Custom eroded slowly, and private property (and, again, by implication individualism) was the solvent.

Another author Marshall was fond of was the fifteenth century English mystic Thomas a Kempis. His *De imitatione Christi* was an extremely popular book throughout the later Victorian era, even (perhaps especially) among those who had lost all religious belief. George Eliot kept it at her bedside, as did several characters in her novels; Sidney Webb quoted it

\(^{90}\) H. S. Maine, *Ancient Law*, (New York: Henry Holt and Co., fifth ed., 1875), 121, 163. It is perhaps worth noting that, as did Marshall, Maine despised deductive reasoning: the eighteenth century hypothesis of a state of nature as the origin of all law stimulated "the vices of mental habit all but universal at the time, disdain of positive law, impatience of experience, and the preference of a priori to all other reasoning," 88.

in his love letters to Beatrice Potter. Marshall assigned it to his classes at Newnham.

The theme of the little book is one that would have appealed to Marshall: serve the common weal. A Kempis urged his readers to be satisfied with only a modest portion of the world’s goods, to seek spiritual instead of earthly delights, and to live a life of simplicity and purity. Religious sensations come and go at God’s will, wrote a Kempis; he taught his readers, if they could not find high religious feeling, to occupy themselves with good works instead.\footnote{Thomas a Kempis, Of the Imitation of Christ (London: Thomas Nelson and Sons, Ltd., n.d.), sections 1: 22, 2: 4, 2: 10.}

It is not difficult to see why the little book was so popular in the nineteenth century. It is less a theology than a practical guide to ethics. Its large and varied readership indicates the Victorian world’s search for an ethical pole-star. To a generation which had lost its faith, the Imitatione presented duty and self-denial as an experience, not as theological truth.\footnote{Bernard J. Paris, Experiments in Life: George Eliot’s Quest for Values (Detroit: Wayne State University Press, 1965), 62-63.} As Eliot wrote, "Verily, its piety has its foundations in the depth of the dumb human soul."\footnote{94}
Finally, Marshall was very attracted to the novels of George Eliot. She was a favorite author of Marshall's in his early years at Cambridge. There were numerous similarities between the two intellectuals: both had had strongly evangelical childhoods, followed by a loss of faith as young adults. Though both had religious sentiment, neither took up any other creed; instead, believing morality must exist without the help of religion, they spent the rest of their lives in trying to discover a new ethical base.

In Eliot's case, she tried to develop what one critic has called an "empirical sanction" for social values and the dignity of the individual. The Mill on the Floss was one of her finest books and, again, one that Marshall used in his classes. Eliot herself said that its religion was blind acceptance of tradition, and its morality adherence to established custom. The novel studies the character of the inhabitants in relation to theology, poverty, and the culture of the English countryside in the early nineteenth century. Character values are especially important to the plot;

Tom Tulliver's steadfastness is contrasted to Maggie's lighthearted and sometimes thoughtless actions.

For Marshall, the moral would have been a perfect illustration of many of the problems he dealt with in the early 1870's. He was investigating the actions of custom and tradition in the works of Maine, and character formation was a deep interest of his at least since his days in psychology. Since the book was recommended to his women students, it may also have been an attempt to show them the kinds of people Marshall had already met in person, the everyday inhabitants of the country whose lives were shaped by economic forces as well as by family life.

**The Lectures to Women, 1873**

How did this earnest young don talk to his students? And what did he tell them? How did his interests in economic theory, economic history, and social reform weave themselves together in his lectures?

In the May term of 1873 Marshall gave six popular lectures to women, titled "Some Economic Questions Directly Connected with the Welfare of the Laborer." His future wife, Mary Paley, attended and kept detailed notes. They demonstrate that Marshall was indeed
affected by the reading he was doing in economic and social fields, much of which found its way into these lectures. The lectures give us a splendid glimpse of Marshall’s world-view as he tried to establish his career as an economist and don.

It is of course dangerous to read too much into a single series of lectures, and Marshall himself said that if he were speaking to a class of laborers he would have had a different message. For the women of Cambridge, however, he spoke of the social problem of the day and how it might be resolved. There was little economic theory per se in the talks. He recommended to them the works of John Stuart Mill and J. E. Cairnes. The other volumes he suggested were descriptions of present conditions and their evolution throughout history: Thornton on Labour, Brentano on Guilds, Brassey on Work and Wages.

The first lecture covered the question, what is political economy? Marshall described the method he used (of looking at one part of the problem at a time) and went on to suggest what economics could and could not do. It could not be used to predict the future, for instance, but it would work as an excellent tool to criticize parliamentary legislation. The second lecture gave a brief and bleak history of the Industrial
Revolution. Though Marshall did not see it as a step backward, he did emphasize the way the revolution crushed old established custom, leaving nothing in its place, and created great misery among the populace as a whole. He warned that the country could not afford to drift again, as it did earlier in the century. The third session discussed the need to improve the position of the working class. To Marshall, this meant more than raising the wage; it meant ensuring the wage was spent for the proper ends. He insisted that the working class must be taught to spend its money on something other than the pubs.

The fourth talk discussed the good and bad qualities of trade unions. He compared them to nations in miniature, where self-government could be learned, and approved of the way in which they combined the ends of trade improvement and benefits for members' lives. But he added that, as the virtues of political life could be found in unions, so also could the vices. In the fifth lecture, he noted that working class decisions could not be guided by custom any longer. The best way to help them improve their lot was to give them "noble sources of joy"--the ability to appreciate beauty, feel pride in their work, cultivate a sturdy independence. He referred to these resources as "mental capital," and
suggested this was where the women could help directly: by bringing these noble sources of joy to the working class. In the concluding lecture, Marshall repeated his belief that the nation could not afford to drift; the social problem must be tackled. And he added a sentence on the end of custom:

"We shall find that the history of the world is roughly a history of the subordination of custom to competition—of the imparting to man the freedom of individual action, of the sweeping away of the net-work of custom which hindered his action and the leaving him free to make such contracts as he would. You will find little in history which is not connected with this change...."

Interesting as the lectures are for Marshall’s economic view of the world, they also demonstrate his commitment to academic reform in Cambridge during this era.

Marshall was also one of the founders of women’s education at Cambridge. Recent work in the history of women’s education suggests three themes that dominated this movement in the 1870’s: first, what kind of education should women receive? Should it be a vocational education to prepare them for a job as teacher or governess, or should it be a liberal education to expand their intellectual abilities? Second, what was the nature of the influence of the male

97. Marshall Papers, "Lectures to Women," VI.
establishment, in control of the universities, on the kind of education women would receive? Third, to what extent did these early reformers see the women’s education movement as a chance to begin a reform of education and indeed of Victorian society as a whole? Marshall’s record serves as a case study to examine these three themes and show how they worked in practice. It becomes clear that what he and many others aimed for was an expanded education for women. They did not, however, envision a substantial change in woman’s traditional sphere.

As a young don Marshall was strongly in favor of the women’s movement. Visiting the United States in


Finally, the papers of Alfred Marshall, held at the Marshall Library (University of Cambridge) are a valuable source for some aspects of the movement.
1875, he admired American women for their independence and was pleased to see that Unitarian weddings left out the woman’s promise to obey. In later life his opinions changed and became far more conservative, almost reactionary, on the subject of the women’s movement; but in the 1870’s he was a prominent member of the women’s education movement and is repeatedly mentioned in the memoirs of those who led the effort. He fits the definition of a "liberal feminist" in women’s education as the term is used in a recent article by Joyce Senders Pedersen.

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100. See for example the memoirs of Henry Sidgwick and Anne Jemima Clough, leading figures in the women’s education movement, and of Mary Paley Marshall, one of the first students.

The reasons for Marshall’s about-face on this issue remain unclear. Marshall himself left no diary, and his letters do not address the matter. John Maynard Keynes suggests that it was an attitude inherited from his father, a domestic despot. McWilliams-Tullberg believes that Marshall’s experiences with women students at Bristol turned him against women’s education, and that conflict with Henry Sidgwick (a former friend of Marshall’s) also played a part (McWilliams-Tullberg, Women at Cambridge, 88-89, 113.) His experience with marriage may have been less happy than it appeared on the surface; he told Beatrice Webb that marriage was a sacrifice of masculine freedom (Norman and Jeanne MacKenzie, eds., The Diary of Beatrice Webb: Vol. One, 1873-1892 (London: Virago Press, 1982.) Whatever the cause, the effect was that in later life Marshall used his influence to retard the women’s education movement whenever possible.
feminists, male and female, shared four traits: first, they believed that women's status must be raised (although this did not necessarily mean equality.) Second, their interest in women's education was rooted in individualist values, and the belief that every student should develop his or her intellect as far as possible. Third, whether they believed that male and female minds were completely similar blank slates at birth or that some male and female orientations existed inherently, liberal feminists believed that education could shape the mind and therefore must not be ignored for either sex. Finally, as believers in progressive change, they depended not on custom but on the application of reason to examine and to reform current social conditions. Cultivation of reasoning ability, via a thorough education, was therefore desirable for women as well as men.

Marshall was aggressively liberal in the early 1870's, and it is easy to see that he fits this four-part definition. In an address on "The Future of the Working Classes" in 1873 he noted that England was awakening to the idea that woman may give "material assistance to man in ordering public as well as private

affairs," certainly an improvement in status.  

In the same year he told his women students that individuality was the strongest force in the battle of life, an endorsement of individualist philosophy. Marshall did believe, apparently, that there were natural male and female orientations; on his American trip he noted that the men of Virginia City had the stronger elements of greatness, but that the women were unfortunately of a low type, not "fit to supplement by womanly virtues, the rough virtues of the men." Finally, Marshall was a believer in reason and not in tradition; he taught his students to break each problem into parts, as scientific analysis did, and emphasized that education made the intellect versatile and the master of any situation.

The first theme in the history of women's education was the nature of the education: was it to be liberal or vocational? For Marshall, the answer was liberal. He was a lecturer in the Moral Sciences, an honors program that included courses on logic, philosophy, ethics, and economics. It was not designed to prepare a


103. Marshall Papers, "Lectures to Women," VI.


student for a career in law or medicine; it was designed to supply a moral education and a strong character.106 Marshall regarded the ability to think as a far more desirable attribute than mere test-taking ability; his lectures were notoriously disorganized and were designed to encourage independent thought. He once warned a class of students that simply taking notes with which to pass an examination would guarantee their failure.107 In the 1870’s his classes for women were substantially the same as his classes for men. Both groups wrote weekly assignments in ethics, philosophy or economics.108 For Marshall, economics was a crucial part of this liberal education. Economics was a science, not an art, he told his students. They should think of it not as a preparation for a career, but as a basis for scientific criticism. Economics allowed one to "determine what will be the result of certain courses of action," and from this knowledge one could criticize the actions of politicians.109

107. Pigou, Memorials, 78.
108. Mary Paley Marshall, Remember, 14. Whitaker, Early 1: 10 notes that there is little reason to think Marshall’s lectures to women were different than his lectures to men; if anything they may have been more analytical.
What Marshall was trying to develop was not a method of earning a salary, but a habit of thought: scientific neutrality and analysis. He encouraged women to study mathematics and sciences (especially economics) to develop reasoning power; to read literature and appreciate art to give a training to the more delicate powers of the human mind; and to know the best persons, whether individually or through their books, for improvement of character. This, he said, would give women an opinion worth having and the power to enforce it. This is also a nutshell description of the ideal men's education at Cambridge: mathematics for reasoning ability, classics for taste, and college life for personal character. Marshall desired the same curriculum for both his men and his women students.

The second of the three themes, the influence of the male establishment on the women's education movement, is also illuminated by Marshall's record at Cambridge. Two women's colleges existed in Cambridge in the 1870's, Newnham College and Girton College.

110. Marshall Papers, "Lectures to Women," VI.

111. See Garland, Cambridge, and Rothblatt, Revolution. The isolation of the women in their colleges was long used as an argument that women could not benefit completely from the Cambridge experience and therefore should not be granted a degree; McWilliams-Tullberg, Women at Cambridge, chs. 6-8.
Although the principals of both were women, between 1870 and 1875 all the lecturers in the women’s colleges were men. At the classroom level, then, the influence of the male university was overwhelming for many years. There were no women graduates who were ready to teach on anything like a university level, and when such graduates did appear, the poverty of the women’s colleges meant that they were able to hire very few lecturers on their own. The classes of the university were opened by their teachers on an individual and voluntary basis to the women; the women students received no university funds, were not allowed to use the university library, and received no degree for the examinations they completed. It is no wonder that the principal of Newnham College, Anne Jemima Clough, saw a Cambridge education as a privilege for women and not a right; in the world of the 1870’s she was correct.

Marshall’s influence on this personal level can be gathered from the tone of his lectures to women students. He saw himself as an expert with the right to critique economic policy. The vision he gave his students of the history of England demonstrates his commitment to a liberal, reformist policy as well. He disagreed with those who believed that man had retrogressed, or that life had deteriorated; the
greatest misery and worst vice could be found in backward countries today, not modern ones. He also disagreed with the view that progress should be left to take its own course. He described the early days of the Industrial Revolution in terms of condemnation that might have been uttered by John Ruskin, the famous critic of industry. Children worked long hours and received no education; men and women were alike sacrificed to production. Each occupation had its own disease and consumption was common to all. Beside the physical evil there was moral evil as well, Marshall told his audience, "horrors, few of which I can even hint at here." Life is improving, he said, but not quickly enough; "the pace at which [progress] moves depends upon how much we think for ourselves."\footnote{112}

In the past, said Marshall, women who had complained about these conditions were told that they knew nothing of such matters; and the criticism had been true. But education for women would change that, and Marshall hoped that his students would go on to change the world around them. He challenged them to help the working class by the same route, education, that had helped women. Working class parents needed to be educated to bring their children up properly fed and

\footnote{112. Marshall Papers, "Lectures to Women," II.}
clothed, and trained to higher paying skilled labor positions. Workers should aim at being gentlemen—with agile, cultivated minds, self-reliant, and willing to work and to suffer for the benefit of those around them. In time, hoped Marshall, every man could be a gentleman, in spirit if not in occupation.\footnote{113}

It is clear that Marshall was part of the liberal effort to encourage workers to live by middle class standards. The working class needed more than to have its wages increased; it needed gentlemanly standards of culture and character, the capability of feeling pleasure in doing one’s work, the joy in one’s property and children.\footnote{114} These were the beliefs that Marshall hoped to instill in all his students. It was, he thought, the best way to end class conflict and eliminate the social problem.

The third theme in the history of women’s education is the manner in which reformers saw the education movement as the chance to begin a reform of all education, male and female, and indeed of society as a whole. The first part of this theme, the reform of


\footnote{114. Marshall Papers, "Lectures to Women," IV; Pigou, Memorials, 103-4.}
university education, was the cause of bitter conflict within the women's education movement in these years. One branch of the movement wanted women to achieve the same standards as the men, which meant a concentration on classical languages and mathematics to the exclusion of all else. The other branch, located in Cambridge itself, was aware that such an outmoded education was a handicap in life; they wanted to develop a new curriculum which encouraged the study of science and modern languages, and ended the reliance on classical languages, especially Greek.

The reforming teachers at Cambridge, Marshall among them, fell into the latter camp. Given the chance to design a university education from the ground up, they saw little to be gained by repeating for women the mistakes which existed in men's education. They were determined to end the idleness so often associated with Cambridge undergraduates and make the university a place of solid intellectual work. They wanted to give their students a thorough, Socratic education, with moral standards which built up the students' characters. The lecturers also hoped to evoke admiration from their students, not fear; they gave parties for the
undergraduates, joined in social functions with them, and encouraged the brightest to do honors work.\textsuperscript{115}

Marshall was deeply involved with the reforming lecturers. He was working on a scholarly effort of his own, a monograph on foreign trade, all the while he lectured to his men and women students. He disliked Greek and Latin, and knew that the classics could not guide the modern world; he told the women, "all their fundamental social axioms we must absolutely deny," and later wrote a nephew that the Greeks were great men because they studied the problems of their own age, not the literature of another.\textsuperscript{116} He gave his students more than just textbooks on economics to study; they had assignments also in Thomas a Kempis' \textit{De imitatione Christi} and George Eliot's \textit{The Mill on the Floss}, both of which discussed the individual's duty towards others. He also gave the students guidance on conduct. He was horrified by gambling, smuggling and drunkenness, and also by wasting time. He strongly upheld the concept of marriage as a partnership: as he told the women,

\begin{quote}
The ideal of married life is often said to be that husband and wife should live for each other. If this means that they should live only for each other's gratification it seems
\end{quote}

\textsuperscript{115} Rothblatt, \textit{Revolution}, chs. 6,7.

\textsuperscript{116} Marshall Papers, "Lectures to Women," VI; Pigou, \textit{Memorials}, 495.
to me intensely immoral. Man and wife should live, not for each other but with each other for some end.\textsuperscript{17}

As his wife noted, despite his loss of faith, Marshall was a great preacher.

He also did his best to befriend his students. The brightest, male and female, were encouraged to read with him for the honors examination in the moral sciences. He attended undergraduate dances and occasionally was dragged out onto the dance floor himself. The women were invited to tea parties in his rooms (suitably chaperoned, of course); perhaps out of nervousness, Marshall played up the role of clumsy male in the domestic sphere and referred to his tea as "slow poison" and his crumpets as "sudden death."\textsuperscript{18}

The second part of the reform theme is that the reformers saw their efforts in the field of women's education as only one part of the change of Victorian society as a whole. John Stuart Mill wrote that women with higher education and direct experience would make far better leaders of charity movements.\textsuperscript{19} Emily Davies, the feminist principal of Girton College, wrote

\textsuperscript{17} Mary Paley Marshall, \textit{Remember}, 15-19; quote 19.
\textsuperscript{18} Mary Paley Marshall, \textit{Remember}, 15.
\textsuperscript{19} Mill, \textit{Subjection}, 88. This passage was marked in Alfred Marshall's copy of the book.
that educating women of the upper classes would benefit the working classes, because the workers would then have educated and morally elevated employers.\textsuperscript{120}

Marshall shared such reformist goals. To let the country drift, he believed, would be to sacrifice mankind to a life of endless toil and starvation wages. Later in life he declared that his career had been dedicated to ending poverty among the working class; as a young man, he offered his women students the goal of direct action to end poverty. Women, he told them, had all the qualities needed to take up this work: "a high education, a power of sympathy, ready yet restrained; leisure; and a certain restlessness which should render inactivity an evil."\textsuperscript{121} He suggested three lines of approach: direct social work among the poor, development of "noble sources of joy" such as open-air concerts or museums workers could attend, and continued education among the women themselves, to show them the depth of the problem. Choose whichever avenue suits you best, Marshall told them in his closing lecture, but "let us remember only that if we squander the 'talents committed to our charge' ruin awaits the world...."\textsuperscript{122}

\textsuperscript{120} Pedersen, "Education," 511.

\textsuperscript{121} Marshall Papers, "Lectures to Women," VI.

\textsuperscript{122} Marshall Papers, "Lectures to Women," VI.
Marshall's lectures show clearly that he was a liberal feminist as the term was applied in the 1870's. He believed that intellectually women were the equal of men; his male and female classes received the same tuition. But it is also clear that Marshall considered woman's character, though free and independent, to be substantially different from man's. Woman's particular province, he told his female students, was "to pay attention to those ends to which she is naturally more sensitive than man."\textsuperscript{123} These ends were the traditional caring, nurturing ends, as is clear from his lectures. In none of them does he suggest that women go into politics on even the local level (women ratepayers had had a municipal vote since 1869) or use their education to enter the professions of law or medicine. What Marshall shows is a desire to change women's education, not women's sphere.

This is not necessarily to condemn Marshall. Judged by his own times, he was in the forefront of the women's movement. Many feminists agreed with his basic conclusion, that men and women had different characters and should serve in different spheres. Maria Grey, the founder of the Women's Education Union, believed that

\textsuperscript{123} Marshall Papers, "Lectures to Women," II.
women's education must fit them for social service.  

Nor is it to insist that his campaign to end poverty was completely naive. In the years before unemployment insurance and compulsory education, nearly anything done for the working class must be counted a step forward for progress. Even the concept of "noble sources of joy," which sounds condescending today, clearly appealed to some of the working class. In 1881 an art exhibit in the poor neighborhood of Whitechapel of "the highest thoughts nobly expressed" drew a thousand people a day; in 1882, a similar exhibit drew twice as many.

But it does suggest that the women's movements of the 1870's, particularly the women's education movement, seem not to have taken sufficient account of the potential chasm within. If women were educated to be men's intellectual equals, would they be forever satisfied to remain their social inferiors? Did not those who believed so strongly in individualism wonder whether all women could be happy in nurturing roles? What Marshall and his fellow liberals, men and women, sought was a revolution in education but only a refinement in role. When the revolution was expanded to

include women’s role as well, the movement suffered the loss of many early supporters—including Alfred Marshall, who in 1887 did everything in his power to prevent women receiving a Cambridge degree for an education he had helped create fifteen years earlier.

Conclusion

A conscious reading program of several years’ duration implies questions Marshall was trying to answer. None of these are written down in the form of, for example, New Years’ resolutions. But it is appropriate to try and discover the structure of Marshall’s intellectual world in the period of his introduction to economics, because this structure set the background for the kind of economics he would espouse. His ethical beliefs were not simply accepted, pre-existing axioms, nor were they a carryover of his religious training in childhood.  

consciously expanded his horizons and remade himself in many important ways: his attitude toward women, for example, could not have been more at odds with that of his tyrannical father. All the evidence indicates Marshall was working hard at creating new ethical axioms, axioms which did not rely on revealed religion to support them.

At the same time he was exploring and expanding economic theory. His reading was broad, but discriminating; the notes he took of Leon Walras' *Elements* "are unenthusiastic, and stop abruptly on page 65." Furthermore, he was not afraid to strike out on his own when accepted theory proved to be unsatisfactory. His first notebooks show him trying to apply mathematics to the theories of Mill; when he discovered that Mill's work did not always lend itself to such precision of statement as mathematics offered, he forged ahead and began to revise Mill. He soon developed a "symmetrical formulation of demand and supply curves....expressing quantities demanded and supplied as functions of price." It was an important step forward, since previously economists had held that


total amount supplied was a function only of supply or only of demand. Marshall realized that both must be considered, and the supply and demand curves of basic economics textbooks today are essentially Marshallian.

His involvement in reforming activities was at its height during this time as well. He spoke to striking agricultural workers, lectured in Halifax as part of the university extension movement, and took a leading role in the effort to secure a university education for women. In the latter campaign he sided with those who wished to reform education as a whole, and suggested to the women ways in which they could help with the social reform of English society.

By the middle of the decade Marshall was juggling several contradictory ideas and influences at once. The effort seems to have been rather exhausting. Only classical economics was rigorous enough to be intellectually satisfying. Yet it was a harsh economics, as Marshall admitted: "men, women and children have been sacrificed to production." 129

Historical economists and socialists both cared deeply for humanity and its ethical heritage, emphasizing the custom of past years and the community of mankind; but they did not seem likely to encourage progress,

129. Marshall Papers, "Lectures to Women," II.
apparently dependent on individualism and competition. At the same time Marshall was convinced that the nation could no longer afford to drift—but how should it be guided, and toward what end?

His desire for reform and his belief in individualism were leading him in two directions at once. Individualism suggested freedom; reform necessitated at least some control. By 1875 Marshall was in a quandry. His economic theory was well underway, but the question of what to do with it remained unsettled. The evidence suggests that in 1875, he went to America partly in an effort to find the answer.
I believe that ere long they [the Americans] will give the world the first genuine architecture it has had since genuine Gothic was broken up by the erudite servility of the Renaissance.

Alfred Marshall
Hudson River Valley, 12 June 1875

Marshall’s decision to visit the United States was not taken on a sudden whim. Clearly, the trip had been carefully planned ahead of time. His interest in the United States was long-standing. Several years earlier, he had hosted a reception for an American professor visiting Cambridge.¹ He had also read the accounts of other visitors to America, notably those of Alexis de Tocqueville and Anthony Trollope. He was as well aware of American conditions as any armchair traveler in

¹ Blanche Athena Clough, A Memoir of Anne Jemima Clough (London: Edward Arnold, 1897), 201. The name of the professor is not recorded; nor is the date, though the context suggests the visit occurred in 1873. Presumably it was not Charles W. Eliot, president of Harvard University, who visited Cambridge in 1874 and who was Marshall’s host in 1875; Clough noted that the visitor was a professor from "western America."
England could be. Before following Marshall on his travels across America, therefore, it seems helpful to investigate three preliminary topics: Marshall's motives for visiting America, the tradition of European visitors whose accounts he read (and of which Marshall was a self-conscious part), and the nation he found in 1875.

Motives

Why exactly did Marshall choose to visit the United States? His relatives considered it a foolish waste of money.\textsuperscript{2} His inheritance of £250 was the better part of a year's income to the young don. Substantial information on the tariff issue could have come from printed sources, as he himself realized. What were his motives for spending the summer this way?

The most frequently cited motive, by Marshall himself and by others, was the advancement of his career.\textsuperscript{3} A close look at America would acquaint him not only with protectionist arguments, but also with the

\begin{itemize}
\item \textsuperscript{2} Mary Paley Marshall's notes cited in Whitaker, \textit{Early} 1: 53.
\item \textsuperscript{3} "So I began to write, and in 1875 visited [the] U.S.A., chiefly in order to study enlightened Protectionism on the spot." Marshall to E.R.A. Seligman, April 1900; cited in Whitaker, \textit{Early}, 2: 3.
\end{itemize}
effects of the tariff on society as a whole. It would also give him the chance to conduct his own observations, something in accord with his inductive philosophy in the early 1870's. A strong, well-written book on a topical subject would go far toward making his career, at a time when educational reform and increasing professionalization were opening the universities to newcomers. William Stanley Jevons had written *The Coal Question* (1865) in large part for this reason.\(^4\) The necessity of broadening the base of his success must have also been brought home to him by the declining value of his fellowship. St. John’s annually distributed among its fellows a dividend from the profits made on college agricultural lands. The collapse of agriculture was already underway, and the college’s profits and fellows’ dividends were declining accordingly.\(^5\) Finally, Marshall hoped someday to marry, which meant that under the terms of his appointment he would have to give up his fellowship altogether. A

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\(^5\) Edward Miller, *Portrait of a College* (Cambridge: Cambridge University Press, 1961), 96-98. The value of a fellowship dividend was still £300 annually in 1878 but by then the trend was clear; by 1896 the annual dividend had fallen to £80.
successful book would make it easier for him to find an academic position elsewhere.

