Turgot, the great French eighteenth century statesman-economist-philosopher appears to have been much admired by the nineteenth century English academic-economist-philosopher, Alfred Marshall. In writing in December 1909 (Whitaker 1996 III 239) to Dutch statesman-economist Nicolaas Pierson, Marshall stated that ‘the world will class you…. with Turgot, the statesman-economist’ because his deeds had done much ‘to make the world a better place’. Marshall’s sentiment betrays a sound perception of Turgot’s worth as a great humanitarian thinker, in recalling the advancement of community well-being as the major motivation for Turgot’s reforming zeal while regional administrator and national statesman. (Cf Marshall to Walter Layton, 9 December 1918, in Whitaker 1996 III p. 359).

Marshall’s admiration for Turgot the statesman was never developed in writings beyond the two letters just quoted. Extant lecture notes suggest that what Marshall knew about this came initially from reading De Tocqueville on the French revolution and a potted Turgot biography ‘in Meyer’ (probably Meyer’s Hand-Lexicon der Algemeinen Wissenschaften). Marshall later supplemented this information by reading Léon Say’s Vie de M. Turgot in English translation. However, early in his life as an economist in the late 1860s, Marshall had purchased a copy of the 1844 Daire two volume edition of Turgot’s works, and his ‘knowledge of the French school [of economics] did not extend much beyond Turgot’s work & Daire’s collection [of the Physiocrats]’ (Marshall to Cannan, 14 October 1896, in Whitaker 1996 II p. 171). During the early 1890s he acquired a copy of Feilbogen’s Smith und Turgot, devoted
in part to assessing the influence of French economics, and especially that of Turgot, on Adam Smith.

Evidence about the specific parts of Turgot’s economics which Marshall absorbed comes from his citations of Turgot’s work in his extant writings. These relate to value and exchange; diminishing returns; the postulate of an ‘iron law of [subsistence] wages’ and its broader implications for distribution theory and hence for tax incidence analysis; and capital and interest theory, with special reference to its critical examination in Böhm-Bawerk’s *Critical History of Interest Theories* (Böhm-Bawerk 1890, chapter 3). Such references partly match Marshall’s generous tribute to Turgot’s *Réflexions* written to Foxwell in 1878: Turgot’s work was a ‘brilliant exception’ to his general view ‘that French books on economics have as a rule disappointed me’ (Marshall to Foxwell, 3 July 1878, in Whitaker 1996 I 99). Marshall therefore was able to recommend Turgot’s *Réflexions* as a book students should read for Part I of the new Economics and Politics Tripos established in 1903.

The subsequent sections of this paper examine Marshall’s various comment on Turgot’s work in more detail. Section I looks at Marshall’s general remarks on specific aspects of Turgot’s economics. Section II raises wider issues Marshall discussed in relation to Turgot: on the Smith-Turgot controversy; on Böhm-Bawerk’s interpretation of Turgot’s interest theory and on the associated view that Turgot ranked with the great mathematical thinkers in economics. The third and final section draws some conclusions.

I

Marshall’s first commented on Turgot’s economics in his early paper on value, written around 1870 (Groenewegen, 1995, p. 155). After mentioning Smith’s
famous distinction between value in use and value in exchange, the fourth paragraph of Marshall’s paper discusses barter as the simplest case of exchange. This paragraph is quoted in full:

Turgot commences his account of value by considering a case of this sort [simple barter of two commodities between two individuals], and then says that in the case of a large market each side considers the circumstances not only of himself and the man with whom he is bargaining, but of all those who are carrying on transactions in these two commodities. But it is not at all easy to do this. For instance there are not many who want to change lead for wine and vice versa. There are many who want to change away wine, and many who want to get wine in exchange for something else, but many of the former do not want lead and many of the latter may have no lead to change away. And it is for this reason that society had adopted the device of money: taking as its standard sometimes cattle, sometimes pieces of salt, sometimes metals. Thus people talk of the price at which wine can be sold; meaning the amount of money for which it can be sold (‘Marshall on Value’, in Whitaker, 1975, I pp. 127-8).