Marshall may also have had more personal motives, though he never cited these directly. Scholars have suggested that Marshall found himself in an increasingly uncomfortable position in the 1870’s. He was a firm believer in the positive value of individual competition; it was competitive, laissez-faire economics which had swept away old customs and allowed the productive advance of the Industrial Revolution. Yet the social effects of laissez-faire were often horrifying. Marshall’s description of the Industrial Revolution was nearly as grim as that of Arnold Toynbee or John Ruskin: he told his students that humanity had been sacrificed to production. The obvious alternative, socialism, both attracted and dismayed him. He admired socialist empathy but saw little intellectual rigour in their economics and feared their programs would stifle individual competitive effort. His

6. He did say that America made him realize the kinds of questions he wanted to ask, an indication that he was still unsure of his path in 1875. Keynes, "Marshall," 14. Dr. Giovanni Becattini pointed out Marshall’s quandary to me in discussion; see also Rita McWilliams-Tullberg, "Marshall’s ‘Tendency to Socialism,’" in Woods, Assessments, 1: 374-08.

7. Marshall Papers, "Lectures to Women," II. The date of these lecture was 1873.
temperament, also, did not dispose him to espouse the socialist cause; Marshall disliked controversy, which would surely have followed if he had become one of the few socialists at Cambridge. Unable to endorse either alternative, Marshall was left without a camp to call his own.

In addition, the substance of many of his notes in America indicates a fascination with personal character and development. No interest was shown in the industrial depression that had begun in 1873. Great interest, on the other hand, was demonstrated in character: how best could one encourage personal freedom and development? After his return, Marshall spoke almost with a sense of relief on the ethical standard he had found in America. Ascribing psychological motivation a century after the fact is extraordinarily difficult; yet more than one scholar has suggested that Marshall’s own development, personally and professionally, was at an impasse. He was torn

8. Marshall’s opinion of Lassalle fits this description exactly: he admired part of his work, but believed Lassalle had not thought the matter through. Whitaker, Early, 2: 37-38. In "Lectures to Women", VI he said that the strongest force in life is individuality, and it must not be weakened.

9. Marshall did not make an issue out of his loss of faith, nor did he resign his fellowship as his mentor Henry Sidgwick did.
between socialism and laissez-faire, between individual competition and social welfare. The best of all possible worlds would be a laissez-faire system which promoted social welfare. That he was looking for such a world cannot be doubted; that he had found it in England cannot be accepted. Marshall was a man looking for an answer, and he hoped to find it in the New World.

European Visitors

Foreign visitors were not unusual in America, especially by the latter part of the century. Marshall's tour, in one sense, may be viewed as part of a traditional European interest in visiting and describing the New World. It was customary for visitors to travel throughout America, taking notes and making sketches, and to publish an account on their return home. These books found a ready market, since there was an immense curiosity about the United States. Though each account emphasized its author's foibles as well as

10. See the work of McWilliams-Tullberg, cited above, n. 6, and of Dr. Becattini in his preface to the Italian edition of Economics of Industry.

impressions of America, there were certain general characteristics true of nearly all of them.

From the beginning there had been a tendency in Europe to view the United States as a gigantic experiment, a country where the transforming themes of the modern world would be first worked out. European visitors were excited, and sometimes a bit alarmed, at the prospect of a country creating its future without the benefit of traditions to guide its growth. To the age of the Enlightenment, all men were created rational and equal, and in the new nation old customs and traditions would never interfere with political and social stability. The nineteenth century was no longer so optimistic. Especially from mid-century, large numbers of immigrants meant that society, religion and politics in America were subjected to the stresses of conflicting national cultures. Europeans wondered how the United States would maintain its national integrity.

Of the visitors, de Tocqueville notwithstanding, the English seemed to best understand the Americans.\[12\] Ties developed in the colonial period remained close, despite the break in 1776. Especially was this true on the east coast of America, where Americans and

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Englishmen shared connections ranging from membership in feminist and anti-slavery movements to literary and philosophical societies which read and discussed the same authors. In the early decades of the century, many English visitors toured the United States and narrated their experiences when they returned home. Personal likes and dislikes dominated these early accounts. Harriet Martineau, for example, the popular economist, visited America in 1834. As a moralist she concentrated her attention on areas that failed to measure up to her standards: slavery and women’s employments especially caught her critical views. The most famous example, of course, is that of Charles Dickens. He admitted Americans could be frank and enthusiastic, but found them more often fickle, inconstant, and self-possessed to the point of arrogance. Before the era of the Civil War, however, there was little sustained analysis in these books.

By the 1870’s travelers’ accounts had begun to change.\(^\text{13}\) Certainly they were not all favorable, nor were all personal foibles left behind. In 1883 Matthew Arnold found the United States a mediocre and materialistic place, entirely too full of towns whose

\(^{13}\) Allan Nevins, ed. *America Through British Eyes* (New York: Oxford University Press, 1948), 305-09.
names ended in -ville; the apostle of sweetness and light held out little hope for the new world. Nevertheless more specific questions were now being asked. The changing world meant that the English were looking at the United States with a new perspective and respect. The Americans had just finished a war that was considered a trial by ordeal for democracy; with Britain in the process of expanding her own democratic institutions, the American experiment had taken on new importance. Britain faced no wave of immigrants, but it did have a largely unassimilated working class as well as the disaffected Irish. Industrial conditions, too, led to similar problems in both countries. Would factory workers turn socialist? Would factory owners recognise their obligations to society? There was much concern to see how the "American cousins" were handling such problems, as well as a growing feeling that in its march toward a new and non-traditional world America was once again demonstrating the future of the international community. E. A. Freeman found American architecture interesting; Emily Faithfull made three trips to see how America dealt with what she considered the most important question of the century, the women's movement. Despite the tensions of the war years there were still close ties between America and Britain. This was
especially true in the New England region, with its de facto cultural capital of Boston. Well-educated, middle-class Englishmen felt most at home here, and nearly all such visitors spent some time in the New England area.

The greatest analysis of these decades was that of James Bryce in *The American Commonwealth* (1888.) His description provided a balanced and insightful view of America. He praised the enthusiasm for genius and the desire to be abreast of the best thought that he found; he decried America’s fondness for the bold and showy, its absence of refined taste, and its tendency to equate largeness with excellence. Bryce interested himself primarily in the political structure of the United States, but analysed it in such a way as to consider the effect of non-political themes. He speculated, for instance, on the influx of poorly-educated and underpaid immigrants into urban political machines. Bryce loved America, and admired its material prosperity, but did not find it a distinguished place. His reaction was typical of most British visitors, and Marshall’s reactions to America parallel those of Bryce in many respects.

Beyond the advent of democratic politics in Britain, there were several other reasons why America
began to attract not only English visitors but English analysis. One was the rise of the United States as an economic power. As early as the Great Exhibition of 1851, sharp observers had noticed America's potential for industrial production. Over the next two decades there had been a tremendous expansion of physical plant and manufacturing capacity. Though the days of mass production and assembly lines still lay ahead, it was already clear that America intended to export its goods abroad. To the industrial presence must be added the immense agricultural strength; the United States at this time was still predominantly a rural nation. The power of steam, whether operating on land or sea, had opened up the world's markets to American grain and beef. American grain, cheap and plentiful, had helped cause the collapse of English agriculture in the 1870's.\(^{14}\) Marshall later claimed that his tour had enabled him to foresee American economic domination, though there is little evidence of this in his notes from 1875.\(^{15}\)

English intellectuals were also interested in America because of their awareness of eroding traditional customs, at home and in the new world.


Sometimes the customs were vicious holdovers from an earlier time; John Stuart Mill applauded the "literary and scientific men" in England who decried slavery and favored the North in the Civil War. In other cases the loss of tradition was more unsettling. On his return from America Marshall voiced the concern of those who saw a new and impersonal society developing. The United States, said Marshall, was farther along this path than was Britain; his observations were therefore valuable as they showed what Britain might expect in coming years.16

There was, finally, a renewed interest in human behavior and character in England from the mid-century onward. Herbert Spencer's attempts to found ethical behavior on scientific principles had begun with the publication of *Social Statics* in 1850. From the mid-1870's psychology had become the domain of questions about human behavior, instead of philosophy as formerly; one of the first observations it made about men's environments was that crowded conditions, casual labor and unemployment helped spread "demoralisation."17 Authors such as George Eliot (whose books were a staple in Marshall's early lectures) demonstrated the interplay

of character and morals, and showed that society helps define character.\textsuperscript{18} The character of Americans became of increasing importance to English visitors, such as Anthony Trollope who reported that he found men in the western territories to be silent and taciturn, the women hard, dry and melancholy.\textsuperscript{19}

Gilded Age America

The America that he saw in 1875 was well into the Gilded Age, as Mark Twain called it.\textsuperscript{20} The boom of the Civil War years had flooded the country with a good deal of wealth, much of it in the form of a new paper money, and despite the Panic of 1873 and the subsequent depression there still seemed a lot of gilding about.

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The cities were booming, immigrants were reaching the New World in greater numbers than ever before, education at the higher and advanced levels was beginning to flourish. Except for a few sympathetic individuals there was an "undaunted indifference" so far to social problems. The frontier was rapidly closing, and the nation was preparing to celebrate its centennial with a giant exhibition in Philadelphia. Outside the large cities, the nation was composed of a network of small towns, in which the citizens all held the same fundamental values of hard work, belief in God and a sturdy independence. Marshall was particularly interested in tariffs, economic theory, commerce and industry, and character. All will be briefly considered in this section.

Protective tariffs had been a part of the American economy since the early days of the Republic. Indeed, the first piece of legislation passed by the Congress

had been a tariff. As the Napoleonic Wars came to an end and Britain's factories began to again export to America, often underselling American producers, the Congress was urged to protect the home market and encourage the "infant industries" of the country. Tariffs became an integral part of Henry Clay's American System, along with sound money, strong banks, and internal transportation; once enshrined in this way, it proved impossible to end protection. In the 1840's, when it could no longer be justified on the grounds of infant industries, defense of the tariff shifted to emphasize protection of American labor, paid far higher wages than the impoverished European factory hand. Both the political parties of the day, the Whigs and the Democrats, adopted tariffs as part of their platforms. The effects of the Civil War, here as elsewhere, were immense. To finance the conflict the Federal government printed paper money, increased taxes—and imposed higher tariffs than ever before. Before the war, the average rate of duty was 18.8% of the value of the imported goods; by 1865, the average rate was 47%. In the years after 1865 producers' lobbies saw to it that tariffs were maintained; during the post war boom years, industry and commerce prospered as never before despite

the sharp recessions of the 1870’s and 1880’s. Although
the academic world decried tariffs as a needless tax on
the community which subsidized inefficient businesses,
the country as a whole believed that they protected the
worker’s high wages and kept demand high for domestic
goods. America’s prosperity was legendary; if tariffs
were shown to be the root of this expanding economy,
Marshall would have to rethink his free-trade position
and drastically alter the plan of the book he was
writing.

In terms of economic theory, the nation was coming
to accept that many of its problems were economic at
base. 23 Increasingly an audience could be found for
those economists who desired to address the public,
whether in journals or in lecture halls. No one, bank
president or day laborer, could avoid noticing the
inflation of the war years. American economic theory
was divided into two streams: academic and popular.
The academic economists, most of them from New England,
followed the classical economics of Adam Smith and David

23. The following discussion is taken from Joseph
Dorfman, The Economic Mind in American Civilization.
49-69, 82-87; Edward Chase Kirkland, Dream and Thought
in the Business Community 1860-1900 (Ithaca: Cornell
University Press, 1956), 4-20; Kirkland, Industry, chs.
1-4; J. A. Schumpeter, History of Economic Analysis (New
York: Oxford University Press, 1954), 516-19; Normano,
Spirit, 121-52.
Ricardo. There were not many of them in this era; the American Economic Association was not founded till 1885, and most university appointments were to joint chairs such as that held by Francis A. Walker, professor of political economy and history at Yale. They were believers in laissez-faire and free trade, sometimes zealously so; William Graham Sumner denounced by name large corporations that had lobbied for increases in the tariff rates. There was some interest in the new mathematical economics of William Stanley Jevons, and some in the German historical school which saw economics as less a matter of theory than of pragmatism. In general, though, Marshall recognized the economics of the professors as that with which he was thoroughly familiar.

Popular economics revolved around a single issue: the tariff. Accepting the individualism of Ricardo, men such as Henry C. Carey denied the free trade of Smith and the pessimism of Thomas Malthus. They believed that it was not only possible but necessary for the United States to keep its tariff barrier, to maintain the high wages of American labor and avoid being engulfed by the products of cheap foreign labor. Popular economic thinking had not yet glorified the cult of the entrepreneur, as it did some years later by enshrining
Andrew Carnegie and John D. Rockefeller. It was a commonplace, however, that the best men in America avoided politics at all costs and aimed for careers in the professions or commerce.

Industry and commerce had been visibly expanding since before the Civil War. There had been little in the way of research or industrial development; mass production was the exception rather than the norm. Only the largest operations were likely to be actual corporations, the majority remaining partnerships or one-man proprietorships. But increased industrialisation and the rise of big business, coupled with technological breakthroughs, had called forth greatly expanded production. The resulting boom lasted until the fall of 1873, when the failure of the Credit-Anstalt in Vienna began a series of business failures that came to be known as the Great Depression. Mild by modern terms, the depression shook contemporary businessmen's faith in the economy but left academic economists largely unimpressed. Some years later Marshall called it "a depression of prices and profits," which had actually helped the working man by reducing the cost of his necessities; in 1875 he made no note of it either in his letters home or in his observations.
Nevertheless the American economy was beginning to reflect its potential strength. Foreign investment in the United States reached its height in the 1860’s and early 1870’s; as the American capital market began to develop, foreign capital was less necessary, and foreign investment in the United States declined from 1873 onward. From 1874 the nation was exporting more finished goods than it imported. The economy was also more diversified; hard manual work and the pioneer spirit were revered, but service industries were rapidly expanding alongside manufacturing enterprises. Advertising, chain stores such as Montgomery Ward’s, and large national wholesalers like Swift Meats were creating new markets and in the process eroding the pattern of localism and island communities that had dominated the first half of the century. Reactions to the changed economy were also more visible. Real wages were up, because of the price fall, but production and hence employment were suffering. The Knights of Labor, a union of skilled workers, had been founded in 1869. There were political movements opposed to the influence of capital, such as the Granger Movement or the Socialists (Marshall attended meetings of both.24)

Almost any decade of the century would have seen the beginning of some new trend, but the mid-1870’s were an important age of change in America’s economy as well as England’s.

Finally, Marshall was interested in the American character. The concept of character was of overwhelming importance to intellectuals of the nineteenth century. It was a universal value, held independently of one’s political beliefs; conservatives, liberals and socialists alike believed that character determined man’s fate. To the reformers this belief held a special importance, as no change in the structure of society, economy or politics would last without corresponding changes in character. Marshall was fascinated by the unapologetic independence of American character. In the later nineteenth century, the independent air of the average American citizen was a byword in Europe’s popular press. Dickens had found it intolerable, but most Englishmen did not react so harshly. The independent attitude was said to have resulted from early American frontier conditions, which were believed

to have bred not just an egalitarian ethos, but also the strength of character needed to survive in a wilderness.  

The necessity of a strong character was undeniable in these years. To a large degree, man was responsible for his own fate. There were few laws restraining illegal business behavior, just as there were few laws providing any kind of a social safety net for the poor: laissez-faire beliefs could not justify them. The traditional structure of pre-industrial society, the noblesse oblige of the squire and his relations, had vanished by now and the attempt to replace the squire with the factory owner had failed dismally. Nothing prevented a manufacturer from cheating his customers, or helped a factory hand to climb from poverty, except strength of character. Since laissez-faire allowed no social intervention and held little hope for any structural change, hopes for reform often had to depend on strength of character.

Only by developing character, therefore, could any permanent improvement be made in the life of the nation. Since it was widely held that the same qualities of character which had given Englishmen their political

freedom had given them economic freedom as well, reformers could improve society in both these spheres by striking at the root of the problem: developing character. Among many others, Marshall believed that man's character was formed by his work and too often deformed by poverty. To promote culture, refinement and power of mind was his goal. He told his colleagues that he looked forward to the day when "by occupation at least, every man is a gentleman." 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."  

The Tour

In the three months that he was in America, Marshall saw much the greater part of the country. He arrived in New York on 6 June and quickly moved on to the New England states. He was enthralled by Boston, 

where he stayed with Charles William Eliot, the president of Harvard University. From the New England mill and machinery towns he moved into western New York, detoured briefly into Canada, and continued on to Chicago. His next letters home were mailed from Virginia City, Nevada, still the rough and ready mining community that Mark Twain had described a few years earlier.29 He continued on to San Francisco and then began his return east, stopping at St. Louis and then swinging through the industrial districts of Indiana, Ohio and Pennsylvania. He spent several days in Philadelphia and sailed from New York on 2 October.

His trip was well planned as a search for economic reality, as Marshall termed it. In just less than four months he toured the North, Midwest, and Western regions of the United States, asking questions and taking notes. He visited the areas most affected by the tariffs: the older, established manufacturing region of the northeast, the newer industrial midwest, the mining region of the far west. He took advantage of stops in Philadelphia and the New England region to discuss protectionism with economists and businessmen, and purchased a number of books and pamphlets on the issue.

29. Mark Twain, *Roughing It*, was published in 1872.
But there were other themes in which Marshall was interested. He kept a series of notes entitled "American Inventions," "American Manufactures," "Apprenticeships." He also kept a long series of comments under the heading "Sketches of Character," a concept of great interest to Marshall. He took briefer notes on American humor, philosophy, religion and theater. He did not visit the South, still under the military occupation of Reconstruction. There are several possible reasons for this omission, though Marshall himself never explained it. One was his hatred of slavery, perhaps carrying over to the region once built on it. Then, too, the South had historically been a free trade area. It was still overwhelmingly agricultural, whereas Marshall’s interests at the moment lay in another direction.

It is almost easier to begin by noting what Marshall was not interested in seeing. He had little interest in farms and agriculture, unless they were part of millennial communities such as the Shakers. He had no interest in centers of government; he did not take the time to visit Washington, and in Toronto showed only polite interest in his host’s position in the national government. Local politics attracted him even less; when he visited the Connecticut state legislature,
Marshall's only comment on the day was that he had discovered "a luxurious American drink called 'mint-julep.'" Universities made no impression on him. Only Harvard is mentioned by name; the university at "Newhaven" (Yale) is dismissed as attracting only "less accomplished students." Other universities he bypassed altogether. It is difficult to explain this apparent neglect on Marshall's part. But the study of economics in America, as in Britain, was still in a pre-professional state; many of the authors he specifically wanted to meet were gifted amateurs. Despite the rise in the number of colleges and universities, there was still no graduate study in economics and little available for undergraduates. And in any case, the economics taught at the universities was traditional free-trade economics. Protectionism would have to be traced elsewhere.

Marshall's introduction to America began on board the S. S. Spain. He made several "sketches of character" while traveling across the Atlantic, though none were of American citizens. He did, however, meet a man who had once lived in America. Midshipman Boardman, at age 24, had lived the wild life of the American West that Marshall had only imagined.

Boardman was a "former navy man" who was invalided out and worked for a time in an engineer's shop near Chicago. To judge from his stories, life in the American west revolved around saloons, sharps and shootings. In one emporium Boardman noticed several small holes in the walls and ceilings; "Oh yes," the waiter assured him, "we often have warm work here." Later that evening he witnessed some warm work himself, but only one man was wounded—so "nothing came of it."\textsuperscript{31} Marshall concluded (in his sketches, not in a letter home to his mother) that a revolver was a necessity for a traveler in the American west. But eventually Boardman took pity on his listener and reassured him that "you won't want a revolver."\textsuperscript{32}

Marshall noted that Boardman was currently working with his own hands but predicted that he would become wealthy in time. Unquestionably Marshall was proved correct, if Boardman later went into journalism or politics. He had a marvelous gift for sizing up his audience and telling it just what it wanted to hear. In the navy, he told Marshall, he once served as signal

\textsuperscript{31} Marshall Papers, 6(1), "Sketches of Character."

\textsuperscript{32} Marshall Papers, 6(1), "Sketches of Character." In actual fact the boom towns of the west were no more violent than the crowded cities of the east, though many people (Marshall among them) did not realise this at the time.
officer on a ship sent to clear away a Spanish vessel that was blocking a port in a dispute over harbor dues. As the British vessel closed in on its target, a signal flag was hoisted recalling Boardman’s ship. The captain told Boardman that he must not see the signal; so Boardman obligingly shut his eye, put up the telescope to it, and dutifully reported that he could see no flag. Marshall swallowed the vague story—what ship? what harbor?—without a blink, never noticing its suspicious resemblance to the far better-known story of Nelson’s blind eye at Copenhagen. One suspects Boardman enjoyed their brief acquaintance even more than Marshall did. In his thirty-third year, Marshall remained an odd mixture of intelligent theorist, occasionally sharp observer, and naive academic.

On his arrival Marshall spent four days in the city of New York, staying in a luxurious Fifth Avenue hotel with its own ticker-tape machines, steam powered elevators, and per-diem charge which included meals—he wrote home that in America, life was not considered long enough for accurate accounts. He also commented that the American drink-mixer was as professional an artist as the French cook (perhaps Boardman’s lectures had influenced him after all) and attended the theater,

33. Marshall Papers, 6(1), "Sketches of Character."
taking notes on the national characteristics exemplified by the actors. A man who acted as a "supercilious puppy" was instantly taken for an Englishman on the stage; just as, in Europe, an American must display those faults Englishmen have decided that all Americans have in order to be taken as a "genuine Yankee."\(^3\) He decided to move on after only three days, partly because he intended to see more of the city before leaving America, and "partly because the population of New York is chiefly of foreign birth."\(^3^5\)

The first stop on his tour was the favorite region for nearly all English visitors: the New England region. New England retained close ties with the old country. Customs established at the foundation of the colonies had survived the political separation of the revolution. Englishmen were drawn to the region for different reasons; New England had a multitude of manufacturing towns by midcentury, and hence offered an attractive environment for emigrating English artisans.\(^3^6\) On the other hand, Boston attracted a different class of Englishmen because of its literary

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


atmosphere. The pace of life in Boston was slower than in New York, and culture was valued more highly than wealth. By the last third of the nineteenth century the Anglo-American ties were stronger than ever. English visitors to Boston's Atlantic Club were eagerly questioned about "literary men and doings at home." Figures such as Ralph Waldo Emerson were venerated on both sides of the Atlantic; Emerson's speaking tours in England were well attended and his book, *English Traits*, pointed out the similarities he found between England and America.

Marshall spent nearly a month in this region. On his trip up the Hudson River he was favorably impressed by American architecture. A letter home referred to de Tocqueville's attack on "pseudo-Greek" wooden mansions, and Marshall agreed that some of the more audacious attempts were clearly failures. Of the majority, however, he reported an originality, daring and strength unseen in the work of any other nation. He wrote that he believed American architecture would be the first true architecture since the Gothic. It is an intriguing statement, since it implies Marshall was


clearly looking forward to the new style. Such originality and daring were qualities he admired.

It is also intriguing to note that he admired the Gothic, calling it an original style, and despised the Renaissance, a remoulding of classical themes. But the importance of the statement goes beyond Marshall's well-known dislike of the classics. Such a theme was a familiar refrain in England in the 1870's. John Ruskin, whose distaste for the Industrial Revolution Marshall also shared, praised the world of the Gothic and declared that the Renaissance had decayed as it bloomed. If Marshall had not read Ruskin, he was at least acquainted with this school of thought: a small but unmistakable sign that Marshall was very much a man of his times.

In several factories in and around Albany and Troy, he began to make the first of a long series of notes about character and industry. Marshall apparently regarded the characters of nations and individuals as identical in essence, believing that nations are simply large accretions of individual persons. Thus the

Americans he met were described as inventive, while the
Germans were thorough and the Irish were charming but
unreliable and given to drink. At an agricultural tool
works the employees were mostly American; "their faces
were a brilliant contrast to those in the former works," who were Irish and German. Not satisfied with a
single instance of such characterizations, Marshall
continued to ask about the character of the Irish
throughout his stay. Nearly everywhere the answer was
the same. He was told that the Irish were used as tools
by the Americans, who took the best posts themselves and
left the subordinate tasks for the immigrants. Though
his view of the Irish was not completely unfavorable (he
noted in a lecture that "English rule killed off many of
the best men") the prevailing opinion could only have
confirmed his belief in the inherent superiority of the
Anglo-Saxon race.

"I went into a church this morning at random,"
Marshall wrote his mother on June 12. He had decided
that here was another part of America that deserved
personal inspection. The church turned out to be

40. Marshall Papers, 6(1), "Irish."

41. See for example note of June 11 1875 where Marshall
notes that he asked at three ironworks about the Irish,
and received identical answers about their "character."
Marshall Papers, 6(1), "Irish."
Congregationalist; Marshall approved the singing and responses, which he called well-drilled, and noted that the preacher was free and easy in manner, with no trace of sacerdotalism. The sermon, however, was another matter. The preacher talked a good deal about communism, said Marshall, and made the "ordinary mistake" of mixing it up with communalism. Communism was an economic theory advocating community ownership of land and direction of labor, in which the individual worked according to his ability and received according to his need. Communalism simply advocated the widest extension possible of local autonomy, but because of the bloodshed of the 1871 Paris Commune was often used pejoratively as the equivalent of communism. The congregation did not notice the slip though it pained Marshall, who had studied the socialists. The flowers decorating the apse also made a great impression on him.42 Absent from the letter, through, is any sign of religious enthusiasm or devotion. The description might have been of another factory or Broadway show. He closed the letter by noting that he intended to go to a great many services "to see what goes on." In coming weeks he attended a Unitarian service (where he noted that American preachers are "out of sight ahead of us")

42. Marshall Papers, 3(67).
and a Baptist service, remarkable for its brevity: only twelve minutes were spent between the opening remarks and the closing hymn. Later he visited the Shakers in New Lebanon and marked out passages in a history of the sect that dealt with their theology. Little of this information found its way into any later economic work. Certainly it could be justified as a search for the sources of American character, and Marshall referred to it in this way once back in Cambridge. But perhaps also the decision to abandon faith in a personal God still made him uneasy, though there is no other sign of this apart from his glowing tributes to the Shakers.

Marshall’s favorite city in America was Boston, his home base for the next two weeks. He called it the intellectual capital of America, with more polish and less misgovernment than most large cities. He stayed with the president of Harvard University, Charles William Eliot. Nothing remains to indicate how Marshall made his acquaintance, though Eliot’s biographer notes that "visitors, especially of a more or less official kind, were numerous." As an informal representative of Cambridge Marshall found himself well-treated. At a

43. Marshall Papers, 3(69).

dinner at Eliot’s house Marshall was introduced to luminaries such as General William T. Sherman and William Dean Howells, the editor of the *Atlantic Monthly*. Eliot also took his English guest to the centennial celebration of the battle of Bunker Hill; though Marshall simply recorded the fact without editorial comment.  

On June 25 Marshall traveled to the home of Ralph Waldo Emerson for an enlightening afternoon with, as he put it, "America’s greatest living transcendentalist." The title was not meant entirely as a compliment. Marshall was quoting a tourist guidebook and made clear that he found Emerson out of touch with the modern world and more than a bit of a recluse. Indeed by this year (he was 72) Emerson’s powers were beginning to fail; in the late summer he accepted collaborators in his literary work for the first time. Marshall was much impressed by his host’s gentle spirit, however, and hoped to discuss several basic philosophical ideals in their afternoon together.

45. Marshall Papers, 3(68).
46. Marshall Papers, 6(1), "Sketches of Character."
Emerson was a transcendentalist, as was Kant. Marshall himself had abandoned Kantian philosophy some years previously, on the strength of the dual assault by John Stuart Mill and the non-Euclidean geometry of W. K. Clifford. In the course of a conversation about literature in England, Marshall had suggested Algernon Swinburne and Clifford as instances of great although one-sided literary power. After an outburst against "that horrid, corporeal, loathsome Swinburne" ("I read his 'Songs,'" Emerson went on, "and have heard some stories about him") Marshall described Clifford's interest in the question of two straight lines enclosing a space, a traditional non-Euclidean problem. Emerson was politely scornful, and a piqued Marshall went on to describe the spherical inhabitants of the world imagined by Hermann von Helmholtz. This was the point at which Marshall announced that Kant's a priori statements could no longer be taken as valid, hoping to draw Emerson out on the subject. But Emerson pronounced that Kant's argument was mere trumpery. He changed the subject: "But are no men working at subjects of more practical interest: take Shakespeare for example, how did he come to exist?" Emerson's grasp of Kant was a tentative one at best, but Marshall recorded that the psychological

question, how a man so far ahead of his time could come into existence, was the most important idea his host offered him. They parted on friendly terms. The next evening Emerson invited Marshall to a dinner, at which the guests included Oliver Wendell Holmes. 50

Marshall's afternoon with Emerson offers us unexpected clues to the depth of the young don's interests in 1875. Marshall was not ignorant of poetry; in 1873 he had incorporated several stanzas from Hood's "Song of the Shirt" in a lecture to the Cambridge Reform Club. He knew the poems of Swinburne, and admired Shakespeare's sonnets; disliked Emerson's praise of Tennyson and wished they had discussed Shelley. The economist in him broke through only at one point, when he asked Emerson if Carlyle's complaints about the deterioration of honest workmanship was supported by evidence from America (Emerson thought not.) But in general Marshall was more interested in the intellectual and cultural background of Anglo-American life in the later nineteenth century. There are no young men in England to follow Carlyle, he told Emerson; science, not literature, is the key to the new age. When Emerson proposed that the leading figure in any field should


50. Marshall Papers, 6(1), "Sketches of Character."
automatically command respect. Marshall thought the idea "monstrous," feeling disinclined to simply follow an old school of thought in any field. More than a meeting of two minds, it seems to have been a meeting of two generations which understood each other only imperfectly. Emerson's generation of intellectual leaders had devoted themselves to literary and cultural work. By the 1870's the scientific theories of Darwin, Clifford, Spencer and others had fired the zeal of many young Englishmen. Literary efforts certainly did not come to an end, as Marshall implied; but scientific values and questions were blended into what had previously been the realm of literature and philosophy.

The trips to factories went on apace. In the New England area Marshall saw some of the most advanced industrial organization he had yet encountered, as well as large numbers of women in factories. The Mason and Hamlins organ factory in Cambridge was already practising what might be characterized as an early version of mass production, the division of work into numerous small steps. It is worthy of note that Marshall's interest lay not in the improved output of such a system, but in the effect dull and repetitive work had on the laborer's character. 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. Marshall accepted this answer and never worried about the issue again while in America.

Work such as this, requiring a ready intelligence, was performed mostly by Americans, he said. At a cotton mill, on the other hand, the cloth printing shops employed skilled English artisans and a German chemist. Americans did not have the patience to tolerate a long apprenticeship, Marshall was told, and everything he had seen about the country so far forced him to agree. He saw women working in the mills, tracing print designs onto rollers, and described it as skilled work. "Yes," said his guide, "only it requires no judgement: mere attention." Marshall noted the comment "was characteristic," referring to the low opinion of women's work and abilities. The lack of an open mind on social issues was evidently beginning to oppress him. He suggested that trade unions might redress the lack of apprentices, and the company paymaster "shied at the mention of Trades Unions." Perhaps Marshall enjoyed dropping such an occasional bombshell, simply to watch the spectacle it created.

He proceeded on to Connecticut, staying first at Norwich and then visiting Yale University. Yale, he wrote, was America’s second university and hence did not appear to draw the same caliber of students as Harvard; "certainly the average social position of the students there is lower." In Norwich and at Yale he was able for the first time to meet some American economists. He spoke briefly with David Ames Wells in Norwich and at greater length with William Graham Sumner and Francis Amasa Walker at Yale, both recently appointed to the university and a sign of increasing interest in the formal study of political economy.

David Ames Wells was born in 1828 and displayed an early interest in literary and scientific work; his books on chemistry, geology and natural philosophy were extremely popular. In 1864 he first wrote on economic issues, in a pamphlet entitled Our Burden and Our Strength, which set out the dynamic nature of the American industrial economy. He had been a protectionist, but a trip to Europe in 1867 convinced him that the United States must convert to free trade. He became a firm believer in laissez-faire and began a

52. Marshall Papers, 3(70).
series of pamphlets and books marked by broad knowledge of the American economy and a comparative historical method. This was exactly the kind of information Marshall himself was seeking, and no doubt the reason he wrote that Wells had more of the information he sought than any other man. Marshall had written from Boston to arrange a visit, but on the day itself Wells was ill and Marshall’s opportunity was lost. Though they met briefly he gained little from it and kept no notes of the occasion.

Sumner was born in 1810, the son of a Lancashire artisan who had emigrated to the United States. After attending college he studied abroad for the ministry and was ordained in 1869. Increasingly his interest turned to social and political questions, and he was appointed to the chair of political and social science at Yale in 1872. He was a believer in the extreme laissez-faire of Herbert Spencer and fought to use his works in the university. He was a free trader, of course, and a Malthusian who considered millionaires a product of natural selection. Marshall did not regard him very highly. Acknowledging that he was a very well educated

54. Marshall Papers, 3(68).

man, he did not find a sympathy for science in Sumner.

The notes of his conversation are very brief and bear mostly on Sumner's insistence that philology would teach all the analysis that a student needs. The Englishman disagreed completely, thinking it characteristic of a powerful mind which has concentrated only on literary and philosophical work. There is also no mention of Marshall's crisis of faith, though it would not seem inconceivable for a failed English clergyman teaching economics to ask an ordained American clergyman in a similar position his opinion on Kant or the justification of society. Sumner and Marshall do not seem to have shared a similarity of interest and outlook; again, it appears to be almost a case of two different generations speaking at cross purposes, for though Sumner was only two years older than Marshall his education and philosophy were those of another era.

The meeting with Francis Amasa Walker was far more fruitful in the long run, for Marshall and Walker corresponded as colleagues and friends for the rest of their lives. Walker was also born in 1840 and entered the army at the outbreak of the Civil War, rising from

56. Marshall Papers, 3(70).

the rank of private to that of brevet general by its end. By his thirtieth birthday he was the Chief of the Bureau of Statistics (having been appointed by David Ames Wells, then Special Commissioner of the Revenue), where he improved the census of 1870 along statistical and scientific lines. In 1872 he became professor of political economy and history at the Sheffield Scientific School, affiliated with Yale, and later became president of Massachusetts Institute of Technology. There was a great affinity between Marshall and Walker, especially as young men. Walker cautiously approved of unions, not liking their habit of striking but strongly opposing legal restrictions on them. He emphasized that entrepreneurs, not large capitalist investments, were the chief agents of production. He supported limited state interference (factory and wages acts, mandatory primary education) on behalf of labor, in the hopes of bringing about more perfect competition in the marketplace. Marshall in 1875 was more radical in his support of these issues than Walker, though in the years ahead his enthusiasm moderated itself to approximately Walker’s level. It is all the more frustrating to note, then, that Marshall kept no notes of his conversation with Walker in America. Beyond the fact that they met and that Walker’s works were cited in
Marshall’s books, there is little information to be had.  

Certainly there is no record of discussion along the lines of Marshall’s talk with Emerson. But Marshall liked and respected the practical, scientific, thoroughly pragmatic Walker far more than the literary Sumner.

By the middle of July he was moving west again, stopping to see Niagara Falls as well as to visit two utopian societies: the Perfectionists of Oneida, New York and the Shakers in New Lebanon, Pennsylvania. There were many such societies in America in the 1870’s; most had sprung from a particular religious creed, but some observers hoped that these societies offered a glimpse of mankind’s future. They agreed with John Stuart Mill, who hoped that the unequal relationship of master/laborer could be replaced by a partnership, either of capital and labor, or of laborers only—a cooperative. The gap between the classes would then be bridged by eliminating the differences between the capitalist and the worker. The two groups Marshall saw

58. They exchanged letters at long intervals and Walker visited Marshall on a trip to England in 1885, where the two discussed American Indians at length.

were among the most famous and successful communistic societies of their day.

The Perfectionists were founded by John Humphrey Noyes in 1848. A student of law and theology, Noyes declared himself "perfected" and formed a small nucleus of devoted followers into a self-sustaining colony. The Perfectionists believed that the Second Coming had already occurred (at the fall of the Temple in 70 AD) but that mankind's spiritual transformation was not yet complete. The union of the sexes, broken in the Garden of Eden, was restored at Oneida by the practice of group marriage. Selfish love of only one person was condemned; true happiness lay in group marriage, communal ownership of goods, and constant spiritual and intellectual growth toward self-perfection. It was the emphasis on group marriage which attracted most attention, of course, drawing as many as 1,500 visitors per day. As Noyes grew older and less attentive to his role as absolute leader and adviser, the group marriage created tensions among the followers and with the state.

that led to the collapse of the Perfectionist colony.
Under threat of legal proceedings Noyes fled the country in 1879; two years later his son transformed the commune into a joint stock company that manufactured tableware.61

Marshall carefully left out any description of group marriage practices, either in his notes or in letters to his mother. He was, however, clearly interested in the Perfectionists’ social and industrial organization. He owned a copy of Charles Nordhoff’s The Communistic Societies of the United States (1875) and in the margins marked out several passages dealing with the Oneida community. After details of their theological beliefs Marshall noted their habit of weekly business meetings, in which past performance and future actions of the community were discussed. Such regular committee meetings might take the place of the single will of a capitalist and provide regular, coherent policy—a rock on which, Marshall recognized, many cooperatives foundered. He also noted that the young learned many trades, regardless of sex: several girls were learning to be machinists. Finally, Marshall marked several passages dealing with the moderate work schedule, the healthy but not luxurious diet, and the sober, staid

61. Lawson, Brothers, 61.
clothing that both sexes wore: "Minus the superfluities and waste of fashion, we find thirty-three dollars a year plenty enough to keep us [the women] in good dresses..."62

In many ways the community appealed to instincts deep within Marshall. It emphasized social and sexual equality, and had at least the appearance the appearance of a self-ruling community (on his brief visit he may not have noticed Noyes' actual absolutism.) Their dress emphasized practicality and their meals were taken at large tables, in the company of their fellows. The frugality of diet and especially of dress appealed to a man who hated the world of fashion, and who once nearly became apoplectic at the sight of his nephew in matching tie, waistcoat and socks. In 1875 the Perfectionists had 219 adult and 64 child members. They employed more than 270 laborers and servants, and in 1873 had sold over $300,000 of produce and manufactures. As a cooperative effort the Oneida community was a decided success. Though Marshall may not have divined Noyes' guiding hand as the final arbiter of all major decisions, or realized that Noyes had a tendency to admit only wealthy converts whose funds could be invested in the community's projects, he could clearly

discern the lively community spirit, equality of all members, and impressive commercial success without backbreaking labor.

The other group Marshall visited were the Shakers, more numerous and more famous than the Perfectionists. The Shakers, or the United Society of Believers in Christ's Second Appearing as was their proper title, came to America in 1774 under the leadership of the founder, Ann Lees Standerin. Their communal habits and celibate lives won them few friends in America, nor did their pacifist beliefs endear them to the new nation after 1776. Despite these handicaps the sect had begun to grow by 1780; it offered a settled, orderly place in a world of stress and tension. In 1787 the decision was made to withdraw from society and the community set up its headquarters in New Lebanon. By 1805 there were numerous conversions as the Shakers expanded into the midwest, setting up communities in Ohio, Michigan and Kentucky. Those drawn to the simplicity of the Shaker way of life found it a pleasant alternative to the upheavals, political, social, and religious, of the late

eighteenth and early nineteenth centuries. The Shakers expanded rapidly till the 1830’s when membership and discipline started to decline. A spiritual revival began among several Shaker groups in 1837, in which mediums saw visions of Mother Ann Lees Standerin and of other historical figures. At this point anarchy began to threaten, since the mother settlement at New Lebanon exercised little real authority. Strict discipline was reintroduced in 1845, and from this point onward the movement lost its momentum. At the same time changes in the outside world decreased the appeal of the Shaker way of life; the decline of revivalism and the rise of industrialism and an increasing spirit of personal independence meant that each year there were fewer converts. Though their numbers remained high well into the twentieth century, by the late 1870’s several communities had closed for lack of members. In 1875 the New Lebanon community counted 383 members and owned over 3,000 acres of land.

The Shakers believed that men and women were equals; God, Jesus, and the angels all had a spirit that was jointly male and female. As a result they practised a sexual equality that was close to absolute. Leadership was vested in a council of two men and two women, and women were trained for many jobs
traditionally held by men in the outside world. Shakers did not believe in a Trinity, bodily resurrection, or atonement for sins. They demanded a public confession of sins before the group from entering novices, however, and once accepted as members all Shakers were expected to live celibate lives. They were well known in England; Frederick Engels praised them as a successful communist settlement, and Robert Owen read deeply about them when planning his own utopian project at New Harmony.

Shaker practises attempted to integrate religious and worldly life into a joyful, communal whole. They emphasized a life of harmony and self-denial, and referred to labor which benefited all, especially manual labor, as "consecrated labor." Therefore Shaker practises developed which harmonized with their theology and emphasized their separation from the outside world. Marriage, for instance, was never considered evil; celibacy was simply better and holier. Life was ascetic for the Shakers but not dreary. Both sexes wore plain uniforms and often practised the Quaker plain speech; they lived without poetry, novels or newspapers, built simple but sturdy houses, and emphasized self-sufficiency. The good of the individual was subordinated to the good of the community and daily work
was part of the worship of God. Meals were usually taken in contemplative silence, and the uniforms and community labor restricted individuality. There was virtually no privacy; even mail was read out in public by the elders. The ending of each day saw a religious service of hymns, sermons and the famed Shaker dances. Nearly all one’s hours were spent in a self-imposed discipline. But as a perceptive scholar noted, every evening the individual’s love and energy were released and poured back into the community through divine service and spiritualism. The Shakers tamed the irrational and harnessed it to the service of the rationally planned community.  

Marshall was charmed by it all. As at Oneida, the ascetic life appealed strongly to him. He confirmed contemporaries’ accounts of tranquility, peace, an “indescribable air of purity.”  

The work was temperate rather than severe, and members were encouraged to learn many different jobs. Shakers were renowned as skillful craftsmen. The economic unit was the "family" of perhaps fifty members, not the individual. And in this cooperative system of labor, the joint united interest of religion and work did not stifle but encouraged  

64. Rexroth, Communalism, 203.  
65. Andrews, People, 185.
economic innovations. Individual worth and initiative were retained. The Shakers represented much of what Marshall hoped to see for England's working class. Here was an example of what he had hoped for in his address on "The Future of the Working Class," though one achieved by cooperative rather than competitive means.66

Marshall owned many works about the Shakers, as well as some of their own publications. In a letter home he recorded the profound impression the Shaker community had made upon him. He especially enjoyed the songs that they published in every issue of their journal. Their architecture also drew his attention, its distinctive plainness leading him to expect a spiritual architecture in the future. The combination of work, equality and a sense of commitment affected the character of the Shakers to a marked degree. Marshall's guide was a young Swede who had become convinced that "here alone in the world was the spirit of early Christianity worked out in life." He described the young Swede as quiet and cheerful, with the refinement of a true gentleman, and added that there was no one he would more willingly change places with. In the end, though, Marshall made a revealing admission: he

preferred to remain where he was. Even when successful, socialism did not appeal to Marshall in the end.

Marshall noted several passages dealing with the Shakers in Nordhoff’s survey. Some described Shaker beliefs or spontaneous healings due to faith. Another was a quote from the community’s leader, Elder Frederick Evans, that "Only the simple labors and manners of a farming people can hold a community together. Wherever we have departed from this rule to go into manufacturing, we have blundered." His interest in the Shakers clearly stemmed not from their industrial practises (he noted that the settlement was primarily an agricultural one) but from the character of the men and women they produced.

Continuing westward, Marshall made a brief detour into Canada. As the other North American nation settled under British rule, Canada clearly invited travelers’ comparisons with the United States. There were many similarities. Both countries shared roughly similar climates, cold but dry, which were said to breed hardy and vigorous citizens. Settlers were provided with free land by the governments, and there was an endemic

shortage of labor; the resulting societies were strongly influenced by the immigrants they attracted to an essentially English heritage. Nevertheless the two nations exhibited dramatic differences as well. Marshall's opinion of Canada underscores those traits he was coming to think of as characteristically American. The young in Canada have an English air of frankness, generosity and ingenuousness about them. But they did not have as much "go" as the American youth, and although most English emigrants would probably be happier in Canada, he himself would prefer the United States. Again, the admission was significant. America had its faults as Marshall noted: the foreign-born immigrants and their political machines, the ease with which a dishonest man could move to a state where his reputation had not preceded him. Despite the flaws, Marshall preferred the open nature of American society with its greater possibilities for good and evil. It was another clue to the aspect of America that inspired him more than any other: individual energy in a competitive society.

From Canada the trip passed through Chicago, Omaha and Virginia City, Nevada on the way to California. The American West offered Marshall the clearest example yet

69. Marshall Papers, 3(72).
of the importance of character. Boardman's descriptions of saloon life must have returned to Marshall when he noted that union members in Virginia City had "plenty of six shooters for tyrannical masters." Colorful descriptions of Virginia City survive from this era because of Mark Twain's brief career as city editor of the *Virginia City Enterprise*, between 1862 and 1864.

By the 1860's Virginia City was well into a precious-metals boom that lasted into the 1880's. Drawing men from across the nation, the city divided itself roughly into three sections: the miners' quarters, suburban residences on the hillsides, and a Chinese area in the center. Saloons were ubiquitous and well patronized. Twain wrote that his days were "full to the brim with the wine of life." It was a euphemistic description of the inhabitants; life's daily round was carried out with a zest not found in more sedate cities. Excessive violence on the frontier may

70. Marshall Papers, 6(1), "Wages."


72. Fatout, Twain, xii.
have been a myth, but there is no denying that Marshall was struck forcefully by it in Virginia City.

The saloons and red light districts were the scenes of numerous crimes. Fights were so ordinary that the Enterprize usually reported them in slightly derisive terms if no one was killed. Duels were so common that participants learned to shoot for the leg, so as not to accidentally kill the victim and thus commit murder. Occasionally an arrest would be made for grievous crimes; but witnesses often found themselves bribed, or kidnapped till the trial was over. Only 1 in 17 of the inhabitants were women, and contemporaries declared most of them to be dancers, card dealers or prostitutes.

Despite all this, there was at least a veneer of civilization to be found. Because of the high incomes from the mines a sizeable and wealthy middle class lived in the suburbs. Virginia City stores carried all the latest luxury goods, and the city claimed to have the best restaurants west of New York. There were three daily papers, a literary journal, two opera houses and a lending library. The financial market (specializing naturally in mining securities) was buoyant, and its more sanguine citizens expected Virginia City to surpass San Francisco as the leading city in the west.
Virginia City was a rough and ready boom town with a maxim of "go it while you can;" and what impressed Marshall here was less its free-wheeling American optimism than its ruthless love of gain and the harsh character of its inhabitants. If there was a dark side to no-holds-barred competition, he could expect to find it here. Marshall did not enjoy Virginia City; he found it a violent place, and could only hope that the next generation might be more civilized.

Virginia City was a mining community, and he used the opportunity to make notes of the organization of the work. The foremen of the mines retained the power to fire unsuitable workers (especially any who drank to excess.) But miners and their unions retained the power of enforcing high wages. In California the prevailing wage for miners was $2.00 or $2.50 per day. In Virginia City the standard was $4.00 per day and "anyone who worked for $3.95 underground would infallibly be hung or shot." The threat of violence was effective. The mines were worked in eight hour shifts around the clock; a group of three or four men relieved each other so that few miners worked more than three hours per shift. More was accomplished in this fashion than under similar

73. Marshall Papers, 6(1), "Wages."
difficulties elsewhere; the miners did not become exhausted so easily.

He also recorded several schemes for raising money in the west. Money for investment came from San Francisco and abroad, but what fascinated Marshall were the scams employed to increase or decrease the price of stock. A typical scheme involved the sudden discovery of a "bonanza" of good ore. The investors would keep the information quiet, employing old miners (who could tell good ore from bad) away from the discovery and drilling shafts into poor rock. The expense to shareholders would depress the price of the stock. At this point the investors would purchase large blocks of inexpensive shares, "discover" the good ore, and talk up the riches. Immediately frantic buying would begin and the price of the stock soared. When the prices leveled off at their highest point, the manipulative investors unloaded their holdings, enriching themselves and incidentally causing a localised crash in the stock of the company. "Thus the Virginia Consolidated leaped up to 800 in February and are now at 320."74 Both the miners' union and the investors' schemes confirmed what Marshall was coming to suspect about Americans: the restless desire to accumulate wealth was pursued with

74. Marshall Papers, 6(1), "Virginia City."
little regard for the consequences and no regard at all for the feelings of the community. This conclusion expressed itself in several lectures Marshall gave on his return to England. The desire to get rich quick was visible at its strongest in Virginia City.

Marshall also commented on the character of the individuals he found in Nevada. The men he found to be full of the stronger elements of greatness, full of daring and enterprise, impatient of restraint. They had the rougher virtues but none of the civilised ones; "characteristically enough men are more 'down on,' more intolerant of the women's rights movement there than anywhere else as far as I have observed." He had nothing better to say of the women. The men might be fathers of a noble generation, save that "there is scarcely a virtuous woman in the state of Nevada." They had all the faults of the men. This is the weakness of the west, he said, that there are so few women able to supplement the roughness of the men with the virtues of their sex. These virtues Marshall defined in another place as keen insight, strong sympathy, and unlimited power of self sacrifice. His concept of the women's

75. Whitaker, Early 2: 364-65.
76. Marshall Papers, 3(73).
77. Marshall Papers, 6(1), Lecture Notes.
movement was never closely defined but clearly he conceived of differing roles for men and women.

Early in August Marshall visited California and San Francisco briefly. He wrote home that nine or ten men of great wealth, most of them Irish, ruled California.78 He later mentioned that he had attended a Granger meeting there, but gave no details. Perhaps he had tired of constantly writing home; he compressed reports on Virginia City, California, the Missouri valley ("full of swamps, Negroes, Irishmen, agues, wildly luxuriant flowers and massive crops of corn") and St. Louis into one letter.79 St. Louis he found completely uninteresting; its inhabitants (120,000 Germans among them) exuded a feeling of solidity but to Marshall had neither the "go" of the Yankee nor the "polish" of the Englishman.

His route returning east took him into the states of the old Northwest Territory. The national characteristics that Marshall applied as labels were standard for his era, as was his reference to the Germans in Cincinnati; from the lower classes, they came to America late in life, and "they are boors."

Again, though, Marshall had hopes for the future, since

78. Marshall Papers, 3(73).
he goes on to say that "the next generation will be American citizens of a high type." In Ohio he visited the state penitentiary in Columbus, then moved on to an iron foundry in Canton. The ironmaster, an expatriate Englishman, impressed Marshall with his energy, his command of the business, and his frugal life. Continuing into Pennsylvania he visited more factories: a nail manufacturer, a glass blowing shop. Once again he made notes regarding the links between intelligence and labor: the glassblowers were "almost universally intelligent and, though rough, yet refined," since glassblowing required great skill. He also visited an oil field in the Allegheny Valley, describing the method of pumping and storage. None of these businesses were large trusts; though Marshall said later that he had always closely watched the trust movement in America (assuming that it would be a transient phase), there is no evidence of an awareness of them at this early date. Trusts were not yet a large part of the American economic world.