Marshall’s brief account of barter and the origins of money follows the essentials of Turgot’s analysis in the Réflexions (as Whitaker 1975 I p. 127 n.3 in fact indicates). This is surprising because as owner of Turgot’s works in the Daire edition, Marshall could easily have consulted the paper Turgot had expressly devoted to value and money, that is, his unfinished 1769 article, ‘Valeurs et monnaies’. It contains everything which Marshall had summarised as Turgot’s account of value in the passage just quoted, but at much greater length. The examples of cattle, salt and
metals Marshall mentioned as early forms of money likewise indicate this; Turgot also mentioned these examples in the Réflexions. This suggests that Marshall may have read little more of Turgot’s economics apart from that contained in the Réflexions. The only exception to this hypothesis is Marshall’s reference to Daire’s introduction to Turgot’s works (Marshall Papers, Box 5-6, Notes on History of Economics).

Around the same time as the early paper on value, Marshall made some notes on Turgot preserved among a ‘mass of what appear to be….lecture notes’ (Whitaker, 1975, II p. 252). These also draw on the Réflexions (§ VI, VII ff, XCV, all paragraphs on the simplifying assumptions needed for Physiocratic tax incidence analysis). From them Marshall claimed that Turgot assumed ‘that every one is at starvation door except landowners and capitalists; and he assumes that any tax on profits of capital will cause such an enormous diminution in capital that the state will suffer more than it gains’. He added that Turgot was probably not fully aware of what he in fact was assuming; ‘that his assumptions were implied rather than fully expressed: and that he would probably have rejected them if they were distinctly proposed to him. On these assumptions his conclusion that a tax on anything but rent will have to be paid by the landowners together with charges of collection is true.’

Other comments further illustrate that Marshall appears not have read extensively in Turgot’s works in the Daire edition. For example, Marshall made no reference to the large volume of tax material included therein nor, for that matter, to Turgot’s ‘Observations sur Saint-Péravy’ (1767). In a succinct note on value concepts, Turgot’s ‘Observations’ not only clearly distinguished ‘fundamental value’ from ‘exchange value’, where the first is described by Turgot ‘as somewhat stable and dependent on cost of production’, with the second more variable and ‘dependent on
the vagaries of supply and demand’. It also noted the manner in which they are brought into equality in a very concise statement of long term competitive equilibrium analysis. More compelling reasons for suspecting Marshall’s failure to read Turgot’s ‘Observations sur Saint-Péravy’ are provided later in this section.

Because there are significant variations in Marshall’s treatment of Turgot between editions of his Principles of Economics, his references to Turgot’s economics in that book need to be looked at comprehensively starting with the first edition. This contains three references to Turgot’s economics, of which two relate to his notion of subsistence wages, while the third mentions his treatment of capital and interest and Böhm-Bawerk’s criticism thereof. The two references to Turgot’s subsistence theory of wages are interesting because they indicate that Marshall either himself had translated the Daire’s French text into English, or had asked his wife to do so. There is no direct evidence on the translator. The second reference (Marshall 1890, p. 550 n.) indicates a literalness in the translation. The final sentence of the title of § VI of Réflexions (‘il ne gagne que sa vie’) is simply translated as ‘he gains nothing but his life’ rather than the more accurate, ‘he gets only his livelihood’. Moreover, Marshall’s quotation of the subsistence wage material couples the last sentence of the title of § VI to the last sentence of its text in reverse order, without alerting his readers to this fact by indicating that the material quoted is separated in the original text by other material. Marshall’s references to Turgot’s subsistence wage theory are made when summarising Physiocratic tax incidence theory, which is said to depend on their theory of natural wage and interest rates or, what Marshall treats as synonymous with interest rates, rates of profit on capital. Once again, Marshall only quotes Turgot’s Réflexions in support, Marshall seems unaware of Turgot’s difference of opinion on this subject with most of the Physiocrats. More interesting, however, in the light of
his later quarrel with Wicksell over Böhm-Bawerk’s interpretation of Turgot’s theory of capital and interest, is Marshall’s remark in a footnote that Turgot’s position on capital and interest ‘was not altogether consistent, as is well shown by Böhm-Bawerk, Kapitalzinstheorien, Vol. I, ch. IV’ (Marshall 1890, p. 551 n.1). Turgot is not separately mentioned in the historical overview, ‘Growth of Economic Science’ of the Principles in its paragraph devoted to the French economists of the eighteenth century (Marshall 1890 pp. 53-55), somewhat surprising given the generous praise of Turgot’s Réflexions Marshall had conveyed to Foxwell in 1878 in the letter quoted previously. The second edition of the Principles (Marshall 1891, pp. 253 n.1, 549 n. 1, n. 2) repeated the material on Turgot from the first edition without variation.