80. Marshall Papers, 3(74).
82. Whitaker, Early, 1: 73, n. 23. Becattini disputes the accuracy of this statement, saying that Marshall was ambivalent about trusts to the end.
By mid-September Marshall was winding up his tour. In Philadelphia he called on Henry Charles Carey, the dean of American protectionist economics. Carey was a successful publisher who had begun life as a believer in free trade, but had come to reject Malthus because his doctrines did not appear to apply to America. Instead of the increasing number of paupers which Malthus predicted, Carey saw abandoned farms and houses as families moved west to new, open lands. Overpopulation, he concluded, was a myth. Carey represented the optimistic tone which the environment of a nearly virgin continent gave to American thought, including economic theory, in the nineteenth century. The nation, it was believed, was so large that it was not necessary to worry about diminishing returns; there was enough room to tolerate local differentiation. The Manchester school of economics, with its emphasis on free trade and no government interference, was seen as inapplicable to American conditions. Therefore Americans were free to follow their own economic opinions, even if these

included government interference in the case of imposed tariffs.

From these observations had evolved a system of political economy that was nationalist in scope and intent. Carey and his followers represented an inductive school of economics that hoped to build up the industries of the new nation. They wanted to achieve an economic independence to match its political independence. Tariffs were the cornerstone of this nationalist economics. Yet though Carey, the leader of the school, was an original thinker in many regards, he tended to be uncritical and inconsistent. He is sometimes said to have added to economic science chiefly because of his errors, and the refutations which they drew. In Europe, however, he was better known than any other American economist, principally because of his views on the tariff. This was the reason for Marshall’s interest in Carey, but at the interview the 82-year old Carey avoided Marshall’s questions on the eventual validity of Malthus or the determination of value. Instead Carey aspersed most of the economic lights of England—J. E. Cairnes was diffuse, W. S. Jevons wrote mathematical nonsense—and repeated his published views. Marshall had to settle for purchasing Carey’s *Principles of Social Science* and subjecting them to a close
reading, eventually deciding that his correction of Ricardo's land cultivation doctrine (that the most fertile land is always settled first) was valid in certain cases. 84

By the end of September Marshall was in New York, preparing to sail home and visiting a dentist. Even this was grist to his mill: "Last new American dodge. A set of false teeth, three or four of which exhibit gold stoppings. Of course no one would stop false teeth: teeth with stoppings in them must be 'natural.'" 85

On the second of October Marshall sailed for England. He took with him a sheaf of notes on American character and industry as well as a small library of books on American economy, society, and protectionism. He had seen the majority of the American states as well as many of the territories, at least briefly, and had had the chance to jot down observations important to him. These notes dealt only marginally with the tariff issue; for that, he had books. Most of his notes and letters focused on other interests. As with other visitors from Europe, Marshall wondered: What kind of society had arisen in America? Was America creating a

85. Marshall Papers, 3(76).
better or a worse world in its rush to prosperity? Was there a link between American society and industry and Yankee "go," and if so what was it?

For Marshall personally, the trip had offered a chance to indulge himself. He was able to fully explore all his interests of the time: philosophy, economics, character study, inductive observation of industrial conditions, comparison of socialist versus individualist values, effects of religion and effects of occupation. He had received extensive food for thought, not only for the future of his career, but for his personal development as well.

How did he sort his impressions out? A comparison of the evidence he brought home suggests an answer; and it suggests, again, that Marshall’s interest in protection was only one reason for coming to America.
CHAPTER IV

CONSIDERING THE EVIDENCE

The American trip made on him a great impression, which influenced all his future work. He used to say that it was not so much what he actually learnt, as that he got to know what things he wanted to learn; that he was taught to see things in proportion; and that he was enabled to expect the coming supremacy of the United States, to know its causes and the directions it would take.

John Maynard Keynes
"Alfred Marshall, 1842-1924"

It is odd that this statement should have been passed over so frequently and so lightly. Marshall's "great impression" has remained no more than that in the works of most historians and economists. It is clear that Marshall admired the United States throughout his life, writing in 1904 that "the United States contain many more of our race than do all our colonies and dependencies together."¹ He purchased many pamphlets and statistical reports from America, including the

¹. Marshall’s comment on a paper dealing with foreign trade and imperial preference; Journal of the Institute of Bankers 25 (1904) 97-8. This citation is from Reismann, Progress and Politics, 24.
great 1901 industrial census, Report of the Industrial Commission. American visitors, among them at least one friend made on the tour (economist Francis Amasa Walker) were always welcome at his house in the Madingley Road. Yet there is little analysis and appreciation of what Marshall saw overseas that so influenced him, or what precisely he identified as the keys to future American economic dominance. The young Marshall has attracted so little attention, because it was the mature Marshall who published the enormously influential Principles of Economics. This chapter will examine the evidence Marshall brought home with him—letters, notes and monographs—to discover what Marshall thought worthy of record, and how this record influenced his thinking.

It is not clear that Marshall himself realized accurately the full impact of his American observations. Increasingly as he aged, Marshall nurtured the talent of remembering the past as it ought to have been, not as it actually was. He later wrote, for instance, that his economic doctrines were fully developed by 1870, a claim

2. McWilliams-Tullberg, "Tendency," in Wood, Assessments, 1: 374-408, considers Marshall’s experiences in America as part of her discussion of his temperament; Whitaker, Early, 1: 52-57, 2: 3-7, 352-55 examines the trip as part of his early career. Other accounts such as Keynes’ or Guillebaud’s repeat Marshall’s claim that the American tour affected him, without probing into the question of why.
now disputed by most scholars. In 1875, before his own marriage, he had looked for partnership from a woman, not submission; but in 1889 he explained forcefully to Beatrice Potter that women were subordinate beings and must devote themselves completely to men in marriage.

In Marshall’s notes and letters of the summer of 1875 there is no clear reference to the American economic supremacy that Marshall supposedly recognized as a result of his trip. We find, instead, endless detailed observations—characteristic of Marshall’s inductive habits at that time—of the American character, inventions and refinements in industry, entrepreneurial drive, experiments in communist organization. His statement that in America he came to see things in proportion and discovered what it was he needed to learn resembles the reminiscences of an elder statesman to young campaigners, in the tendency to make the past appear more carefully tailored than it actually was.

In the early 1870s Marshall’s economic thinking was leading him in two contradictory directions. His

3. Whitaker, Early, 1: 37-52; esp. 44 where he notes that the facts "fall considerably short of Marshall’s claims."

Lectures to Women show that he was dissatisfied with the absolute laissez faire which had created the Industrial Revolution; he told his students, "that in so far as we have allowed things to drift, it has been found a bad method of procedure, that in so far as things have been allowed to take this course, men, women and children have been sacrificed to production." His "tendency toward socialism," as he himself called it, disposed him to sympathize with critics of classical economics such as Ferdinand Lassalle, who had "compelled attention to a flaw in that organization of labour which is brought about by the free play of the interests of individual producers": specifically, the fact that everyman’s individual interests would not necessarily combine to benefit society. Approval of trades unions as miniature republics, teaching their members the virtues of self-government and sacrifice for the benefit of the whole, and of the self-sustaining Shaker and Perfectionist settlements, indicate that in some ways


Marshall was leaning toward a concept of society and economics in which the community was the important unit, not the individual. It was the drift toward laissez faire, which had broken up local or quasi-family life a century before, that had made man a slave to production.  

Yet Marshall remained, in his education, training and temperament, dedicated to the ideal of individual competition and laissez faire. The economics of John Stuart Mill, David Ricardo, and Adam Smith, to name only his three most important authorities, emphasized the struggle of the individual. So did Herbert Spencer and Charles Darwin, both of whom Marshall greatly admired. 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.  

Community must always come behind the freedom of the individual. It was a growth of individual freedom and displacement of custom that lay behind the progress of the world.  

Scholars have suggested that in America, Marshall solved his growing dilemma and became devoted to the ideal of individual competition and laissez faire.\textsuperscript{11} 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. He made numerous notes of the ambition, energy and enthusiasm of the American character. 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."\textsuperscript{12} Despite his admiration for the Shaker colony, individual character in an open society appeared to Marshall as the key to America's past accomplishments and future promise. In this sense we may take as true the statement that America taught him what he wanted to learn, i.e. that individual competition must not be curtailed in favor of community values. But the process

\textsuperscript{11} For example, McWilliams-Tullberg, "Tendency," suggests this strongly, as did Prof. Giacomo Becattini in a conversation with the author, June 1987.

\textsuperscript{12} Whitaker, Early, 2: 369.
of decision is rarely so dramatically clear cut. A consideration of the evidence confirms not only that Marshall leaned in the direction of individualist values before the trip, but also that the final decision emerged only gradually in the course of the years following his tour. His first speech on his American experience, in Cambridge a month after his return, dealt almost exclusively with ethics and character. Only later did he come to believe that America represented, in some ways, England’s economic future.\textsuperscript{13}

Consideration of the evidence leads to a number of questions.\textsuperscript{14} The first, of course, is how complete is the body of material? 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,\textsuperscript{15} it seems doubtful that much has disappeared. There are

\textsuperscript{13} The speech to the Cambridge Moral Science Club (November 1875) discusses a parallel evolution of American and European society. A classroom lecture believed to date from 1876-77 states that he "wanted to see the history of the future in America." Whitaker, \textit{Early}, 2: 351-52.

\textsuperscript{14} Marshall’s notes, letters, papers and books are preserved at the Marshall Library, University of Cambridge.

\textsuperscript{15} Whitaker, \textit{Early}, 2: 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.
references to a letter from Cincinnati, Ohio, which no longer exists, for example. But it is clear that he planned to use his letters home as lecture notes (and did so for the next thirty years); 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.16 The letters and notes were accordingly saved and occasionally reworked over the decades. Census reports from 1880 were later included in notes on the American west. A number of lectures dealt with his American experience—in Cambridge, in Bristol, and in Leeds Marshall recalled his tour—and quotes from books he purchased during that summer appeared in his unfinished "Theory of Foreign Trade" as well as the published Economics of Industry (1879) and many of his later works. Finally, the body of notes and letters is essentially self-contained in that there are few references to any missing or vanished documents. The letters home 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. The evidence that Marshall recorded appears to be substantially complete, therefore, and should serve to tell us what Marshall found worth recording in his

letters home, in his private notes, and in the margins of the books he purchased. Each of these three sources will be discussed in turn.

The Letters

Marshall’s letters home detail his instant impressions of America. Written in an informal tone to a sympathetic audience, they remain unrevised by later additions or deletions and serve as a corrective to many of Marshall’s later claims. The sympathetic audience may have restricted Marshall’s descriptions in two ways; he seems to have cut short his analysis of the Perfectionists (as noted above, Chapter Two) since their group marriage practices would have embarrassed his mother; and tariffs are briefly mentioned but not discussed. Presumably Mrs. Marshall had no great interest in protective economics, though she was aware of her son’s work in the field. In neither case are the restrictions crippling. The other religious communistic group, the Shakers, were described in letters home, and tariff reform found its way into Marshall’s notes. In any event the letters are most valuable for the light they shed on Marshall’s attitude toward non-economic topics. En route to America, for example, he complained
about the lack of women with strong character on the ship. From time to time thereafter he commented on the character of American women, American and Canadian youths, and individuals of note such as Ralph Waldo Emerson.

And this emphasis on character provides a clue to a theme which appears repeatedly in Marshall's letters: the nature and importance of character. Indeed, his first letter home asserted that "my main object is to firm notions about men and manners." 17 Although he offered characterizations, almost stereotypes, of nationalities—the "solidity" of the Germans in St. Louis, the "go" of Americans everywhere—it was the character of the individual, shaped by outside forces, that was of greatest interest to him. The American west suffered from its lack of virtuous women, he wrote; and older Germans in Cincinnati remained boors, but the next generation would be citizens of a high type. 18 Marshall appreciated that it was not a simple case of the individual dominating his environment, or the environment shaping the individual into a reactive automaton. There were influences in both directions. He discussed in lectures the effect of the climate on

18. Marshall Papers, 3(73), 3(74).
the American workman, for example. But at the same
time, he wrote that man's effort was "generally most
efficient when it is so applied as to control and direct
nature's forces." The individual therefore can change
his environment; he can direct the course of his own and
his society's growth. Individuals grow and change, and
thus society grows and changes as well. Despite the
attractions of the Shaker community, it was the
individual Shaker character which overwhelmingly
impressed him. The village attracted him in great part
because of the "angelic character" of one of its
members, in whose face Marshall saw "the refinement of
the true gentleman." The importance of this can be
appreciated from the fact that two years earlier, in an
address on "The Future of the Working Classes," Marshall
had hoped for a time when every man could be a
gentleman. His letters reflect a great interest in
the character development of the individual, and its
effect on the development of the nation.

20. Alfred Marshall and Mary Paley Marshall, The
Marshall's letters serve us in another way. Besides detailing an otherwise unknown interest in theology and religious services, 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.\textsuperscript{23} 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 twice took their niece for unchaperoned carriage drives. Marshall's residence with and preference for the middle class of this era would almost necessarily tinge his observations with a delight in individualism.

The Notes

The second body of evidence, Marshall's notes of his time in America, appear under numerous categories. Some of them--"Drama," for example--have only one or two entries. The largest single group was a category Marshall entitled "Sketches of Character" (with seven lengthy entries), followed by "American Manufactures" (six entries), "American Inventions," (four entries),

\textsuperscript{23} Marshall Papers, 3(70).
and "Nationalities" (four entries.) There is also an extended discussion of Virginia City, Nevada, which seemed to hold a morbid fascination for Marshall. All these appear to be contemporaneous with his visit. Another set, including "Wages" (two entries), "Population" (one entry), "Hours of Labor" [sic] (one entry), "Apprenticeship" (two entries), "Trades Unions" (one entry), and "Drama" (two entries) are much smaller in scope and include later material (such as the population of Kansas in 1880.) The contemporaneous notes represent Marshall's greatest interests, along with the tariff, in America. The most numerous, the "Sketches of Character," do not represent an economic subject at all.

Marshall had written, in his first letter home, that the study of character was of the utmost importance to him. The notes bear this out. There are two themes to which he returns again and again: individual character and the ways in which character is shaped by employment. Marshall's conversations with Emerson and Carey, for example, have already been noted. These individuals had international reputations and it is understandable that Marshall should be interested in their backgrounds and beliefs. But he also records at length his conversations with an "Irish Priest," whose
name Marshall apparently never even asked. As had Marshall, the priest had once loved metaphysical speculation and then abandoned it for a more down-to-earth, common-sense philosophy. Marshall discerned the philosophies of Thomas Reid, Dugald Stewart and Sir William Hamilton in the priest’s beliefs, and wondered if all Roman Catholics held similar principles. They discussed the history of Ireland, the prospects for home rule, and the effects of living in a nunnery: Marshall believed the Church ought to allow greater freedom in its establishments, saying "it is as wrong to maim the spirit as it is to maim the body." 24 It is impossible to know how fascinating the Irish Priest was as a conversationalist (though Marshall makes no mention of outstanding personality on his new friend’s behalf, as he did with Emerson) but it is important to note the interest Marshall takes in the philosophical strands of his character. Individual character, of the obscure as well as the famous, plainly fascinated Marshall.

In contrast, character shaped by employment is covered far more briefly. At Mason and Hamlin’s organ factory in Massachusetts, Marshall asked if repetitive piece work damaged the intelligence of the worker, and

24. Marshall Papers, 6(1), "Notes of Character." The connection with the importance of individual human development is clear.
was told it did not. At a glass manufacturer's in Pennsylvania he described the operatives as "rough, yet refined" and almost universally intelligent, because of the enormous skills needed in their work. Here surely was a chance to compare the effects of two different systems, factory piecework versus skilled craftwork; but Marshall did not pursue the subject. At three ironworks in New York, Marshall asked of the Irish character and received the same reply: "(i) more given to drink (ii) 'not so apt to ask reason why.' " But was this character formed—improved—impaired—by their menial jobs? Marshall never asked. Even in factories where racial cliches did not operate Marshall was drawn to the individual of accomplishment, not to the cipher on the assembly line.

As an economist with an interest in character, a concern with the effects of employment on character is to be expected. Marshall had already demonstrated some interest in these effects. Discussing the working class 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

26. Marshall Papers, 6(1), "Irish."
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?^7

But Marshall showed little interest in pursuing this idea once in America. There were no extensive discussions with Irish Miners or American Carpenters to compare to the discussions with the Irish Priest, Emerson or Carey. While hoping for a time in which every man might be a gentleman, he did not consider the effects of the emerging factory system in hastening or delaying that day.

Marshall’s handling of this issue points up a major component of his thinking at this time, one of which he himself may have been only half aware: 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 already were 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.

Marshall's other notes bear out this conclusion. At a stove works in New York he was told that most inventions did not come from the workers on the floor. He decided that in the future American inventions were likely to come less from workers, than from those who had once been workers.28 He praised the mobility, open society, and education that would let a man of talent rise away from work with his hands; that would let him be a gentleman, in short, as Marshall wanted everyone to be. This was the key to American inventiveness: the

character of the Americans, in a non-traditional society. Eventually it became the key to Marshall’s economic beliefs as well.

The Books

The third source for Marshall’s views is the small library which he purchased in America. On his return, he brought home a collection of pamphlets and books on various topics. This potentially valuable source has never been fully explored, because these works were never identified. Marshall himself apparently made no handlist of these books, and none was ever constructed. Some of the volumes can be identified by the quotes Marshall took from them, especially for "Foreign Trade;" but these quotes deal almost solely with protection. As we have seen, Marshall had other interests to accommodate. A fuller list of the books he purchased and of the notes he made from them would offer new perspectives, and enhance old ones, on the state of his theories and interests in 1875. This source may now be recovered in large part.

Marshall’s private library, at his death, formed the nucleus of the departmental library of Cambridge’s Faculty of Economics and Politics. Today the Marshall
Library of Economics keeps some books known to be Marshall’s and annotated by him in closed reserve. Still on the open shelves, however, are numerous books once owned by Marshall and bearing his signature (or, more often, his stamp.) A search of the open stacks revealed the existence of numerous books on American subjects, published in or before 1875, and printed in cities which Marshall visited on his tour. From these two locations can be compiled a list of works on American subjects, the majority carrying annotations by Marshall. The list is as follows:

Closed Reserve:

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

Open stacks:

Francis Bowen, *American Political Economy*  
New York: Charles Scribner and Co., 1870

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

The pamphlets which were purchased and later bound into a single volume include the following titles published in or before 1875:

*Annual Report of the American Iron and Steel Association*
Philadelphia: Chandler, 1875

Henry C. Carey, *The British Treaties of 1871 and 1874*
Philadelphia: Collins, 1874

Henry C. Carey, *Currency Inflation*
Philadelphia: Collins, 1874
Henry C. Carey, *Manufactures: At Once an Evidence and a Measure of Civilization*  
[New York:] Silk Association of America, 1875

Henry C. Carey, *Of the Rate of Interest*  
Philadelphia: Collins, 1874

Cyrus Elder, *Dream of a Free Trade Paradise*  
Philadelphia: Henry Carey Baird, 1873

William D. Kelley, *The Proposed Reciprocity Treaty*  
Philadelphia: Collins, 1874

David H. Mason, *How Western Farmers Are Benefited by Protection*  
Chicago: By the Author, 1875

Samuel B. Ruggles, *Tabular Statements from 1840 to 1870 of the Agricultural Products of the States and...Territories of the United States of America*  
New York: Chamber of Commerce, 1875

David Ames Wells, *The Cremation Theory of Specie Resumption*  
New York: William C. Martin, 1875

David Ames Wells, *The True Story of the Leaden Statuary*  
New York: Tribune Co., 1874

David Ames Wells, *Wool and the Tariff*  
[New York: Tribune Co.,] 1873

Joseph Wharton, *International Industrial Competition*  
Philadelphia: Henry Carey Baird, 1870

Joseph Wharton, *National Self-Protection*  
Philadelphia: American Iron and Steel Association, 1875

Cited by Marshall, but not bound in this volume:

William M. Grosvenor, *Does Protection Protect?*  
New York: Appleton, 1871

There are several reasons for thinking that these are books Marshall brought home from America, and for
thinking that the marginal notations are his alone—thus providing a clear source for Marshall’s thoughts on American topics. They clearly belonged to Marshall, since all of them bear his signature or stamp. All concern themselves with American topics in which Marshall had earlier expressed some interest. All were published in America, in 1875 or earlier. Those from smaller publishers would have been very difficult to locate in England; some, such as Penny’s *Employments of Women*, were difficult to find even in America. Though many had joint American/English editions, with a single exception (Nordhoff, *Communistic Societies*) Marshall owned only the American imprint. Finally, many of those named or quoted in Foreign Trade are included in this list, such as Thompson’s *National Economy* and Phillips’ *Propositions*. 
Marshall was a dedicated annotater of books. He carried on what was essentially a one-sided conversation with them, often congratulating, affirming, questioning, doubting, criticizing, sometimes even baiting and ridiculing the absent author. But often the notations in books known to be his (i.e., on Closed Reserve) include single vertical lines drawn in the side margins of the page, setting off particular sentences or whole paragraphs of note. Both written comments and vertical lines can be found, for example, in Greeley’s Essays. Identical commentary and markings can also be found in the books from the open stacks. Of course, over fifty years, anyone might have marked the books in this fashion. Vertical penciled lines are not as instantly recognizable as handwriting. Nevertheless it seems that the markings are indeed Marshall’s alone. In the Closed

29. While Marshall annotated some of the pamphlets as well, they were bound together in a volume which contained numerous pamphlets from later decades. Thus it is less certain that the pamphlets dating 1870-75 were actually purchased in America, since he added later publications without a return voyage. In addition, research constraints made it impossible to fully utilize the marginal notations in the pamphlets. The monographs are a more important source, since they are wider-ranging and points raised in the pamphlets are universally covered in the texts as well, often more fully than in the brief pamphlets. It should be assumed here that quotes from the books do represent Marshall’s notations, but that quotes from the pamphlets do not. Quotes from the pamphlets were chosen by the author and represent the main thrust of the pamphlet’s argument, usually on the tariff issue.
Reserve is a copy of John Stuart Mill’s *The Subjection of Women*, known to be Marshall’s and bearing his stamp. Its annotations are not written; they consist of vertical marginal lines marking individual sections. The annotations in the American books are exactly the same. Other books of Marshall’s show similar annotations. His stamped copy of *The Life of Robert Owen, Written By Himself* (1857) carries a vertical line marking out a passage on religious interference with Owen’s work. These marginal lines invariably set off a passage of known interest to Marshall. In Smith’s *Manual*, for instance, the marked passages concern quotes from H. C. Carey, a major concern during Marshall’s American tour. Finally, in an indirect way, we have Marshall’s statement that the vertical lines are his. Marshall owned a copy of John Stuart Mill’s *Auguste Comte and Positivism* (1865.) On the flyleaf he wrote:

A Marshall

Bought at a sale of Dr Whewell’s books. The pencil marks were in the book when I bought it.

And, indeed, the marginal lines of Whewell are not single, straight vertical lines. They are multiple, wavering, extended "s" shaped lines. Marshall’s note to himself indicates that his method of annotation was
similar to Whewell’s and that he did not want to be confused by another’s marks.

The case will never be conclusive but points overwhelmingly to the probability that these books were purchased by Marshall in America, and that he read and annotated them with care. Even if we assume that he went to the trouble of searching out these books once back in Cambridge, such an assumption would only increase the evidence that Marshall had a consuming interest in America in the early 1870s. What was it in these books and pamphlets that he found so fascinating?

Marshall’s books and the notations within may be grouped into six different topics. These are: protective tariffs, the ideal of the community, employment and character, economic theory, currency, and women’s role in the economy.

Protective tariffs receive the largest number of citations. In general, Marshall collected books and pamphlets which were pro-tariff. Nearly all the books, as can be judged by their titles, favored protection; the great majority of the pamphlets did also. Marshall claimed to have arrived in America with an open mind on the subject, though he would have been more familiar with free trade and laissez faire from his reading of economic classics; hence defenses of free trade held
little intrinsic interest. What kinds of arguments in favor of the tariff did he notice? Were they theoretical, social, patriotic, or practical?

The benefits of the tariff, claimed the books, were widespread and obvious. That with pride of place was widely known as the concept of the "infant industry." The costs of beginning any industry were so high that older, established industries abroad could undersell any newcomers in the field and thereafter maintain a lock on the nation's trade in, for example, the iron industry. It was in the interest of the nation to protect such an infant industry (especially one of strategic importance) by enforcing tariffs on imports which would raise the price consumers had to pay to a level that would offset the extra costs of starting a business. When the infant industry had grown sufficiently large to have its own economies of scale and did not need the shelter of a protective wall, the tariffs would be eliminated and the consumer would benefit by being able to purchase lower-priced manufactured goods which were made at home (and which therefore did not include a transportation charge in their purchase price.) No less an authority than John Stuart Mill admitted that there was some validity

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30. In the following pages, as mentioned above (n. 27), the arguments for and against are made from references Marshall marked in his sources.
to this reasoning, as did the American authors Marshall consulted. 31

There were numerous other defenses of protectionism. Tariff barriers permitted factories using higher-paid American labor to run continuously at full employment and avoid being undercut by the "paupers" in English and European factories, since otherwise lower labor costs would give foreign manufacturers a cheaper price and an unfair advantage over their American counterparts. 32 Tariff barriers prevented the dumping of excess production by foreign manufacturers, especially the English, which could have undersold and ruined American manufacturers as the authors claimed had happened repeatedly before the colonies declared their independence in 1776. 33 Even the states of the far west, traditionally opposed to tariffs which raised the costs of so many of the goods they purchased, were said to benefit from a tariff because the value of manufactured goods there had risen three times faster than in the east: indicating that

31. Bowen, American, 495; Greeley, Essays, 180, 210; Thompson, National, 213, 263. Mill is cited by Phillips, Propositions, 41.

32. Greeley, Essays, 102, 150 163; Bowen, American, 188.

tariffs were successfully helping to employ numerous Americans.\textsuperscript{34} Finally, it was claimed that the extra cost of the tariff would eventually be paid by the foreign manufacturer or importer, and no longer passed on to the consumer, since once American industry achieved economic levels of production the consumer would be able to purchase goods more cheaply than they could be imported. Those who insisted on using imported goods at that time would be rich enough to be able to pay the tariff themselves.\textsuperscript{35}

With such numerous benefits, further justification of a tariff barrier would hardly seem necessary. Yet many Americans, particularly at the universities, adhered to free trade doctrines. The protectionists therefore did their best to cite economic authorities for their arguments. Friederich List is of course cited (though Marshall did not note the passages.) John Stuart Mill’s position, that there were exceptions to his general rule of free trade, especially in the case of manufactures of importance to the nation, was carefully quoted.\textsuperscript{36} Adam Smith believed that capital employed in the home trade was "four-and-twenty" times

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\item \textsuperscript{34} Thompson, \textit{National}, 275.
\item \textsuperscript{35} Smith, \textit{Manual}, 249; Bowen, \textit{American}, 454-55.
\item \textsuperscript{36} Phillips, \textit{Propositions}, 41.
\end{itemize}
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more supportive of industry than capital employed in foreign trade. Marshall found, therefore, widespread approval of tariffs: not only by accepted economic authorities, claimed the protectionists, but also by the ordinary citizens of the nation, who were said to be willing to pay a little more for their goods in order to build up American industry.  

On the topic of tariffs, Marshall’s notes are extensive and fairly singleminded, as befits a struggling academic writing his first monograph. He paid the greatest attention to the arguments in favor of tariffs: the infant industry concept, the need to protect American labor from European pauperization, the desire to keep Europe (and especially Britain) from dumping its goods in America, thereby destroying the nation as had happened (according to Greeley) in India. Opposition to the tariff was not ignored, however. Anti-protectionists such as William Graham Sumner noted that the tariff had not prevented the crash of 1825; and David A. Wells’ pamphlet on Wool and the Tariff pointed out that since the imposition of a tariff on wool in

38. Thompson, National, 307; Bowen, American, 494; Greeley, Essays, 150.
1867, the industry had virtually collapsed, again contradicting the expectations of the protectionists.\textsuperscript{39}

In "Foreign Trade," Marshall concluded that the pro-tariff forces had poorly organized their case. The Americans were unscientific in their approach, apparently not recognizing the limitations of arguing from one theme. They made no attempt to separate the tariff from other potential causes of prosperity.\textsuperscript{40} The protectionists were clumsy in their handling of evidence—Greeley’s claim that England, by undercutting native tailors, had ruined India Marshall dismissed; "the country as a whole would not be injured by their being undersold," he had written in the margin\textsuperscript{41}—and they had an annoying habit of quoting authors out of context. Besides, tariffs increased the cost of necessities for the poor; Marshall compared it with the repeal of the Corn Laws, which had benefited the workers in England by reducing the cost of their food.

Overall Marshall found the protectionists’ arguments very parochial. None of the writers considered the effects of a tariff on society as a whole, except to claim that everyone would benefit in

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\item Sumner, \textit{Currency}, 84-85; Wells, \textit{Wool}, passim.
\item Whitaker, \textit{Early}, "Foreign Trade," II 41.
\item Greeley, \textit{Essays}, 163.
\end{enumerate}
\end{footnotesize}
vague, unspecified fashions. In some cases the protectionists' argument approached the level of farce. William D. Kelley claimed that Canadian Commissioner George Brown, negotiating a proposed free trade treaty in 1874, created a corps of "claquers and lobbyists," and "flagrantly" transcended his role as a diplomatic agent. H. C. Carey, on the same treaty, went even further. Carey hinted strongly, almost to the point of libel, that Britain had engaged in a conspiracy to attain free trade. Carey found the effort improper "if not even criminal" and pointed out that the two United States Treasury officials drawing up the draft of the treaty were both British by birth. One, he claimed, controlled the "secret service fund," or "corruption fund," in Canada, which via bribery had helped pass the 1854 free trade treaty. Champagne and gold had helped engineer the treaty of 1854, stated Carey flatly, and he implied that the same thing was happening again; bystanders in Capitol hallways, he said, might hear "remarks to the effect that, 'being backed by millions, we shall certainly put it through the Senate.'" It is not to be wondered that such arguments did not impress Marshall.

42. Kelley, Reciprocity; Carey, Treaties, 28-32, quote from 32.
Closely connected with the tariff issue was the second theme, the protectionist writers' emphasis on community and Carey's "principle of association." It was a theme with which Marshall himself had often toyed. Protectionists believed that the emphasis in economics should not be on the individual, the "economic man," as the classicists insisted. Rather, the emphasis should be on the community. Marshall himself approved, despite his individualist leanings, the state educational system in England. The state should be justified, protectionists believed, in intervening to ensure the community's well-being. In theory, the justification of tariffs would then be equivalent to the justification of socialism, since both systems require the state intervention which laissez faire economics abhorred.

This argument was not a variant of the "we are all socialists now" theme of the Edwardian age. Nor should it be dismissed on the grounds that many protectionist writers favored competitive, almost Darwinian ideals.

43. Marshall Papers, "Lectures to Women," VI. There was a strong undercurrent of opposition to Manchester School economics in Britain as in America which held that extreme laissez-faire glorified the worst traits of the individual. See for example Aaron L. Friedberg, The Weary Titan (Princeton: Princeton University Press, 1988), Chapter 2, in which he finds A. J. Balfour opposed to laissez-faire for this reason.
within the community. The link between protectionism and socialism was quite plain to Marshall’s contemporaries. American economist J. Laurence Laughlin in 1879 was able to cite authorities such as Henry Fawcett, John Stuart Mill and Wilhelm Roscher (all names well known to Marshall) to support his case that government intervention for tariff protection of factory owners was no different than government intervention for welfare legislation for their workers. German economists such as Roscher, Gustav Schmoller and Karl Knies eagerly read the works of Henry C. Carey and favored protective tariffs and socialist policies. Marshall himself wrote:

And indeed during the whole of the present century there has been a subtle, though often a silent sympathy between the school that has required the State to ‘protect native industries’, and the more adventurous school which has maintained that the individual should look to the State, or to some smaller community, for guidance and protection in all matters but particularly in the ordering of his daily work.

Given Marshall’s self-acknowledged tendency toward socialism at this time, his interest in protection may

44. J. Laurence Laughlin, "Protection and Socialism," International Review 7 (1879) 427-35. See also Fine, Laissez Faire, 66.


well go deeper than its suitability as part of a monograph. He was a voracious reader of socialist and protectionist works, and interested enough in their possibilities to make it one of the chief interests of his tour of America.

Since the end of the American Revolution many Americans had pressed for tariff barriers to outside goods. Alexander Hamilton had been the earliest champion of protection, and by the early nineteenth century the idea of a tariff barrier had become enshrined as part of Henry Clay’s "American System" of tariff barriers against the outside world and state-supported internal improvements at home. The "national school" of political economists— including Carey, Phillips, Smith, and Thompson— endorsed this view, claiming that the state had a mandate to intervene in matters of foreign trade and internal improvement. Ordinarily they went no further than this in their calls for state intervention: few national school economists wanted to see the state assume a regulatory nature. Thus the protectionists of mid-century are commonly viewed today as simply special-interest pleaders, usually wealthy industrialists, whose emphasis on the needs of the nation was little more than a smokescreen for their own greed. Without a philosophy affirming a
positive state regulatory role, they are usually dismissed as an unimportant group with little effect on their own age and none on that of the generation which followed them. Such a view does them an injustice, however, by considering them only in relation to the evolution of a regulatory state. The protectionists were extremely popular at this time and the most widely used economics textbook in American colleges was Thompson's *Social Science and National Economy*.

The protectionist pamphlets Marshall read had fundamental disagreements with the laissez faire "Manchester school." Its emphasis on self-interest and satisfaction of desires struck them as un-Christian and appealing only to man's basest instincts. Laissez faire benefited the wealthy industrialist but impoverished the worker; in England, they said, free trade and pauperism were inseparable. America profited when protection kept workers in full employment, for "the laboring classes are the nation." Most of all, the protectionists abhorred laissez faire's glorification of the individual. The Manchester school, they said, viewed men "merely as individuals," none of

47. Fine, *Laissez Faire*, 3-23, 47.
whom should have any regard "for the collective and future well-being of the nation." But men historically did not think of themselves as individuals; they thought of themselves as part of a community, a nation. Governments existed for the benefit of the people, not the individual.

Many of the books also contain this view of the importance of the community. In a lengthy passage which Marshall noted, Thompson claimed the nation was of greater importance than laissez faire economists realized. After citing ways in which the United States differed from Britain in national policies—expenditure for education, adequate wages instead of pauperization of the work force, expensive governmental systems to oversee the health and intelligence of its citizens—he went on to write:

For these considerations the cosmopolitical school have no place; they think their consideration in connection with the question of wealth and economy an impertinence. They write as if there were no nations, or as if they were merely local and conventional arrangements for police purposes. With Cobden, they would gladly see all boundary lines wiped from the map; and like him, they regard all nations as necessary evils. Their arguments are never based on the necessities of national life, and the means to attain the largest and fullest degree of that life; but

51. Mason, Western, 92.
on "the maximum of production throughout the world." They know of no interest save that of pocket interest, whereas, as Mr. Mill well says, a man’s interest is whatever he takes an interest in. And every good citizen will take an interest in the industrial development and independence of his own country. We might, as Dr. [Horace] Bushnell does, concede the force of all their economic arguments, and then reject their conclusions on higher grounds.\textsuperscript{52}

Carey had evolved another principle, one that he called the principle of association, to explain why it was better for men to combine in diverse employments rather than for an entire region to specialize in one product. A combination of men in diverse employments will lead automatically to improvements in each one. It will increase man’s ability to plough land, grind grain, weave wool, cut lumber. Therefore as the population of a country increases, so will its production of crafts and food. Plantagenet England, with six million souls, often starved; modern England, with eighteen million, does not. To Carey, the lesson was clear: decentralization of the economy leads to life; centralization leads to death.\textsuperscript{53}

In their emphasis on community the protectionist writers hearkened back to an earlier era in American

\textsuperscript{52} Thompson, \textit{National}, 242-43. Horace Bushnell (1802-76) was a popular religious writer of the day, a Romantic in theology, who rejected a strict Calvinist interpretation of Unitarianism. 

\textsuperscript{53} Carey, \textit{Social}, 1: 64-93.
history and are most reminiscent of what Robert Wiebe has called "island communities." In the "search for order," Americans prized the common values of the rural, pre-war era: hard work, small shops, unspecialized education, local control of community life. With increasing speed this ante-bellum world was slipping away from grasp in the 1870's. The small shop became the giant factory; rural districts witnessed the growth of large urban slums; local control of island communities faded as the nation-state's administration expanded. Even the common values changed as the nation embraced the individually competitive view of society embraced by sociologists such as Herbert Spencer.

The protectionists were looking toward the past, though they did not yet know it. The new political socialism of Marx and Lassalle made no impression on them; their preference was for an earlier, almost mythical farming community of common (but not communistic) effort, as might have been described by Henry Maine in an historical monograph. An emphasis on community and desire for continuity with the American past had ever less relevance to the problems of an industrial age. The easy optimism of Henry Carey over

the landtillers gave way to the outrage of Henry George over the landowners.

Marshall’s emphasis in his lectures at this time on the evil of purely selfish actions, and the need for his students to recognize their moral duty to society, appear similar to such sentiments. He might be expected to endorse their criticisms of laissez faire policies. In fact, much as he sympathized with the plight of the working class, he finally turned against such a communitarian view of society.

There were two communities which Marshall saw in action: the Shakers and the Perfectionists. In Nordhoff’s *Communistic Societies* he noted several characteristics of these two settlements. The notes suggest a fascination not just with their cooperative endeavors, but also with the religious visions which sustained them. Marshall noted both Shaker and Perfectionist doctrine. The Shakers believed that God was a dual person, both male and female; the Perfectionists that the "invisible hosts" of the Primitive Church were directly accessible to them. These doctrines then found their way into virtually every aspect of life. In addition, the Shakers

55. Marshall Papers, "Lectures to Women."
emphasized the frugal and simple in architecture, clothing and even music, all of which attracted Marshall. The Perfectionists also shared a frugal diet around a common table. Both groups opened the roles of their society to men and women.⁵⁷ Both groups, however, also found it necessary to shun the outside world and live in isolation. Marshall intended not to shun the world but to change it; he impressed on his students in Cambridge the necessity of taking up some kind of work that would help to end poverty. He also told students that he disapproved of religious associations formed for this purpose; members lost touch with the persons they were trying to help.⁵⁸ While he admired the individual cheerfulness of their members, therefore, the agnostic and activist Marshall was not likely to be impressed with religious millenarianism as a pattern for the reorganization of society.

Marshall was plainly aware of the argument by the protectionists in favor of the community. All the pro-tariff pamphlets stressed that laissez faire emphasized the individual, protectionists emphasized the community. It was a basic philosophical difference. The books also noted this fact. Bowen believed that the best policy

58. Marshall Papers, "Lectures to Women," VI.
was one that developed all the advantages of a country, its human as well as its natural resources, while Phillips echoed Carey's principle of association when he asserted that the mere vicinity of the arts to one another would augment the economy. But the evidence for the community was nearly as simplistic and undeveloped as for protection. Carey's principle of association, for example, is extremely pastoral. It mentions no industry and only the most minor crafts. It fails to consider other evidence beyond its arguments; association is not the only reason Plantagenet England starved and Victorian England did not. Even if this had been the case, Carey merely asserts his argument, and does not prove it. There is no definition of the term "community" except as a nation; and no discussion of what constitutes a nation, or sets one apart from another. Marshall concluded in fact just the opposite of the pro-community view; he came to believe that Americans had far less community feeling than did Europeans. It was one of the American's most outstanding characteristics and explained many of his actions, Marshall felt. His vision in this regard was clearer than that of the protectionists.

59. Bowen, American, 494; Phillips, Propositions, 221-22.
The third theme Marshall noted is that of the relationship between employment and character. Although he noted the effect of an individual's job on character—for instance he was much impressed with the Perfectionists, whose manual labor was steady but not numbing, and who remained cheerful as a result— he collected fewer notes attempting to posit a cause:effect relationship between work and character. Instead he attempted to discover the roots of the American character, only part of which had an economic basis. In other words American mobility and habits of independent thought affected the economy—but were not necessarily formed by the economy.

Some employment 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. The authors also insisted that man is not simply an economic machine. Greeley attacked the prevailing laissez faire notion that workers thrown out of employment would easily

60. Nordhoff, *Communistis*, 281.
migrate to a new location, where other jobs were to be had. What of the families and houses they would have to leave behind? to say nothing of 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 Greeley's statement would prevent any economic change, even that from free trade to protection.\(^6^2\)

The American character was a singular one. An element described as "the lottery principle in human nature," a willingness to hazard venture capital on large returns, was said by Bowen 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.\(^6^3\) This adventurous spirit might also lead to theft and fraud; Wall Street financiers were notorious for beginning rumors that inflated the price of stocks, then selling out and leaving unwary investors holding worthless shares.\(^6^4\)

The American laborer 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 labor grew used to versatility and enterprize. Trade unions were not needed to protect workers in America, Thompson said, since workers could leave the factory and become independent farmers if they chose. Wages remained high partly because of this fact, partly because of a perennial shortage of skilled labor, and according to Bowen partly for "moral causes": "the mobility of society, the wider distribution of property, the absence of castes, la carrière ouvre aux talents, and other peculiarities created and fostered by our laws...."

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

66. Thompson, National, 149.
asked in the margin, "and what are they in New York?" 68 For Carey's claim that the Irish can perform more physical labor than the English, French or Belgians, or that they are capable of the highest intellectual improvement, Marshall simply wrote "oh". 69 Such comments 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." 70 In any event Marshall was 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 do not apply there. In opposition to Carey, he blamed the problems of the Irish not on their past employment but on their character, accepting the caricature of the Irishman as a dull individual and a heavy drinker.

68. Carey, Social, 1: 324.

69. Carey, Social, 1: 331.

70. See the interview described in Marshall Papers, 6(1) "Sketches of Character," and referred to in the previous chapter. It is also reprinted in Whitaker, Early, 2: 92-93.
The American authors in general did not consider the effect of one's employment on character. Few considered character at all. Some of the pamphlets characterized Americans as Jeffersonian yeoman farmers, a portrait that was increasingly out of date. Only 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.) Bowen cited frontier enterprise, a gambling spirit, mobility, a lack of caste, and widespread ownership of property as determinants of prosperity, not effects. Only in Nordhoff's description of the Shakers and Perfectionists could the effect of labor 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.) Most of Marshall's observations on character were necessarily personal ones, which emphasized the character of the individual as has already been discussed.

A fourth theme, the theory of economics, was not a major interest of Marshall's but did attract his attention. He was especially intrigued by criticisms of

Ricardo and Mill, though attacks on other elements of classical theory were also noted. He noted Thompson's discussion of the fact that economics existed as an art even before the modern age had begun to turn it into a science. Marshall himself considered it to be a science which gave individuals a basis for investigating and criticizing the world.\(^{72}\) He was also interested in the nature of the science in America, noting the heavily inductive tradition of American economists. The American economists did not believe in the "economic man" abstraction of classical theory; nor did they accept the pessimism of Thomas Malthus regarding the future of the world's population, since there was no evidence of overcrowding yet on the American continent.\(^{73}\) Mill's acceptance of the infant industry argument for tariffs was widely noted, as was Smith's statement that home trade was to be preferred, all else being equal.\(^{74}\)

But the most important criticism, to Marshall, was Carey's attack on Ricardo's land theory. Ricardo had theorized that in any country the best and most fertile


land would be settled first, with agriculture spreading
to the more barren and desolate hillsides only as demand
expanded for land. Carey, and many other American
economists, had noted that in the settlement of America
exactly the opposite had occurred. Mountains and remote
locations were often settled first, for ease of defense
and because the most fertile land required extensive
drainage before cultivation. Though the example was a
small one, to American economists the implications were
immense. They considered the economic theory of
Ricardo, Smith, Malthus, et al to be far more
pessimistic and restrictive than the facts warranted;
such conditions may have been the norm in Europe,
overcrowded for centuries, but they did not apply in
America. How could Americans, then, be expected to
abide by the tenets of a classical theory which had no
relevance in the new world? A different economics
should be developed, one that stressed the more
optimistic conditions which were to be found in America.

Numerous examples were noted, by Marshall, of the
Carey thesis in action. Thompson noted that the facts
of history did not bear out Ricardo, a section Marshall
noted with three heavily scored vertical lines. Smith
claimed that 1848, the year in which Carey introduced
his theory, marked a "new era" in economics and devoted
extensive footnotes to describing examples to prove the observation correct.\textsuperscript{75} Other authorities (such as the German economist Schultze-Delitsch) were noted as supporting Carey.\textsuperscript{76} Though Marshall tried, when he met Carey, to persuade the aging protectionist to abandon his thesis and affirm the law of diminishing returns in an older country, he was eventually forced to accept that Carey's observations had considerable merit in certain circumstances. The theory found its way into his future publications, including the \textit{Principles of Economics}.

Marshall agreed, in principle, with some of the criticisms the Americans made of political economy. In his Lectures to Women he had already insisted that man was not a machine. But Marshall became very critical of the Americans' attacks. He claimed that they quoted out of context, and that their use of long series of numbers really proved very little. Marshall accused Carey, his bete noire, of inconsistent examples, inexact statements, and irrelevant arguments.\textsuperscript{77} He and other American economists, said Marshall, had the habit "of making too extensive a use as it seems to me of

\textsuperscript{75} Thompson, \textit{National}, 93; Smith, \textit{Manual}, 47-52.
\textsuperscript{76} Thompson, \textit{National}, 132.
\textsuperscript{77} Whitaker, \textit{Early}, "Foreign Trade," 2: 34.
arguments hastily built upon a narrow basis of historical and statistical facts." This was due to their audience, which had "considerable practical intelligence but no thorough training in scientific method."\textsuperscript{78} Clearly, Marshall was not ready to abandon classical economics in favor of a vision which he found even more parochial. He was beginning to turn back from the pure induction of his early career toward a middle ground which used inductive observation to support classical deductive economic theory. By 1879 he wrote, "There has been a controversy as to whether Economics is an Inductive or a Deductive Science. It is both; its Inductions constantly suggest new Deductions, its Deductions continually suggest new Inductions."\textsuperscript{79}

A fifth theme was currency reform. Marshall purchased William Graham Sumner's \textit{A History of American Currency} and several pamphlets bearing on monetary policy. The sections he noted bear on the subject of tariffs and on the question of paper money versus specie, a question of worldwide interest but nowhere more hotly debated than in the United States. During the Civil War the federal government had printed vast amounts of paper currency or "greenbacks" as a method of

\textsuperscript{78} Whitaker, \textit{Early}, "Foreign Trade," 2: 39.

\textsuperscript{79} Marshall and Marshall, \textit{Economics of Industry}, 3.
financing its purchases. This influx of money had of course resulted in inflation. To some, the inflation was an example of the evils of government interference. It had encouraged inflation, destabilized the economy and the money supply, and added volatility to an economy already known for its unpredictable boom-and-bust cycles. Those who held this view were essentially large investors and capitalists, whose prosperity depended on a "hard" (inflexible) currency.

Others saw nothing improper in such government intervention. Protectionists generally supported the greenbacks and a "soft" money supply, on the grounds that it put laborers to work and and thus kept the country prosperous and fully employed. Many of the pamphlets dealt with this issue. One claimed that the large national debt was actually a benefit to the country, since the money kept the economy active and the citizens at work. Carey's *Currency Inflation* blames the problem of rising prices not on a paper currency, but on a banking system tightly centralized in and controlled by New York. It was the manipulations of Wall Street bankers and financiers, he claimed, that was causing the inflation. He suggested a widespread system of local banks which would encourage the flow of money

at the local level without causing inflation. 81 Such support of labor and the community was widespread among the protectionists. But Carey gave no thought to the consequences of possible collapse in such small and often undercapitalized banks, a continual problem addressed by Sumner.

Sumner was a free trader. He traced American business crises of the nineteenth century to causes other than protection or the lack of it, and claimed tariffs had not been able to prevent the crises of 1809, 1819, or 1825, for instance. Tariffs, he found, were ineffective in the maintenance of American prosperity; a solid currency was the only guarantee of a flourishing economy. 82 Marshall’s interest in currency and monetary policy at this time was linked to his interest in tariffs, and the notes do not seem to reflect any desire to branch out into monetary theory.

The final category on which Marshall made notes was that of women’s role in the economy. These notes came from a single volume, Virginia Penny’s The Employments of Women (1863.) The strong character of the American woman fascinated Marshall, so much so that, as he wrote his mother, for a wife “I would have the strength that

has been formed by daring and success.” His interest in the women’s movement, combined with his effort to be observant and inductive in the conclusions he drew, led him to make extensive notes in this book on the kinds of jobs open to women. If it is assumed that this volume, based on a questionnaire sent to hundreds of employers, accurately reflected the world of industry—and there is no indication that he thought otherwise—then Marshall could not help but acquire two important concepts. First, although cases of intolerance and abuse toward women employees certainly existed (one man paid his female proofreaders only two-thirds of their male counterparts’ salaries, "because they are women, and because plenty can be found," in a surprising number of cases factory owners gave equal pay for equal work. Women appeared therefore to be approaching equality more quickly than many had suspected. Second, men and women did have separate spheres, divisible one from the other on grounds ranging from physical strength to sex-based character attributes. Men were referred to as being stronger, faster, better skilled, and therefore superior when working in occupations taking these male attributes into account. Glovemaking was traditionally a male

83. Marshall Papers, 3(70.)
84. Penny, Employments, 31.
craft; librarians needed to lift heavy volumes; similar
piece-rates in cotton, dyeing and printing industries
meant men would earn more because of their speed and
skill. In a world of labor that was still
overwhelmingly physical, the comparative strength of
male workers was extremely important. Women were better
suited for some work by physical attributes such as
slender fingers, for example in the cashmere and weaving
industries. More often, however, they were praised for
superior stability, reliability, patience, and
steadiness. Thus a ribbon manufacturer wrote, "Women
are inferior in mechanical skill, superior in steadiness."86

Such direct observation by factory owners, if
accepted, could lead only to the conclusion that men and
women have different roles to play in society; both are
worthy of respect, but except in special circumstances
the sexes are not interchangeable. Did such a conclusion
confirm existing an existing opinion in Marshall’s mind,
or set his thoughts into a new path as he came
increasingly to disdain the women’s movement later in
the decade? It appears to be the former; his "Lectures
to Women" indicate Marshall was a liberal feminist who

85. Penny, Employments, 204, 19, 173, 179, 188.
believed not in equality, but in improved albeit still separate spheres. His female students, for example, in 1873 were urged to help end poverty by taking up social work such as that of Octavia Hill’s settlement house, not by going into law or medicine. Despite his respect for women, Marshall may have come away from this book more convinced than ever that their direct competition with men was a mistake.

In the years immediately following his return, Marshall created a series of lectures and filled out a monograph with the fruits of his American experience. He made up his mind in favor of free trade almost at once, though the monograph on "Foreign Trade" shows still an impatience with rigid classical economics. Yet despite his sympathy for socialist compassion, it was individual competition that received Marshall’s approval. Despite his recognition of the value of inductive observation, he began to elaborate on its shortcomings as well. Although he knew character might be warped by the struggle to survive, he concluded that a better character would result not from communitarian brotherhood but from an open, fluid society. In short, Marshall experienced an evolution of conviction. Unsatisfied with the options available to him, he began to create his own path: one that favored individual
competition, while providing the benefits of character which socialism promised. The reasons why Marshall felt this was a possibility become clear when we examine the lectures and monograph produced after his trip.
By a gradual process, in which a visit to the United States played a very important part, the young pure theorist, who was used in 1869 "to think in Mathematics more easily than in English," became the most deeply and widely informed exponent of economic affairs since Adam Smith.

C. W. Guillebaud
Introduction to Variorum (Ninth) Edition of
Principles of Economics

In part, this recollection by Marshall’s nephew is misleading. By his own account, Marshall had begun to search out the parameters of economic reality years earlier, before the trip to America was planned. His tour was the result of such a search for economic conditions, not the cause of it as the quote seems to indicate. In another sense, however, the sentence is quite apt. The American tour gave Marshall renewed optimism and a clear goal, something lacking in his earlier years. His reactions to the tour make clear that protection was only one issue, and a minor issue at that; his true concern was, toward what future is
industrial society leading man? In the autumn of 1875 Marshall for the first time was pursuing a positive dream of that future, instead of fleeing a nightmare.

Up to this point, Marshall had exhibited all the characteristics of a man being carried into a future he despised but was not at all sure he could prevent. His "Lectures to Women" in 1873 gave a horrifying description of the Industrial Revolution. Old traditions were destroyed, and new industries founded which eroded family life. Men, women and children were sacrificed to production. The nation was ravaged by consumption as well as by "moral evils" Marshall could not bring himself to share with his women students. Laissez-faire did not receive a ringing endorsement; it was productive of great social ill. Significantly, this process would continue indefinitely: "I wanted to make it clear what must happen if we do drift, to show that if we do so, we shall always have an immense number of people very near starvation's limit."¹

Yet Marshall found himself unable to endorse socialism, the clearest alternative to laissez-faire. In articles to the Bee-Hive, a labor newspaper, Marshall took his stand with capitalist and not socialist economics.² Nothing, he told his students, should

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¹ Marshall Papers, "Lectures to Women," VI.
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overwhelm individuality, the strongest force in the battle of life. His Lectures to Women do not call for state action to end poverty; he proposed instead stronger volunteer commitments along the lines of Octavia Hill’s settlement work or the Charity Organization Society. He approved cooperative societies and trades unions not on the grounds of class warfare (strikes he regarded as a last and harmful resort) but because they taught valuable lessons in responsible self-government.

Marshall found himself in a quandry. His personal interest in philosophy and ethics had come to seem trivial and inapplicable to the problems of society; his conscience had driven him on to economics as a more relevant study. Laissez-faire, the system he favored intellectually, he found productive of great social harm. Socialism, the system he favored emotionally, he found productive of poor economic reasoning and a smothering of individuality. The only solution he saw was voluntary self-sacrifice to help those ground under by the industrial system. Certainly it is no coincidence that many of the books he used in tutorials,

by authors such as Thomas a Kempis and George Eliot, stressed the theme of duty to mankind. And despite the ringing oration with which he concluded his "Lectures to Women," in essence a call to arms for a struggle against poverty, Marshall did not promise success in the struggle—only that the fight was an honorable one. He seemed unsure, despite his best efforts, that voluntary work could redress the balance. Marshall in 1875 was a man looking for an answer.

"Some Features of American Industry"

The first evidence of his success came in a speech he gave on 17 November 1875, entitled "Some Features of American Industry." Back in Cambridge little more than a month, he sounded a very optimistic note in regard to his American experience. This first organized impression of the American trip, and of what it meant to him, was given in a lecture to the Moral Science Club.

The Moral Science Club was one of the numerous discussion groups of nineteenth century Cambridge, and one of several to which Marshall contributed. Its origins are unclear, though the name suggests that it may have been developed by instructors in the moral

sciences tripos. The club met irregularly throughout the term, and the discussions were philosophical and ethical in nature. As the moral science tripos at this time consisted of moral and political philosophy, mental philosophy, logic, and political economy, such a focus is understandable. Political economy seems nonetheless to have been the unloved step-child of the club. In his diaries John Neville Keynes listed the meetings of the club he attended and the titles of the papers read. Between 1874 and 1877 these included papers on "the nature & limits of our knowledge of other people," ancient versus modern ethics, law and morality, the progress of utilitarianism, the depth and scope of psychology, the relations between political economy and ethics, theories of disbelief in the external world, and Marshall's paper on "Some Features of American Industry." Since economics was still being formed as a professional field, and since Marshall was still enchanted with philosophical topics, it is not surprising that his lecture dealt with the application

of economics to ethics. But what is surprising is the depth of a commitment which leans away from economic theory, the field in which the mature Marshall made his fame.

Despite its title, the speech is chiefly a consideration of ethics.\textsuperscript{7} Marshall began by saying that a rapid traveler ought to bring home "accounts of the way in which facts grouped themselves together, the new combinations that he saw, the new points of view that he obtained for looking at problems of importance."\textsuperscript{8} The new point of view, for Marshall, was a reconsideration of the ways in which daily occupation influences character. It was a new point of view for what was clearly an old attitude: how does the economic system prevent the working man from living a full life? In the past Marshall had considered the same question, although his answers ranged from the darkly pessimistic as in his Lectures to Women, to a fond desire that workers might someday emerge as middle-class gentlemen as in "The Future of the Working Classes." But in America he seemed to see, for the first time, a path which offered the end he sought: the virtues of competitive life,

\textsuperscript{7} The speech is reprinted in Whitaker, \textit{Early}, 2: 355-77.

\textsuperscript{8} Whitaker, \textit{Early}, 2: 356.
without the crushing burdens of poverty and despair.

The key, to Marshall, was the ethical evolution he had glimpsed in America:

It appears to me that on the average an American has the habit of using his own individual judgement more consciously and deliberately, more freely and intrepidly, with regard to questions of Ethics than an Englishman uses his. This fact presented itself to me frequently grouped together with certain economic conditions, which appeared to me to be the chief causes of the fact. I shall explain those conditions as far as is necessary to make manifest the character of this grouping: and shall finally suggest for discussion certain remarks of general application.  

In essence, it was a personal answer to a problem that he had hitherto looked at in societal terms.

Chief among the conditions of American industry, according to Marshall, was its mobility. He analyzed six of its causes. The first he called geographical: quoting the 1870 census, he noted that in twelve states one-half of the population had been born outside of that state. Another cause might be labeled vocational. Americans were not satisfied to remain in one trade all their lives; they would switch jobs whenever they were offered better wages, or sometimes when they were simply bored. A third cause of mobility was ambition; the "brisk intelligence" of the American was fanned by

stories of the "money kings," and every young man grew up determined to climb to the top of his chosen profession. The fact that farmers were not content to remain on their forefathers' land and would often sell their land to immigrants and move west themselves provided the fourth reason for American mobility, while immigration and the climate supplied the last two explanations. The United States received numerous immigrants, who were likely to be more adventurous and restless than their fellow citizens at home, and the climatic extremes of heat and cold interrupted work to a greater degree than in England, thus forcing an unsettled life upon the workers.¹⁰

The effects of this mobility were direct and profound. Americans had fewer links with tradition and with society as a whole than did Europeans. In contrast to the European who could rely on folk wisdom or the approval of peers for support, the American had to decide everyday questions for himself. Thus Americans became used to making up their own minds, not only on industrial topics but also on moral and ethical questions as well. As Marshall said, "Is it not clear that the influences by which the moral character of the American is formed, and the influences which he in turn  

¹⁰ Whitaker, Early, 2: 358-62.
exerts on the ethical doctrines and the ethical tone of
the society, differ in important respects from the
influences that operate in England?"\textsuperscript{11}

Marshall went on to cite examples from industrial
life, showing the harmful effects of extreme mobility
and independence. Due to their frequent moves,
Americans found money "a more portable commodity than a
high moral reputation." Extreme mobility meant a bad
reputation could be left behind, while a good one could
rarely be carried along. Since Americans were bred to
self-reliance, trades unions were few and weak; the
working class therefore received no education in direct
responsibility for its own actions on the life of the
nation. For the same reason, cooperative societies did
not flourish, another handicap for the American
worker.\textsuperscript{12}

He also cited examples of mobility's effects on
personal life; these he found more positive. In America
Marshall found no faces reflecting the "gross deathly
coarseness" he had seen so often in England and even in
Germany. Affections and sentiment appeared less strong
than in Europe, though Marshall suspected this was
because they were kept under tight control of reason.

\textsuperscript{11} Whitaker, \textit{Early}, 2: 364.
\textsuperscript{12} Whitaker, \textit{Early}, 2: 364-68; quote 364.
Since control of emotion and passion was evidence of a strong will, this could also be interpreted as further evidence of a healthy American character. Marshall highly approved of the way in which the American worker spent more of his wages on the family and less on "selfish enjoyments" than was the case in Europe. On religious subjects, Americans even settled scriptural disputes by themselves: Marshall referred to both the Shakers and the Perfectionists, who accepted the Bible only on their own terms. Finally, "industrial equality" was encouraged by the habit of every man looking out for himself. This was especially true, felt Marshall, when all received basically the same education.

Marshall concluded with some applications of his observations to ethics. The modern world, he said, is replacing blind obedience to traditional mores with an analysis of what principles underlie them. Ethical progress consisted in part of laying to one side rules important in the past but inconsequential today. The practical understanding and analytical power of the masses determined the ethical decisions taken in any society, and these were developed less by the masses' education than by the daily influence of their

occupations. Ethics and economics therefore operated in a close partnership.\textsuperscript{15}

Marshall then completed his analysis in Hegelian terms. In both Europe and America, he said, men are attuning themselves to the spirit of the age—but in Europe, the character of the individual molded itself into peaceful harmony with its surroundings. A man acting with a free and genial temper would find himself in sympathy with the actions and interests of his society. The experience of the past was expressed in customs and proverbs, to which the society gave its consent. Such a society in its higher form "is the home of sympathetic fancy, of graceful enthusiasm, of beautiful ideals. What I take Hegel to mean by 'objective freedom,' will flourish within it." In contrast, ethical progress in America consisted of the education of a firm will in overcoming difficulties. Such a will judged each action on its own merits, and was less concerned with conforming to its surroundings than with acting in accordance with its own reason and instinct. "Such a society will be the empire of energy, of strong but subdued enthusiasm, of grand ideals. What

\footnote{Whitaker, \textit{Early}, 2: 373-74.}
I take Hegel to mean by ‘subjective freedom,’ will flourish in it.\textsuperscript{16}

Ethical progress, Marshall continued, consisted of both factors, though they did not advance in unison. Both continents were experiencing their own forms of ethical progress, though it was not suggested in this lecture that America foreshadowed England’s future. Instead, the concluding paragraphs displayed Marshall’s interest in the intersection of philosophy, economics and ethical progress:

I have then to invite a discussion of the relations in which the industrial phenomena of a country stand to its ethical, firstly with reference to the closeness of the bonds which his daily work weaves between each man and some particular group of other men; and secondly with reference to the amount of intelligence, discernment, and power of analysis of practical problems which the business of life educates in the mass of the people.

Such a discussion may bring forth some casuistical difficulties which may divert the a priori philosopher, suggestions of deeper interest for the Utilitarian, and considerations of fundamental importance and vital concern to those who are working their way, as I am, towards that ethical creed which is according to the Doctrine of Evolution.\textsuperscript{17}

In this speech Marshall clearly displays a substantial interest in ethics. Economics is considered

\textsuperscript{16} Whitaker, \textit{Early}, 2: 375-76.

\textsuperscript{17} Whitaker, \textit{Early}, 2: 377.
as a practical and applied influence upon ethics. Completely absent is any mention of protectionism or tariffs. 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. The last rhetorical flourish is echoed in his Lectures to Women, where the ability to bear and forbear was defined as one of the marks of the gentleman. What is repeated over and over again is that occupation is an influence upon character; what is new is Marshall’s insistence that this influence can act beneficially. Occupation can improve character, not merely degrade it. What Marshall had hoped for in "The Future of the Working Classes" he had now observed: the working classes could indeed become gentlemen. This is the new point of view that he found in America. Combining his interests in inductive philosophy, economic theory, ethics and reform, Marshall was now convinced that he had seen the New Jerusalem not in England’s green and pleasant land, but in America’s crowded, bustling cities.

Classroom Lectures on America

This conviction becomes clearer if notice is taken of Marshall's unpublished lecture notes from 1876-77. He discussed his American tour with his classes and shared his conclusions with them. There are no dates on the notes, and no suggestion of how many weeks the lectures took. Certainly they would not have filled an entire term's worth, even granted Marshall's notoriously chaotic style. Some pages were copied over from his hasty notes made in America, while others were taken direct from his notebooks. Other portions were written specially to hold the observations together and place them in a framework, and these are most useful in discerning Marshall's conclusions.

The first lecture was evidently a brief lesson in geography; Marshall's notes refer to "woodland map," "river basin map," "railway map." The environmental determinants had always attracted Marshall's attention. When in Philadelphia, he later recalled, he listened amazed as Carey raged against foreign mercantile interests which had forced America's commerce into an

20. Whitaker, Early, 2: 354, dates these notes as probably from 1876 or 1877.
east/west direction, instead of north/south along the interior rivers; Carey's mistake, he pointed out years later, was to overlook the fact that "climatic conditions have controlled the nature of man almost as much as that of vegetables." Trade naturally flowed along the bands of the temperate zones, where the climate was healthy for man.21

Determinism of a different sort was evident when Marshall discussed race and nationality in America. He recognized that there were stereotypes, commenting that the Englishman was always portrayed on stage as a "supercilious puppy," and that to Europeans all Americans have the faults of the "genuine Yankee."22 But his generalizations concerning nationalities border on stereotypes themselves, as has been mentioned before. Americans and Englishmen fared best in the lectures. 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 were more stolid; they had respectable notions of public duty,


22. Marshall Papers, 6(1), "Lecture Notes."
except when they were lower-class Catholics, but tended to drink to excess. Marshall’s low opinion of the Irish has already been noted. He told his classes they gathered in overcrowded cities where they took unskilled jobs with low pay, "dirty political work," or engaged in speculation, at which their ready wit allowed them to succeed. He did admit that the Irishman’s worst faults were "augmented if not produced" by English rule, but also treated his class to a tale of the (unspecified) "faults of Irish waiters" in hotels he had visited. Marshall was still working out his feelings on the complex balance between inherited characteristics, occupation, and environment in the production of national or racial character, but he did admit that Irishmen born in the United States, for example, were of "incomparably higher" quality than their parents.23

He discussed Virginia City, Nevada, in some detail. There is no reason given for the attention to this particular frontier town; perhaps it was meant to serve as an extreme example of the kind of equality to be found in western America. It may have been meant as a case study of the dodges and strategems that the American desire for quick wealth could produce, for the lecture is full of these. Fires, for example, were

23. Marshall Papers, 6(1), "Lecture Notes."
carefully set so as to ruin the surface of a silver mine without harming any of the interior works: when the shares fell in price from $300.00 to $2.50 each, the manager bought out the mine and became a millionaire in short order.24

Brief notes about hours and wages of labor, and about trades unions, are also included in the lecture. These are so insubstantial as to encourage the belief that more must have existed originally. Marshall’s penchant for research would hardly have let him make conclusions about hours of labor based on the single source now remaining (the 1871 Report of the Massachusetts Bureau of the Statistics of Labor). The information remaining centers on the benefits of an eight hour workday. The brief notes on wages lists the payment for the skilled labor of artisans such as machinists and stonemasons. The existing material on trades unions (also from the Massachusetts Report of 1871) recounts the careers of four leaders of a strike in the shoe trade 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

24. Marshall Papers, 6(1), "Lecture Notes." Marshall’s other conclusions regarding Virginia City, also included in this lecture, have been recounted in Chapter Two.
lawyer, and the others entrepreneurs in the shoe and food businesses. Such lecture material suggests Marshall concentrated on the character of skilled workers, since factory operatives are not mentioned.\textsuperscript{25}

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. He was not so taken with America as to consider it a land without problems. The sudden increase in wealth during the nineteenth century, and the coincident arrival of streams of immigrants, led Americans to the notion that low, hard, dirty work could be done by others. The war years had killed off the best men and often left the worst in office. The extreme mobility of American life led to a declining willingness for a man to sacrifice himself for his neighbors. As a result, Marshall found unintelligent obedience, intelligent but scheming restlessness, weak trades unions and cooperatives, a tendency toward extravagance, and a spirit of regarding oneself at war with everyone else.\textsuperscript{26}

Nor were America's lessons to be automatically transferred to England. He listed five important differences between England and America. First was the

\textsuperscript{25} Marshall Papers, 6(1), "Lecture Notes."
\textsuperscript{26} Marshall Papers, 6(1), "Lecture Notes."
difference in the physical qualities of the territories of both nations. America’s population was largely immigrant, and the American character had been formed under pressure of different events. The final two differences were the social life and the political tradition.²⁷

"But it appears," Marshall went on, "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."²⁸ The changes Marshall had in mind were those brought about by the industrial process. The economic influences were far-reaching. 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 neighbors as in America." Even the Englishman was developing the twin tendencies of extravagance and regarding himself in a state of war with everyone.²⁹

Yet he had become optimistic about the changes overall. He told his classes that he had gone to

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27. Marshall Papers, 6(1), "Lecture Notes."
America to seek information on the differences between the two nations, and "to see the history of the future in America." Was it possible for the modern world to develop its own Utopia? He was convinced that it was. The American working man, he found, was the arbiter of his own destiny. It was his character to investigate both sides of any question before forming firm opinions of right and wrong. He disliked poor relief, was not a hypocrite, and took better care of his family. The American analyzed all questions he found, and remained "intrepid[ly] honest to himself." This last, Marshall added, was the ground for his hopes of the future. Such evils as existed in America today he no longer considered endemic to the industrial system, and he had returned to England more hopeful than he had started.30

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."31

30. Marshall Papers, 6(1), "Lecture Notes."
He hoped someday to see all workers become gentlemen; unskilled work, he told the women, need not be done by unskilled men. This was the theme also of his 1873 lecture on "The Future of the Working Classes." Now, in his classes, he gave 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, independence of character, and a sense of responsibility. There would be only a very small amount of inescapable menial work, to be shared even by cultivated persons; and individuals would be willing to take subordinate roles if better persons could be found for their own work.

It is easy to compare this with his description of the Americans he so admired. America was a nation where careers were open to all on the basis of talent, and which had a uniform system of education for its

32. Marshall Papers, "Lectures to Women," VI.

33. 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 favorably disposed toward women in the economy, though that attitude was to change quickly.
citizens. They were ambitious and self-reliant, and their brisk intelligence shone in their faces. They were reluctant to take poor relief and happy to sacrifice for their families.

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 repeatedly he told his students as much:

[I] wanted to see the history of the future in America.

[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.

I returned on the whole more sanguine with regard to the future of the world than when I had set out.

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, as in his model

34. Whitaker, Early, 2: 373.
35. Whitaker, Early, 2: 360-61, 367-69.
36. Marshall Papers, 6(1), "Lecture Notes."
37. Marshall Papers, 6(1), "Lecture Notes."
38. Marshall Papers, 6(1), "Lecture Notes."
state. America, to Marshall, provided the way out of his quandry. 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.

"The Theory of Foreign Trade"

Finally, what of the monograph Marshall was writing when he left for the tour? It is difficult to date the beginnings of this manuscript, "The Theory of Foreign Trade," with any precision. In the first edition of the Principles Marshall claimed that it was written 1875-77. Later, a letter of Marshall's to a former student, H. H. Cunynghame, listed the date as 1874. The biographical essay by Keynes (another student) said that the book was "substantially complete" in 1873, but in a letter to E. R. A. Seligman Marshall himself said it was started in 1873. At the end of his career, in 1922, Marshall claimed that it was begun in 1869 and

40. Marshall Papers, 6(1), "Lecture Notes."
42. Pigou, ed., Memorials, 449.
Recent scholarship believes that Marshall began the book about 1873, and finished the fair copy sent to the publishers in late 1876 or early 1877. The claimed earlier date of 1869 is said to refer to Marshall's earliest essays, which may have formed the basis for the manuscript. But Cunynghame as a student had seen Part 2 of "Foreign Trade" (the first to be written) in 1873. Since the earlier essays date roughly from the period 1869-70, Marshall may have begun to compose a theoretical treatment of economic principles shortly after this.

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Marshall himself claimed that he wrote most of "Foreign Trade" 1869-73 (Marshall, *Money* 330) and says that Part 2 of "Foreign Trade" was well underway by 1871 (Marshall, *Money* 357.) These dates indicate that it would have been begun some time earlier, when he was still a deductive theorist, and accord well with the tone of Part 2 which is completely theoretical and deductive. A date of 1869 does not therefore seem impossibly early, and Keynes' bibliographical list of Marshall's writings states that Marshall began work on "Foreign Trade" in 1869: Pigou, *Memorials*, 500. Whitaker however believes this is mistaken "by several years": *Early* 2: 174.
Marshall had chosen economics as a career partly because the field seemed open. He was correct, but by the time his first book was underway other authors had noticed the gap and were already beginning to publish. Henry Fawcett, the Professor of Political Economy at Cambridge, published a book on Free Trade and Protection in 1878. It is an instructive comparison to consider these two books side by side. Fawcett’s was more narrowly focused on the issue, though it did not have the analytical depth of Marshall’s. Fawcett said very little about protectionist economic theory, and nothing about the protectionist economists themselves. There was no consideration of social welfare. Effects of the tariff were related to national interests as expressed in budget and trade figures, or in large industries. Fawcett included a lengthy discussion of the Corn Laws, the depression which began in 1873, and commercial treaties negotiated with France (all of which Marshall ignored). It went through six editions by 1885.

48. Millicent Garret Fawcett’s Political Economy for Beginners was published by Macmillan in 1870 and went through seven editions by 1888. William Stanley Jevons’ Theory of Political Economy was already on the market as well; Marshall in fact had reviewed it in 1872.

49. Henry Fawcett, Free Trade and Protection (London: Macmillan and Co., 1878, 6th ed. 1885.) Although they taught at the same university and knew each other, there seems to have been no contact on professional matters between the two men. Marshall apparently was not asked
Fawcett’s thoughts were more concentrated than Marshall’s, and far better written; but he attempted less than did Marshall.

The full title of Marshall’s manuscript indicates the breadth of his attempt: "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 tariffs and trade. But in the mid-1870’s Marshall’s ambitious reach exceeded his grasp. There is in fact little obvious connection between "practical" Part 1 (which was to be set in large type for the general reader) and "theoretical" Part 2 (to be set in small type for bespectacled academics). They were written at different times and under the influence of different philosophies, deductive for Part 2 and inductive for Part 1. Part 2 was commended by Keynes for its "grasp, comprehensiveness and scientific accuracy." It made Marshall’s early reputation, especially when four of its chapters were privately to read Fawcett’s manuscript, despite his knowledge of protectionist economics: Whitaker, Early 1: 61n. When Fawcett needed help with protectionism he wrote in 1876 to economist D. A. Wells in America, not to Marshall in St. John’s College. Marshall had met Wells in America and had spent an afternoon speaking with him, but there is no indication of this in Fawcett’s letter to Wells: letter from Fawcett to Wells, 28 Nov. 1876, D. A. Wells Papers, Library of Congress, vol. 13.

printed in 1879 and circulated as the Pure Theory of Foreign Trade and Pure Theory of Domestic Values. But Part 1 was "faltering and imperfect" at best.51 The argument wanders and Marshall’s train of thought is sometimes difficult to follow. There were odd digressions, such as the discussion of war taxation in chapter 6: Marshall repeated the belief that an acceptable war tax is a tax on alcohol, since war-like temperaments are particularly fond of alcohol and therefore the incidence of the tax will fall on those most likely to advocate war.52

Both Henry Sidgwick, his unofficial mentor, and William Stanley Jevons, his contemporary and competitor, praised the book in testimonials as original and worthy of publication (though privately Sidgwick considered the individual chapters better than the book as a whole).53 In early 1877 Macmillan, having some doubts about the manuscript, sent it to an unknown reader who knew both the science of economics and the art of literary style. His report was not favorable. The publisher returned the manuscript in May 1877, suggesting that it was too

51. Whitaker, Early, 1: 64.
52. Whitaker, Early, 2: 86. Marshall goes so far as to say that the argument has "some slight show of reason."
intricate and "meditative," and not vivid enough to hold
the audience’s imagination. His former student (and
now colleague) John Neville Keynes, in the privacy of
his diary, could afford to be rather more blunt:
"Marshall’s style of composition is bad, or rather he
has no style at all." At this point Marshall decided
to drop work on the book. His engagement and marriage
to Mary Paley, the book they were jointly writing which
became Economics of Industry, and their move to Bristol
where Marshall had been appointed Principal and
Professor of Political Economy at University College
left him with little time to spare for what had become
an unwieldy monograph.

Despite the sad ending of the manuscript, which was
cannibalized over the next fifty years to fill out other
projects, the book is useful for its demonstration of
Marshall’s concerns in this era. It demonstrates the
effect of the American tour on his evolution of
conviction. The phrase "evolution of conviction" in
this respect applies mostly to Part 1, since the
theoretical Part 2 was essentially completed before
Marshall went to America.

54. Whitaker, Early, 1: 58-60.
55. Entry of 27 July 1877, John Neville Keynes Diaries,
    University of Cambridge Library (Add. MSS. 7831.)
Chapters 1-3 (Part 1) have since disappeared. They were used as the basis of sections of three other books. It is impossible to tell how far they have been re-written (though clearly extensively) but certain themes appearing in all three sections may express Marshall's original work. In most societies, said Marshall, custom tends to operate as a restrictive force, delaying competition and entrepreneurship. Increased wages lead not to waste on the part of the workers, as some believe, but to a better labor force and an improved population in the succeeding generation.

The original settlers of North America were of strong character and mostly from England, Holland and France. Political independence gave a boost to American genius, leading first to an increase in industry and eventually to mass production.

In the next three chapters, which survive intact, America is mentioned on virtually every other page. Chapter 4 is entitled, "Foreign Trade in its Bearing on Social and Industrial Progress." Using England as his example of an "old country," and America as an example of a "new country," Marshall discussed foreign trade's

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56. According to Whitaker, they were used to form: Economics of Industry (1879), Book III Chapter 3; *Industry and Trade*, (1919) Book I Chapter 2; *Money Credit and Commerce* (1923), Book III. Whitaker, *Early*, I 122.
influence on employment, the growth of particular industries, and the effect of both of these on the nation's "material and moral well-being." He repeated his conclusions about the beneficial effects of higher wages and noted that new countries attracted the most vigorous portion of a population as immigrants.

Chapter 5 carries the same title: "Foreign Trade in its Bearing on Social and Industrial Progress, Continued." Here Marshall rehearses the free trade/fair trade arguments and their application to industrial and social progress. How, for example, did foreign trade affect the swings of unemployment and business slump that hurt the working classes? Marshall concluded that this question could not be satisfactorily answered because of a lack of evidence (national unemployment statistics were not kept at this time), and castigated the American economists who assumed that a long string of meaningless numbers would make a case for or against protection. He briefly considered socialism, which has a "subtle, though often a silent sympathy" with protection in the modern world. He concluded that governments may be justified in helping infant industries to establish themselves, but noted that British economists have treated this idea weakly.
He linked the possibility of government interference and social advancement in an interesting albeit timid fashion. Marshall posited a new business which developed not just technical skill among the employees, but also their intelligence, trustworthiness and self-control: thus indirectly benefitting the nation. Direct monetary returns to capitalists, however, is posited to be less than from another business which pays higher dividends but does not create similar "moral and social benefits." The first business, therefore, will be unable to attract capital to itself, despite its importance to the country. Marshall wrote,

The importance of this case I conceive to be enormous on account of the vast industries to which it applies. But in economic discussions it has been to some extent thrown into the shade by the more striking case of the competition for capital in a country between what is called a [nascent] industry and one which is already well established.57

The treatment of this idea by British economists has been "timid and weak," said Marshall, and went on to quote John Stuart Mill's approval of tariffs for infant industries. To support his contention that some industries developed moral and social benefits, he quoted at length from Willard Phillips' Propositions

57. Whitaker, Early, 2: 56.
Concerning Protection and Free Trade. Marshall concluded, in notes for Part 1 chapter 7, that governments were justified in using tariffs to promote industries in certain cases. By implication, then, governments are also justified in subsidizing certain domestic industries.

There are endless assumptions in this supposititious case which Marshall did not bother to elaborate. Is there simply not enough capital to go around? Can the more profitable business absorb all the capital, leaving none for less profitable businesses? Can the owners of the less profitable business not raise the necessary funds among themselves and their friends and relatives, as happened so frequently in the nineteenth century? Although it is an example of an argument that Marshall could and should have made clearer, it is an argument that is difficult to refute. In theory, if a government may use tariffs to help a nascent industry unable to attract capital, it may also use subsidies to help an established industry in the same situation. This is the point that Marshall was trying to make.

Chapter 6, "Taxes on Foreign Trade for the Purposes of Revenue," demonstrated that the social as well as the economic effects of taxation must be considered. Taxes on necessities he condemned as disproportionately
burdensome to the poor. Indirect taxes (duties on tea, sugar, coffee, and the like) should be reduced for this reason; Marshall preferred direct taxation, and was convinced that the public would accept it if the need for such direct taxes was explained.

Chapter 7, "Protection to Native Industries," was never finished. The complete analysis of the protectionist case united all his criticisms of protectionist policy. This chapter would have been Marshall’s extended look at the theory, policy and effect of American tariffs. But it was never completed, for reasons unknown to us. Conceivably he wrote the chapters of Part 1 in serial order, which would indicate that chapter 7 was only begun late in 1876 or early in 1877— in other words, just as Marshall’s interests were shifting from the concrete observations of "Foreign Trade" to the more theoretical analysis of Economics of Industry. Concurrently, Marshall would also have been

58. Appendix G of Industry and Trade, entitled "Early Industrial and Fiscal Policies of the United States," does consider protective policy, but has nothing in common with the outline of Chapter 7 of "Foreign Trade." Presumably it was written much later and specifically for Industry and Trade.

59. Mary Paley had originally been asked to write this book, but after her engagement to Marshall, he took over the writing. Beyond the first few chapters, however, the book is virtually all Marshall’s work. Dr. Giacomo Becattini believes that Marshall "tore it virtually out
running out of time for literary composition. When he discovered that extensive revision would be necessary for the "Foreign Trade" manuscript to be publishable, he may have decided to simply put it aside for a time. Whatever the reason, the outline for the chapter does survive and indicates the direction of his thinking.

Marshall had planned to discuss protection under six topics: Economic; Social; Political; Fallacies; Historical Inductions; and Authorities (a topic headed Miscellaneous was left blank).

Part of the Economic analysis was written. Marshall sidestepped rather than denied the argument that tariffs prevented foreign producers from crushing domestic industry; there was nothing to prevent a Pennsylvania manufacturer from destroying a manufacturer in Alabama. He dismissed the arguments that a reliance on foreign markets caused instability (they could often cushion the worst effects of a depression at home, he wrote) and that American agriculture was so bountiful industry needed tariffs to survive (it was simply the old free-trade argument that each nation had special advantages). Marshall did agree, however, that

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60. Whitaker, Early, 2: 102.
protection of infant industries was justifiable if it was carefully handled: i.e., if the government could avoid falling under the political influence of the industries it was fostering. 61

The rest of Marshall's topics remained in outline form. 62 Under the heading of "Social" arguments he had intended to discuss the diversification of industries; the necessity of large towns; the "advantage to the state," and to the next generation, of higher wages; the claim that the manufacturing system in America tended to increase the power of a small elite; and the "alleged superiority of value to a man of training derived from producing to training derived from jobbing, dealing & transporting." Under "Political" Marshall listed foreign and home politics and a discussion of the morality of lobbying and evasion of the tariff law.

He planned to discuss (without detailing how) the "Fallacies" that buying American gave twice the employment that buying British did; that low real wages common to all trades would allow one country to undersell another (a clear reference to the common protectionist belief that free trade would cause

61. Whitaker, Early, 2: 97.
62. Unless otherwise specified, the following material is all taken from the Marshall Papers, 7(1), "Protection."
American wages to fall toward those of European "paupers"); that uniform taxation on industry would cause a country to be undersold; and that simply bringing consumers and producers together would necessarily lower a product's final cost. "Authorities" was left blank except for a brief reference to Thompson's *Social Science and National Economy.* "Historical Inductions" would summarize his earlier condemnation of the protectionists' use of statistics and examples out of context.63

The conclusion Marshall reached was that protection was in fact protecting only the old, "plague spots" of American industry and not helping new industries (no examples were cited). Protection was hindering the highest development of the American genius and demoralizing politics. In theory, however, despite the American example, protection of some (usually infant) industries could be justified: "The plan of imposing a customs tax and devoting proceeds to bounty on home-produced ware has many advantages, and appears likely to grow in favour among more enlightened and moderate advocates of protection."64

Marshall's extensive note-taking (discussed in chapter 3) clearly influenced "Foreign Trade." A few quotes were taken directly from the books and pamphlets: Thompson, *Social Science*, 263-67; Phillips, *Propositions*, 69-70, 74-75; and Elder, *Dream*, 13 are among the direct quotations. Chapter 7 on "Protection to Native Industries" would have made far heavier use of these source. In addition to those cited, Marshall referred in his outlines to the works of Smith, Bowen, Wells, Elder, Mason, Carey, and Greeley. Little of the rest found its way directly into "Foreign Trade."

Marshall's interest in community may be gleaned from an extended quote (Phillips, *Propositions*, 69-70) on the growth of a community of skilled labor, in connection with his discussion of the indirect benefits an industry provides society. Some notes on women's role in the economy found their way into a section of *Economics of Industry*, the 1879 economic primer; notes on American character were used in a speech at Cambridge in 1875. The notes on currency were never published. Marshall's monetary theory became an oral tradition at Cambridge, to which they may have contributed. But as Keynes noted, Marshall's monetary theory was not published in anything resembling its complete form until 1923 and *Money, Credit and Commerce*. Some of the notes may have
made their way into this volume (Sumner’s *American Currency* is cited in Appendix A) but they cannot be traced in detail.

Part 2 of "Foreign Trade" was written before Marshall’s trip to America, and contains only brief mentions of the United States. Chapters 1-4 comprise Marshall’s theory of foreign trade. Chapter 1, "The Scope of the Pure Theory of Foreign Trade," was Marshall’s theory of the extent to which social groups in a society may be considered to act as small independent "nations" in their relations with other social groups. As examples, he cited trades unions, manufacturers’ assemblies, and the Granger movement in America. Chapter 2, "The Premises of the Pure Theory of Foreign Trade," discussed a completely theoretical hypothesis—yards of English cloth exchanged for yards of German linen—in order to demonstrate the use of diagrams of supply and demand. Almost as a postscript, Marshall added that economic events must be considered as moral forces to the extent that they depend on man’s habits, knowledge and skill. Chapter 3, "Stable and Unstable Equilibria of Foreign Trade," investigated what factors were necessary to change the point of

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65. Chapters 2 and 3 were later printed privately as the *Pure Theory of Foreign Trade* (1879.)
equilibrium along the curves of supply and demand.

Chapter 4, "Variations of International Demand as Affecting the Rate of Interchange," discussed the cost of transport, tariffs and bounties as these affected the course of foreign trade.

The next two chapters were Marshall's theory of domestic values. Chapter 5, "The Pure Theory of Domestic Values," examined the factors affecting the values of commodities produced in a system of free competition. It contained a brief reference to the argument between British economists who believed in the law of diminishing returns in agriculture (that ever greater amounts of labor are needed to raise ever smaller increments of grain) and American economists who did not (that due to improvements in science and communication ever larger amounts of grain can be raised with ever less amounts of labor). Marshall noted that both cases may be taken as true, if the American case is understood as a special circumstance. In general Marshall upheld the law of diminishing returns.

66. Both were privately printed as the Pure Theory of Domestic Values (1879.)

67. See his record of the interview with Carey, where he vainly tried to get the older man to agree with the law of diminishing returns in an older country: Whitaker, Early, 2: 92-93. This may be the origin of Marshall's discussion of the law in "Foreign Trade."
Chapter 6, "The Total Burden of a Tax," discussed an economic measure of the amount a consumer would be willing to pay for any item (consumer's rent) rather than go without it. A final chapter on the effect of customs duties was apparently never begun and no notes remain for it.

"Foreign Trade" demonstrates several things about the young Marshall. The breadth of his vision is remarkable. Foreign trade is connected with ethical and social welfare, economic theory and economic science, political morality, taxation, and continuous employment for the working class. The book also demonstrates the undeveloped power of Marshall's pen, for it is full of promise rather than fulfillment. The Principles flows smoothly, to the point that commentators said that it was easy to lose sight of the rigorous thinking underneath the surface. "Foreign Trade" is far rougher and unfinished, and one must conclude that John Neville Keynes was right: there is not much evidence of style in it. What is in evidence, however, is Marshall's powers of economic reasoning. His criticism of the American economists is thorough and devastating; and the theoretical Part 2, written before the American trip and so almost uninfluenced by it, is a small classic that
deservedly established Marshall’s early fame among his contemporaries.

This powerful reasoning ability points toward two final conclusions. First, it indicated that Marshall’s best work might always remain rather more deductive than inductive, despite his best efforts to the contrary. And second, it established that the true effect of Marshall’s American tour would be not on his economic theory, but on his economic goal: the creation of a system that would allow individual development in an industrial world, ever more removed from its traditional and customary origins. "Foreign Trade," for all its sympathy with socialist goals of full employment, sides firmly with laissez-faire economics as the method to be employed. Having seen the fruits of that system in America, Marshall could relax his critical views of it. "Foreign Trade" regrets the loss of employment business crises cause, and hopes to be able to alleviate them; but there are no stinging indictments of capitalism as in the Lectures to Women. It is a remarkable change of attitude, and from his lectures on America one suspects that it is due to his observations of the summer of 1875.
Marshall is trying for the Principalship & the Professorship of Political Economy in the new Bristol College— He has given me a copy of his testimonials— He has also given me some mss of his new book to look over.

John Neville Keynes
Diary, 10 July 1877

In the autumn of 1875 Marshall’s round of activities changed dramatically.¹ His participation in enterprises of social reform came to a sudden halt. He ceased lecturing to the women of Newnham College, ended his extension lectures among the industrial cities of the North, and gave no further addresses to trades unionists in Cambridgeshire. His interest in these activities did not completely disappear; in testimony before a parliamentary committee five years later, he showed a deep appreciation of the changes taking place

in British higher education. Yet for the moment, Marshall was content to deliver his course of lectures in the moral sciences, annotate the books he had brought back from America, and work on the manuscript of "Foreign Trade."

He seemed now to be settling into a satisfactory career. The American tour was a watershed in his life, in its way as great a turning point as his loss of faith. The fundamental difference was that this time, Marshall was not shocked into a great searching swing through the knowledge of the day. The experience of 1875 cemented his resolve, whereas that of 1867 had shattered it. Part of the difference may be due to Marshall's greater maturity eight years on, at thirty-three; but part of it also must be due to the fact that what he had seen in America supported many of his deepest instincts, instead of challenging them.

In the summer of 1876 Marshall became engaged to Mary Paley, one of his earliest pupils at Newnham. Mary seems to have been attracted to Marshall at first sight in 1871; she later wrote, "I then thought that I had never seen such an attractive face with its delicate outline and brilliant eyes." On Marshall's part, there

2. Mary Paley Marshall, Remember, 11. Marshall's eyes were evidently his most remarkable feature; his nephew, C. W. Guillebaud, recalled the way they sparkled in
was little evidence of passion; his letters home from America had praised women of character and independence, but never mentioned Mary Paley who had a full measure of both. The engagement lasted a year. Marshall would have to resign his fellowship on marrying, which meant the couple needed to find alternative employment. At one point they considered becoming schoolteachers, but in the summer of 1877 Marshall was appointed Principal and Professor of Political Economy of University College, Bristol. The couple married in July, contracting themselves out of the obedience clause in the Anglican ceremony when Mary’s clergyman father refused to omit it from the service.

On moving to Bristol Marshall took up the numerous duties of his twin positions. Later in life he came to view the decade that now began as a time of blight, in which burdensome responsibilities and a sudden, severe illness (diagnosed as kidneystone) deprived him of the time and energy to work out his ideas. Scholars are unanimous in agreeing that this view is too harsh; during these years Marshall vastly improved his grasp of the sources and theories of modern economics. In 1879, for example, The Economics of Industry was published.

Originally Mary Paley's manuscript, it had become more and more the expression of Marshall's ideas. By the time it was finished over three-fourths of the book was his work. The little introductory volume was a success and remained in print for thirteen years, till Marshall suppressed it in 1892 and replaced it with a similar title (Elements of the Economics of Industry) which was all his own work.4

Thus the years in Bristol, leading up to the publication of Economics of Industry in 1879, are well identified as a formative period in their own right. Two aspects of this era are of great importance in a consideration of Marshall's intellectual progress. One is his work as principal of University College Bristol, viewed in the light of his earlier views on education and reform; the other is a previously lost speech by Marshall on "The Economic Condition of America." Taken together, they demonstrate the continuing evolution of Marshall's world view during these years.5

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4. Marshall may even have withdrawn all copies of the 1879 book from the University of Cambridge library, from which it is listed as "missing" in 1889. Theoretically this should be impossible, as Rita McWilliams-Tullberg points out; as a copyright library, Cambridge ought to have retained a copy of the jointly-authored volume. Copies do exist in some Cambridge college libraries. See McWilliams-Tullberg, "Economics of Industry," in Wood, ed., Assessments 4: 245-48.
Bristol had become caught up in the expansion of higher education in England. It had several excellent boys’ schools in the area; Marshall had taught for a year at one of them, Clifton College, in 1865-66. In 1874 a public meeting was held to promote the founding of an institution of higher education. A council was nominated, including among its four members Benjamin jowett, the foremost educator of the day, and James Stuart, professor of mechanism at Cambridge and a leader in the extension movement there. The council oversaw the founding in 1876 of a college "to promote the education of the persons of both sexes, and the study and advancement of science, literature, and the fine and mechanical arts." The college included one of the

5. Some authors have cited the parliamentary evidence supplied by Marshall in 1880, particularly Whitaker ("Years," Wood, ed., Assessments, 1: 129-31), but none have linked it to his earlier work in Cambridge. The speech on "The Economic Condition of America" was mistakenly dated 1877 in the Keynes biography; in fact it was delivered January 15, 1878. Since that time it has been lost and no record was presumed to remain, but in fact the speech was printed in its entirety in the Western Daily Press (Bristol) on the following day. The speech came to light during my research trip to Bristol in March 1987.

first cooperative programs with industry, in which engineering students were employed during the summer by local firms. During its first year the council ran the college’s affairs, but in the spring of 1877 applications were taken for the position of principal. Marshall was one among forty candidates. Nothing remains to indicate why he was chosen, but among his strengths would have been the lavish testimonials he was given by colleagues such as Sidgwick, and also his experience in the extension movement and in women’s education.

Marshall was indeed familiar with the currents of reform in British education. As is clear from his record at Cambridge, he believed that fundamental changes were needed. He had cooperated with Henry Sidgwick in trying to eliminate the "pass" degree, which demanded very little actual effort, and insisted that women’s education should reflect the new trends of the age and not solely the classical and mathematical triposes. Marshall hoped to expand educational opportunities; he applauded the Education Act of 1870 and told his classes that it was an entirely justified interference with personal liberty. He himself taught a

769. Hereafter referred to as Welsh Education Committee.

7. See above, Chapter II.
moral science at Cambridge, and favored equal educations for men and women. If nothing else, Bristol offered the opportunity to put some of these ideas into practice.

In fact, though, Bristol offered a good deal more. Probably its most attractive feature was the salary of 700 per year; with Mary’s independent annual income of 150, it made marriage not only fiscally possible but comfortable. Marshall would also be lecturing in political economy, and with practical men and artisans in his classes could continue his work of getting to know the facts behind the economic theories. Much of the work would be familiar to him, since Bristol had its own program of extension lectures; and Mary’s experience as a lecturer at Newnham College (the first ever appointed there) would be useful in dealing with the women students in Bristol. The University College’s record in treating women on an equal footing with men was an attractive feature in itself. There were also the benefits of working with important academic figures such as Benjamin Benjamin jowett, the eminent master of Balliol College, Oxford, who was on the new college’s board of trustees. All in all, Bristol was the cutting edge of academic reform, and a position as its principal would be a prestigious post for a young academician.
There was a negative side as well, of course. University College, Bristol, was an institution with an uncertain future. Pledges of support from the community had been fewer than expected; the college was living on its capital, overspending its budget by £1,500 to £2,000 each year. One wit suggested that the motto, "Knowledge is Power," be amended to "College is Poor" in order to drive the point home. The school had been started with assistance from Balliol College and the London Company of Clothworkers, but their support could not be relied upon indefinitely. Also, Marshall might not have time for continued work on economics. A combined position as principal and professor was likely to make heavy demands on its occupier; and Marshall, despite his familiarity with the extension program, had no real administrative experience. He had had even less experience with the social side of his task, for as principal he and Mary would be expected to entertain numerous important guests. Marshall was never at his best in such social situations—one wonders how he reacted when John Neville Keynes, arriving unexpectedly, caught him in his bath—and in fact Mary seems to have handled this part of the position.

Methodical as ever, Marshall wrote up a list of the pros and cons and assigned them relative weights. In the end he decided to take the position. He and Mary took a house in Clifton, a well-to-do district of Bristol, and moved in during the month of August. By October Marshall had delivered the opening lecture for the fall term, an important public occasion for the college, and begun his new life.

As professor of political economy, Marshall was responsible for an introductory course taught at day and in the evening, and for an advanced course in economics whose focus changed yearly: for example, "Money, Banking and Foreign Trade" in 1878-79 and 1880-81, and "Economic Progress and the Economic Influence of Government" in 1879-80. After the first year, Mary took over as lecturer for the day introductory course. Mary wrote that her husband's lectures were "attended by businessmen, trade unionists and a few women; they were less academic than those at Cambridge; and were a mixture a hard reasoning and practical problems illuminated by interesting sidelights on all sorts of subjects." Despite the sidelights on practical subjects, the reaction to his lectures must have

distressed Marshall to some extent; one woman confided
to Mary that she attended his classes because they
provided such wonderful after-dinner conversation.11 It
was hardly a basis for the career as a brilliant
academic thinker which Marshall desired.

But his duties as principal were larger and even
more wearing. Marshall claimed that soliciting funds
was an unpleasant task, though he himself may have done
little of this.12 Responsibility for nearly everything
else, however, lay on his shoulders. His testimony at
the parliamentary Welsh Education Committee revealed as
well that he had virtually no administrative help. As
principal, Marshall was responsible for all students,
approved their course selections, and helped them find
appropriate lodgings in Bristol. He checked all the
examination questions in an effort to ensure
consistency, a task made doubly difficult since, in
order to save money, the questions were handwritten
instead of printed. He oversaw the college's extension
program and participated in one series of lectures
("Water as an Element of National Wealth.") He traveled
to Yorkshire College in Leeds and Owens College in


12. Whitaker suggests that businessmen associated with
the college would have been far better positioned to
Manchester to discover how they raised operating funds. Enrollment figures, salary schedules and course plans were always at his fingertips. And all of this was accomplished without the aid of a secretary, the college being unable to afford one.

Bristol was in the vanguard of educational reform, but the effort of bringing that reform to fruition was extreme; the evidence suggests that Marshall did not find it particularly satisfying. He fretted over the progress of his economic work, though he did find time to complete *Economics of Industry*. Marshall was conscientious enough to do the job of principal well, but not ambitious enough to enjoy it. His true desires lay elsewhere. Especially after his illness struck in 1879, he became eager to retire from the position. He was convinced to stay on till 1881, but after his retirement he never again sought to direct a similar program. Even his later work in creating the Economic Tripos at Cambridge involved practical politics on a far smaller scale, while the creation of the Economic Society (later the Royal Economic Society) took little more from Marshall than his signature on the proposal to organize.13

13. These are cited by Keynes as two of the important movements Marshall took part in during his time at Cambridge. The third was the organization of opposition
Marshall’s ideals of educational reform can be gathered from his testimony to the Welsh Education Committee. Marshall believed that eventually Britain should have a network of small local colleges, like University College, so that teaching would be handled on a local basis. He preferred examinations to be conducted on a national, centralized level, and thought that the four examining bodies then existing (Oxford, Cambridge, London and Victoria) were sufficient. Marshall was very firm about not raising Bristol to the rank of a degree-granting university; he believed that the college would not have sufficient experts to examine students for another hundred years. Given the explosion of human knowledge, he did not think that sufficient examiners could be found for colleges scattered across the country. It was inappropriate for the same men who taught the students to examine them as well, Marshall felt, and thus local teaching with national examining bodies was the only way to ensure high attainments in education.

The students in Bristol studied "the whole of what is generally understood under the term liberal education." Marshall believed in the necessity of technical education, but as principal he dissuaded students from taking science courses or arts courses to the exclusion of all else. He also believed that education and examinations should be open to students of both sexes, and that both should receive degrees for their work. He believed that fewer women would come to college than men, since many women were unable to leave their duties at home ("they are the bright lights in their families") and had to study only part-time. When asked if he thought Bristol’s students would learn enough to enable them to pass Cambridge’s notoriously easy pass degree, Marshall replied with unusual vehemence:

They would have attained, I hope, a much higher intellectual standard than would be required for a pass degree....My own view is that the B.A. of Oxford or Cambridge means that the man has had some opportunities for learning the amenities of social life and is not an absolute fool, but nothing more.  

Marshall surprised the committee by stating that he did not consider Oxford and Cambridge to be educational ideals for the rest of the nation. They were, he said,

14. Welsh Education Committee, 768.
15. Welsh Education Committee, 776.
too traditional and theoretical, and unwilling to open their examinations to outside students. He praised the new Victoria University for the practical nature of its examinations and the University of London for its open examinations.

On the other hand, however, he believed that the older universities performed a very important function. They were the repository of the best knowledge in the nation, and that repository must be preserved. A committee member inquired about Cambridge's annual income, estimated to be in the vicinity of £250,000. Marshall did not rise to the bait; that amount "is not a bit too rich for its work as a large teaching and examining body." 16 Proper examinations, Marshall went on, required 200 or 300 specialists; only Oxford and Cambridge could afford such a wealth of learning. Under no circumstances should current educational standards be lowered. Marshall was quite firm about this:

Q. Suppose you lived in a country in which it was practically impossible that the great majority of students should through poverty or other circumstances ever go elsewhere, or would not go elsewhere, would you give them a degree at home?

A. No, I think they ought not to have more than an associateship. 17

16. Welsh Education Committee, 774.
17. Welsh Education Committee, 776.
Marshall clearly wants reform and expansion of educational opportunities, but only on certain terms: colleges in all medium sized town, and a few universities to grant degrees and maintain high standards.

It is a clue to his character, as Marshall himself would have recognized. "The connexion between a man's daily work and his character" was a theme in his introductory course in economics; applying that theme to Marshall's testimony reveals an interesting shape to his reforming impulse. At all costs, Marshall was determined to maintain the highest possible ideals. If a man's job influenced his character, then to compromise on this issue would be to reveal a character flaw of not working to the utmost of one's ability, of settling for less than the absolute best. Throughout his life Marshall despised compromise; one of the rare occasions when he was angered by American economists was a suggestion that Marshall was simply compromising between divergent schools of thought. Marshall wrote, "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." In a young reformer, such

an attitude is often applauded as a firm stand on principle; in an elder statesman, often condemned as unyielding reactionism. Once Marshall had chosen his ideals of excellence, he never varied from them while the world changed around him.

"The Economic Condition of America"

It was the custom of University College, Bristol, to open each term with a keynote address aimed at the public. The addresses met two pressing needs; they served as a small extension movement by themselves, and they encouraged support for the struggling institution among the community. Usually the speaker was a professor from the college, though occasionally a national figure gave the address: at the beginning of the winter term, 1879, G. J. Goschen, MP and financial theoretician, spoke on the value of a university education. Many of the early lectures were in fact on the value of education to life in general, and to Bristol in particular. In October of 1878 Marshall opened the fall term by stressing that the college could educate businessmen to lead an intellectual life, and thus put Bristol and England in the van of industrial

progress.\textsuperscript{20} Attendance varied at these lectures. Sometimes all the local dignitaries attended, from the Dean of Bristol Cathedral to the mayor and his council; on other occasions, the press simply said that "the lecture was pretty well attended."\textsuperscript{21} The latter was the case when, on 14 January 1878, Marshall opened the term with a lecture on "The Economic Condition of America."

Marshall began by noting that those who wished to know England's history could study the past of other European countries, or even the present of Asia; but those who desired to know England's future must look to America.\textsuperscript{22} The comparison between the two countries was not a simple one, as he immediately made clear. America's huge territory, the effects of its climate and geography, the masses of new immigrants, and the different course of its history all served to set off the American experience from the English. With careful

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\textsuperscript{20} The speech is reprinted in Whitaker, "Years," in Wood, ed., \textit{Assessments} 1: 111.

\textsuperscript{21} \textit{Clifton Chronicle}, 15 January 1878, 2. The quote describes the attendance at Marshall's lecture on America.

\textsuperscript{22} The synopsis that follows, and all quotes, are taken from the press report of Marshall's lecture in the \textit{Western Daily Press} (Bristol) of 15 January 1878. The newspaper probably was given a copy of Marshall's speech in order to ensure an accurate report: this happened on other occasions (see Whitaker, "Years," in Wood, ed., \textit{Assessments} 1: 110-11.
analysis, however, Marshall was sure he could
demonstrate "the work of some economic causes in forming
American character, and to indicate some directions in
which England is likely to follow America's lead, and
others in which she is not likely to do so."

Originally America had been restricted by mountain
barriers to the eastern seaboard; then the canal and
railroad eras had opened up the interior, and the
population began to shift westward. In this environment
there was little incentive to remain in the same place
or even in the same occupation for all of one's life.
Americans, said Marshall, were always ready to move
further west or take up new employment. They usually
held jobs requiring a "brisk intelligence," leaving the
duller jobs for the immigrants. As a result, said
Marshall, the Americans had become mobile, restless,
impatient; eager for success, and disdainful of
monotony.

The results were both good and bad. The American
was more isolated from his fellows than his English
counterpart. He decided his course in life without the
aid of custom and tradition, and as a consequence, said
Marshall, he found much "bold open dishonesty." On the
other hand, his training in making decisions on his own
meant that the American was rarely a hypocrite. He knew
what he wanted and why; he might be less considerate of
his fellow citizens than the average Englishman, but he
tended to be a better husband and father. His restless
impatience meant that the American tended to leave hard
and drudge work to the immigrants. Marshall deplored
this fact, saying it divided America into rulers and
ruled; but he admired the intellectual level it
represented, and admitted the Americans were superior to
the English overall in terms of mental activity.

Marshall believed that America was indeed
representative of England’s future. Englishmen could
not become as mobile and hence as restless as Americans,
but they were gaining the American habit of independent
judgement. What Englishmen needed was a better
education system: "If we push our school system
properly, we shall have no division of classes like that
which separates the American, who thinks himself born to
rule, from the immigrant who thinks himself born to
serve." If the nation was to hold its own in the
industrial competition with America and Germany,
students must be taught not merely to acquire knowledge
but also to use their minds when they entered the
business world. England’s greatest danger, he
concluded, is that her people may divide themselves into
thinkers and practical men; only if the two are united will the nation move forward.

There are many themes in the lecture which can be found in his other works as well, though here they are expressed with a distinctly un-Marshallian candor. He was always suspicious of races and cultures different from his own. Marshall once remarked of his colleague Francis Ysidro Edgeworth, child of an English father and a Spanish mother, that "Francis is a charming fellow but you must beware of Ysidro." Marshall’s lecture was scathing in its references to "vast masses of ignorant negroes and immigrants," and he told the audience that the violence in the American railroad strike of 1877 "was committed by the scum of the large cities, who consist almost exclusively of Irishmen and Roman Catholic Germans." Marshall’s statement that education would prevent class splits in England sounds odd at first; it appears to ignore the legacy of the great public schools such as Merchant Taylor’s, where Marshall himself had been educated. But class division was arguably less absolute than it had been earlier in the century. More working class students attended the schools and universities every year, and Bristol in

particular was designed to appeal to all segments of the population. If nothing else, it was a touching faith in the possibilities inherent in educational reform.

Three aspects of the speech deserve closer attention. These are: the attention Marshall paid to character (of individuals as well as of nations and races), Marshall's interest in the labor problem, and most importantly a comparison of this speech with his 1875 Cambridge lecture on "Some Features of American Industry."

Marshall felt that national characters were developed by a long interplay between individuals' ideals, their occupations, and their environment. He worried, for example, whether English settlers in India could long maintain their traditional vigor in its tropical climate. America's character, said Marshall in the lecture, originated with the hard-working settlers of New England. The thin soil and bleak life of the region promoted social equality, social discipline, and a shrewd, self-reliant energy. At first its "freedom of spirit" was controlled by physical and political barriers, i.e. the Appalachian Mountains and English colonial policy. Thus the "great moral and intellectual force" which was to make America remained isolated until independence and the transportation revolution
surmounted the twin barriers and opened up the west. Such a view has an Hegelian aura about it, though the philosopher was not mentioned by name and the implications were not followed through. Marshall credited no other region of the country with similar contributions. The South, in particular, was attacked for its sin of slavery. Having accepted the classical doctrine that work was fit only for slaves, the South at last was consigned to "that physical and moral ruin which has overtaken every highly developed Pagan civilization." A sweeping view, and an easy one for an Evangelically-raised man to take in the decade following the Civil War; but it does leave out the contributions of such Southerners as George Washington and Thomas Jefferson.

Many passages discuss the interplay of an individual’s job and character. Thus boredom and ambition lead Americans to try many different occupations. A farmer, Marshall said, may try shopkeeping; if he finds he cannot sell boots he will try to sell books, watches, or dry goods. American boys are bright enough to learn trades easily, but they are too impatient to make good apprentices. An American often cares little for his reputation, since if it is a hindrance he can leave it behind by moving to another
state. This mobile and isolated life, said Marshall, has two effects. It produces the character of a strong individual who decides his own future in isolation from his fellows; this leads either to a brisk intelligence and upright morals, or to a bold, open dishonesty. But it also cuts the American laborer off from his "neighbors and fellow craftsmen."

The last word in this quotation indicates the way Marshall viewed the labor problem. It deserves emphasis because it caps the monument Marshall builds of the laborer as artisan. His references to labor show greatest sympathy and interest to the most advanced (to Marshall) section of the working class, that portion which accepted middle-class values: thrift, hard work, self-sacrifice, and a devoted family life. Marshall paid little attention to the problem of labor in a factory environment; the hard and tedious work of the immigrant was left to one side. His interest in American factories centered around the inventiveness he found there.

Finally, a comparison of this speech with an earlier one on the same topic demonstrates that Marshall now held a new world view. In Cambridge in 1875, Marshall had spoken to the Moral Sciences Club on "Some
Features of American Industry." There are of courses
many similarities in the two lectures. Both are
concerned with character and how it is shaped by
American industry and the American nation. Both
naturally use the same observations; indeed whole
paragraphs are virtually identical, down to the telling
phrase at the end of a sentence. But this similarity of
structure only makes the more surprising Marshall’s
change in attitude between 1875 and 1878. Not ethics
but the national future is now his concern.

In Cambridge Marshall had spent most of the speech
discussing American character and then concluded by
demonstrating that ethical progress in Europe and
America was taking place in an Hegelian framework. In
Europe, a man acting with a free, genial temper would
find himself in sympathy with his society, where the
wisdom of the past was expressed in custom and proverb.
This, said Marshall, was the home of Hegel’s objective
freedom. In America, the home of the philosopher’s
subjective freedom, character was developed not by
custom but by continually surmounting difficulties.
Europe (including England) and America were fitted into
this Hegelian schema of evolution; but Marshall makes
clear that both are evolving separately. America and

24. The speech is discussed in Chapter V above.
England were both experiencing progress, but they were taking divergent paths into the future.

The later speech marks a substantial change. Marshall's concern is decidedly less philosophical and ethical, and far more economic and industrial. The Old and New Worlds were no longer forced into an Hegelian mold. Hegel was not mentioned; more importantly, the philosopher's ideas received only the briefest allusion. And instead of occupying a separate path of progress, America was now said to "precast the future of England."

While Englishmen could not become as mobile and hence as restless as Americans, modern industrial conditions and large cities meant that they were gaining some of the celebrated American independence of thought. Industrial competition also attracted Marshall's attention. Using maps of America, he explained that the coal and iron industries would soon be moving westward and southward. British colonies attracted settlers who were fond of old traditions and customs, but America attracted restless energy and impatient ambition. Marshall closed the lecture with a reference to German and American industrial competition, and a plea for better education to meet it.

Why the differences in these two speeches? In 1875 Marshall had used his American data to launch himself
into a discussion of ethics and society. In 1878 he used the same data to investigate the industrial future of England. Even allowing for the different circumstances of the two lectures—in 1875 Marshall was a college fellow, giving an erudite but informal talk to a small group of dons; in 1878 he was a college principal, giving a popular but formal lecture to an audience of intelligent laymen—the change in the basic theme is large and unmistakable. Marshall was now less interested in ethics and more interested in economics.

The Economics of Industry

In October of 1879 The Economics of Industry was published. Though it carried the names of Alfred and Mary Paley Marshall on the title page, the book increasingly was dominated by Alfred’s thought: John Neville Keynes scandalized a mutual friend by remarking that with Alfred’s material and Mary’s style, the book should do very well. The quip aptly defines the actual state of affairs, since Mary’s chapters in the beginning and end of the book are mostly descriptive; Alfred’s chapters, perhaps three-fourths of the whole, are analytic in tone.25

Most of the book is theoretical in nature, marking again Marshall’s turn toward economic theory and away from ethics. Mary Paley Marshall later regarded it as a first draft of Marshall’s Principles of Economics (1890), though of course many of his concepts had evolved considerably further by then. As an introductory treatment of economics, originally intended for students in extension courses, the preface announced the authors’ intentions to rely chiefly upon the work of John Stuart Mill. This introductory tone of course limited Marshall’s scope—he later said of Economics that "you can’t afford to tell the truth for half a crown"—but several ideas, later expanded in the Principles, were present in an early form.

One of these was a treatment of distribution of income from production, which leaned away from the traditional wages fund approach of the classical economists and toward the marginalist theory. Classical economists, basing themselves on the physiocrats and the

26. H. M. Robertson, "Alfred Marshall," in Wood, ed., Assessments 1: 442-52, discusses Economics of Industry and some of Marshall’s later reasons for disliking it—according to Robertson and Becattini (cited in this article), Marshall grew annoyed by the fact that the shorter, more readable but (to him) clumsier Economics was preferred over the later, more authoritative but denser Principles. Some of his advances, he felt, was in danger of being overlooked.

27. Quote from Mary Paley Marshall, Remember, 22.
population warnings of Malthus, held that wages were advanced by capitalists to labor out of earlier savings (the wages fund) and that capitalists were justifiably recompensed when they absorbed the proceeds of production. Implications of this view were that wages tended toward the minimum necessary for existence, and that wealth could be divided but not easily created. It was a fairly static view of the economic process. On the other hand, marginalists in the 1870’s were tending toward the view that wages were not advanced by capitalists, but were instead a share of the final product, in which both capital and labor received their respective returns. Such a view was not only closer to actual conditions, but offered more operating room for theory. It did not carry the traditional assumption that the economic pie could only be divided in so many ways; instead, it suggested that as production increased, so would returns to both capital and labor. Wealth would increase for all. Marshall did not originate this theory; he absorbed it from the writings of J. H. von Thunen, and of his new friend in America, Francis Amasa Walker, whose book *The Wages Question* was published in 1876.²⁸ It points nevertheless to the

²⁸ Marshall may have developed the idea independently, however, since he gives no extensive credit to Walker.
future, and constitutes the core from which much of the 
distribution theory of the *Principles* was developed. He 
seems to have reached this position shortly before 1879, 
since parts of *Economics* hint at the older wages fund 
approach to distribution.29

Another important distinction was between Normal 
and Market values. Normal values were theoretical and 
resulted from free competition; Market values were those 
actually emerging from the "complex social and economic 
forces of the world."30  It was an interesting use of an 
inductive observation, that the world rarely follows 
theory precisely. In another section of *Economics* 
Marshall wrote that "Nature’s action is complex; and 
nothing is to be gained in the long run by pretending 
that it is simple, and trying to describe it in a series 
of elementary propositions."31  This was not an entirely 
new proposition; Marshall criticized Mill and Ricardo 
for not making clearer the distinction between Normal

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29. See Whitaker, *Early* 1:81. On the wages fund 
generally see Schumpeter, *Analysis*, 662-71, 939-44.

Whitaker, *Early* 1: 70.

1:447.
and Market values. Marshall, however, used it as a point of departure, not as an aberration of theory.

This attitude is one in which we can see the effects of Marshall's decade-long search for real knowledge. In the Economics he blended induction and deduction in a way which, though still fairly crude, showed that he had resolved the issue to his own satisfaction. Economics is neither purely inductive nor purely deductive, he wrote; it must be both. Some inductive observations found their way directly into Economics. He cited the inductive studies of T. E. Cliffe-Leslie on economic history, and those of H. C. Carey on the land question in America. Indeed, parts of the book sound as if they were taken directly from his lectures on America, especially paragraphs dealing with the "wasteful carelessness of the slave-owning cotton planters" and the enforced work stoppages necessitated by the extremes of heat and cold. However, most of Marshall's notes from America went unused in Economics. Perhaps this was because Alfred and Mary planned but never completed a companion volume dealing with foreign

trade, where notes on tariffs and comparative economies would have been invaluable.

Much of *Economics* focuses on the conditions for human progress. Marshall insisted on the importance of character, not only of the individual but also of whole nations. The character of a nation, he wrote, "depends chiefly on the mothers of the nation—on their firmness and gentleness and sincerity. It is in childhood, and at home, that the workman must be taught to be truthful and trusty, cleanly and careful, energetic and thorough, to reverence others and to respect himself." Clearly Marshall placed great importance on the domestic sphere, and on woman's place within it despite his advocacy of higher education for women.

And the key to progress is summed up in a word: competition. Marshall had hinted at this view in his "Lectures to Women" in 1873, but at that time the portrait of competition had been painted in dark tones. In *Economics* Marshall was far more confident of the beneficent effects of competition. He contrasted backward countries, where competition had little influence and men "drift along under the influence of custom," with the advanced countries of western Europe,

North America and Australia. Habits of enterprise are fostered by competition, and these habits undermined the rule of custom in "the village communities of our Germanic forefathers"; the same process is taking place today, says Marshall, in the very similar communities that still exist in India, and in isolated farm villages throughout England. The resemblance to the work of Maine is inescapable, though Maine himself is not cited. Even much of the inequality of wages for women should disappear with the "progress of enlightenment," wrote Marshall, though complete equality was unlikely since women tend not to give their whole minds to their work, and usually do not work throughout their lives as do men. Competition, for Marshall, was now clearly the engine of economic and social advance: a note on socialism concludes that it might hinder "that freedom on which energy and the progress of invention depend." It was not an unfriendly view per se of socialist thought, but it was nevertheless a polite rejection of its tenets. With the publication of his first book, Marshall had firmly sided with the classical English

tradition of economics, modified by his experiences of the previous decade.
CHAPTER VII

EPILOGUE

He was then about thirty-seven, but he looked to me very old and ill. I was told he had one foot in the grave, and quite believed it.

Edwin Cannan, "Alfred Marshall, 1842-1924"

By 1879 Marshall was fast leaving the world of his youth behind him. His life and career changed with ever-increasing speed from this time forward.

In the early fall of 1881 he resigned the principalship of University College on grounds of illness and spent most of the following year recuperating in Italy. He returned to Bristol as professor of political economy in 1882, then briefly moved to Oxford where he replaced the late Arnold Toynbee. In 1884, on the death of Henry Fawcett, Marshall was elected to the professorship of political economy at Cambridge. He took up his position in 1885 and remained there till he retired in 1908.

During these decades Marshall shaped the course of economic study, and indeed of academic and intellectual
life as a whole, in numerous ways. His influence was more far-reaching than was readily apparent. Even before the publication of the *Principles* in 1890, it was estimated that half the college teachers of economics in England were his pupils.¹ At Cambridge Marshall educated a generation of the nation’s leaders with his high ideals of moral and ethical behavior. Marshall taught an economics that preserved the stimulus of competitive effort but did not grind the helpless into endless poverty, and called for limited state action to break the cycle of hopelessness that trapped the nation’s poorest, the "residuum" as he called it. His economic method left the way open for the development of welfare economics, pioneered by his pupil and successor at Cambridge, A. C. Pigou.

Two other efforts ensured that economics would follow Marshall’s chosen path: the creation of a separate Economics Tripos under his control ("the word went round that ‘it is time that Alfred had a little hell of his own’") and the establishment of the Royal Economic Society.² These efforts created a profession:


the tripos established a training for scientific
economics, and the society maintained professional
standards.  

In 1908 Marshall retired, to devote more time to
his writing. He continued to see students, old and new,
and encouraged their books or corrected their mistakes.
In 1919 he published *Industry and Trade*, in 1923 *Money
Credit and Commerce*; he had begun to write a fourth
book, to be called *Progress: Its Economic Conditions*,
when his powers began to fail. He died in 1924, two
weeks before his eighty-second birthday.

A Turning Point

The year 1879, therefore, marks a convenient
turning point with which to conclude this study of
Marshall's early life. By the end of that year Marshall
was well on his way toward a new era. He was married,
not single; the principal of University College,
Bristol, not a junior lecturer; a published author, no
longer simply a young man of promise. And his health,
formerly robust, had suddenly deserted him, leaving him

3. See Maloney, *Orthodoxy*, for an excellent account of
Marshall's campaign.
to wonder if any more of his planned books could now be written.

His book (even Mary admitted that much the greater part of it was his, and in fact had tried to remove her name from the title page) suggested the course that all his future work would take. It was a book outlining economic theory, not economic history and still less the economic interpretations that were found in Arnold Toynbee's *Lectures on the Industrial Revolution in England*. There were hints in *Economics of Industry* of a grand theory of economic growth, and the second half of the book especially was written, as Marshall later said, "on lines somewhat similar to those of the *Principles of Economics*." In 1887 H. S. Foxwell, an early student of Marshall's, wrote that the antagonistic schools of deductive political economy and inductive historical economics had been blended together by Marshall. The *Principles* themselves, published in 1890, were described by John Neville Keynes as "deductive political economy guided by observation." In all his work from 1879 onward, Marshall aimed for a "synthesis of theory, fact

and judgement^7 which would set out the structure of economics, convince the reader of its veracity, and point out the goal to be reached: the end of poverty and the creation of a vibrant society. His early experiences with philosophy, psychology, and a variety of economic doctrines enabled him to gather the numerous strands of economic thought together and publish an exposition of a machine of economic analysis, an "organon" as he referred to it, that shaped English and American thought for the next two generations. Today it is still used to describe the basics of economic activity, and Marshall's Principles remain in print nearly a century after its first publication.

Marshall's illness also was an important turning point. Diagnosed as kidney stones, it put an end to his energetic summer walking tours. Despite a basically strong constitution, it made him something of a hypochondriac for the rest of his life. The illness caused him to abandon plans for a series of small monographs and instead to concentrate his energies on the book that became the Principles. It gave him, also, an excuse to retreat from the world and abandon his unpleasant duties as principal. After his resignation in 1881 he and Mary retired into private life for nearly

a year. Much of that time was spent in the Italian city of Palermo, where Marshall worked daily in the sunshine, regaining his health and sketching out the structure of the *Principles*.

His marriage marked, perhaps, a turning point of another kind. As a young man Marshall had been very much in favor of the women's movement, and in 1875 wrote disparagingly of Americans in the west who ridiculed it. But later he changed his attitude and in 1889 told Beatrice Potter that woman was a subordinate being. It is possible that Marshall's marriage was a key factor in this change. Opinion is divided as to the success and happiness of the marriage. Keynes wrote that Alfred's dependence on Mary's devotion was complete, and Mary's reminiscences betray no ill will toward Alfred. On the other hand, some friends of Mary's saw her as a woman much put upon by Alfred's whims, and one went so far as to say "He was a popish man who treated Mary Marshall very badly."\(^8\) Marshall came to oppose women lecturers (at a time when, after their return to Cambridge in 1885, Mary was a lecturer at Newnham College) and in 1887 and 1896 opposed degrees for women. There is no

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satisfactory explanation for Marshall’s change in this regard. Some of it was probably due to influences of his early life, since his father had so completely dominated his mother; and it is true that even at his most liberal Marshall had never desired absolute equality for women. But the strength of the shift suggests that other forces were at work also.

The backgrounds of the two partners were radically different. Alfred came from a lower middle class background (his mother was actually from the working class, the daughter of a butcher) with no money and no connections, and in the mid-1870’s had a career that seemed to be faltering. Mary was of the gentry, had a separate income of 150 per year, was the great-granddaughter of the famous Archdeacon Paley (of Paley’s Evidences), and in the mid-1870’s had not only been hired as Newnham’s first lecturer but had also been asked to write a book on economics (Economics of Industry.)

Marshall once admired educated women of strong character in the abstract, as we know from his letters home in 1875. But he seems to have rather staggered from the recoil when he actually married one. Dr. Giacomo Becattini has suggested that eventually all this
was simply too much for Alfred to take. He determined educated women to be not admirable but overwhelming. A compromise was eventually reached, but the marriage never became a partnership as did the Webbs’. Mary perforce occupied a secondary role, keeping her husband’s library in order. After Alfred’s death in 1924 she served as unofficial librarian for the university, till in her ninetieth year the doctor finally forbade her to cycle the daily four mile round trip from home to library, and John Maynard Keynes stole her bike. She died in 1944. The couple were buried separately, and there were no children.

Marshall’s early years, from 1865 to 1879, gave him the breadth of knowledge that remained his hallmark. His "realising" work (as he called it), ensuring that his theories matched actual conditions, began with his distrust of pure deduction. An interest in the human condition, especially as summed up in the concept of character, was encouraged by his wide reading in ethics, philosophy, psychology, and by the influence of other intellectuals such as John Stuart Mill and the members of the Grote Club. Economics became for him therefore a much broader science than simply a matter of adding up

9. Conversation with the author, May 1987. I am extremely grateful for Dr. Becattini’s kindness in suggesting this to me.
utilitarian pains and pleasures; it included all of life in its process.

Marshall believed that, without a deity, mankind had a duty to create its own ethical base, one that did not need to rely on religion. He worked with three tools fashioned in his early years to create that ethics. The first of these was his system of values. Marshall remained an Evangelical-without-God, one who accepted everything about the religion he was taught except for the existence of the creator who underpinned it. His attitude was similar to that of many other Victorian agnostics, such as George Eliot or Leslie Stephen. All believed in duty, high ideals, the ethical behavior they learned when young: Christian morality without the presence of Christ. Loss of faith intensified the desire to properly support ethics; it gave a new twist to the effort, also, by suggesting that man could reform himself instead of waiting for God to act. The second tool was a belief in individual competition. Marshall’s lectures in 1873 give a glimmer of this belief; having read Maine on ancient societies, he accepted that competition eroded custom. It was potentially an engine of progress, though Marshall was worried that it might destroy too many individuals in the process. Only after his tour of America in 1875 was
his admiration free of this worry; he perceived it, from this point on, as the wave of the future. The third tool was a belief in "economic chivalry," as he called it in 1907, a delight in helping those who need help. To end poverty was a lifelong goal of Marshall, from his earliest interest in economics and the "Lectures to Women" to his final, unfinished book on progress. He saw it as a duty to which he was ordained, in spirit if not in fact.\textsuperscript{10} And this concept of duty brings us full circle in Marshall’s life, back to his early desire to improve human society once he decided there was no God to do so. Marshall’s later life was a seamless whole, influenced by the earliest years of his career when he sought the true foundations of knowledge and of economics.

\textbf{Marshall and Victorian Despair}

A final consideration suggests itself about the reaction of Marshall and other intellectuals to English society as it changed, at first slowly and then ever faster, during the Edwardian years and the First World War. Scholars have noted that many intellectuals became disillusioned with the Victorian world as they aged. A

\footnote{Compare Keynes’ phrase in "Marshall," 11.}
recent study concludes that many became frustrated, and some despaired, when society did not develop in an increasingly idealistic, agnostic, positivistic manner. Marshall did not, although all these labels could be applied to him. Despite a lack of sympathy with, for example, the new unionism of the 1890’s, he remained essentially optimistic throughout his life.

What explains this difference?

Many answers could be given—in contrast to many intellectuals, Marshall had no special dislike of formal religion; he knew, too, that social changes took long periods of time—but the most important reason for his refusal to despair was his observation of the world around him. Marshall remained an intellectual closely connected with the progress of the individual, and there was no doubt in his mind that the individual was living a better life in the modern world. Education was more widespread, poverty was diminished, standards of behavior had risen: all these things were familiar to Marshall and accepted by him. And this progress would continue, he was convinced. In his last years as professor, he told a class "If we leave it to Evolution

11. The most recent book on this issue is Jeffrey Paul Von Arx, Progress and Pessimism: Religion, Politics and History in Late Nineteenth Century Britain (Cambridge: Harvard University Press, 1985.)
we may sit down and look on. But....why should we not improve on nature? Why not remove the swamps, etc?"\(^{12}\)

Without an understanding of Marshall’s youth, much of his life is inexplicable. With it, a truer picture of this individual of contrasts appears. One hopes that Marshall, with his motto of "the many in the one, the one in the many," would have recognised the portrait drawn here. An individual formed of many parts, Alfred Marshall was an essential architect of the modern world, and his early life an essential part of the architect he became.

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