The third and fourth editions withdrew some of these references to Turgot and inserted others (for changes to the third edition, I have had to rely on Guillebaud 1961). Marshall (1898, p. 58 n.1) mentioned Feilbogen’s Smith und Turgot as work by one of several German writers who realised that Smith often ‘insisted on the frequent opposition that there is between private interests and the public good’. Note 2 on this page, however, drew attention to the early recognition in the literature of a relationship between value and cost of production, but failed to include Turgot among these writers. Turgot’s priority in providing a ‘clear statement of the law [of diminishing returns]’ is also stated, but this recognition of Turgot’s contribution is expressly attributed to Cannan’s article (1892, pp. 54-5) in the Economic Journal. This cited Turgot’s famous statement of the law from his ‘Observations on Saint-Péray’ in Cannan’s own translation, and this further demonstrates Marshall’s failure to use his copy of Daire’s edition of Turgot’s works much beyond the Réflexions. On the basis of Cannan’s arguments, Marshall compared Turgot in this context to ‘practical agriculturists’ who discussed the law in terms of successive doses of capital
and labour applied to land, expressing these in terms of money prices, a procedure which Marshall condoned when the analysis is confined to ‘one place, and time and method of cultivation’ (Marshall 1898, p. 248). Finally, Marshall once again cited §VI of the *Réflexions* on the outcome of a subsistence wage under long term competitive conditions in the labour market (Marshall 1898, p. 253 n.1). A further reference to Turgot’s subsistence wage theory drew attention to Turgot’s March 1767 correspondence with Hume on the matter (as quoted in Say’s biography of Turgot of which Marshall used the English translation). This includes Turgot’s explanation to Hume that his wage theory (‘iron law’) was not fully ‘operative in short periods, but only in long’ (Marshall 1898, p. 573 n.1). A later remark compares Ricardo’s ‘iron’ or ‘brazen law’ of wages to that of Turgot and the Physiocrats (Marshall 1898, pp. 575-6).

By the final editions of the *Principles*, Marshall had made more revisions in these references to Turgot and new ones were added. Turgot’s priority on the law of diminishing returns continued to be acknowledged but now only briefly (Marshall 1916, p. 172; 1920, p. 172, and dating from the sixth edition). The note on Turgot’s subsistence wage theory which cited § VI of the *Réflexions* remained (Marshall 1916, p. 176 and n.1, 1920, p. 176 and n. 1) as did that on Turgot’s ‘iron law of wages’ and his correspondence with Hume (Marshall 1916, pp. 505-06 and n. 4; 1920, pp. 505-06 n.1), and Marshall’s reference to Feilbogen’s *Smith und Turgot*, first introduced in the 1895 third edition (Marshall 1916, p. 758 n.2; 1920, p. 758 n.2). However, Appendix E on definitions of capital described Turgot as one of several ‘remarkable writers…. inclined towards mathematical thought’, which placed him, according to Marshall, in the distinguished company of Hermann, Jevons, Walras, Pareto and Fisher (Marshall 1916, p. 787, 1920, p. 787). The essentials of these remarks date
from the first edition, with Turgot’s name only substituted for that of the Physiocrats from the fifth edition (1907) onwards. This substitution may be explained by Marshall’s quarrel with Wicksell over Böhm-Bawerk’s and Cassel’s interpretations of Turgot’s theory of capital between the publication of the fourth (1898) and fifth (1907) editions of the *Principles*. This is more fully explored in section II.

Turgot’s name also featured briefly in *Industry and Trade* (Marshall 1919, p. 743 and n.), where he is said to have believed to a lesser extent than the Physiocrats that ‘an absolute government instructed by the philosophers was the best adapted for enabling the people to thrive in the practice of the new principles.’ Marshall provides no evidence in support of this remark, but Turgot’s 23 July 1766 letter to Hume is quoted (again as reproduced by Say (1887, pp. 53-4) in his life of Turgot): ‘Our economic philosophers, followers of Quesnay, will maintain vigorously their master’s system. It is a system from which English writers are at present very far; nor can we hope to see them adopt it for a long time to come, so difficult is it to conciliate its principles with the condition of monopolising the commerce of the universe’.

Marshall did not pursue this further difference between Turgot and the Physiocrats. The last point, however, suggests that by the end of his long life, Marshall had learned not to submerge Turgot’s views with those of the Physiocrats. By then, he probably followed the leads on this matter in Feilbogen (1892) and Say (1887, pp. 44-5, but cf. p. 54 where Say argued that Turgot had always been faithful to Quesnay’s ideas).

II

More generally, Marshall commented on three particular aspects associated with Turgot’s economics. As previously indicated, these concern Turgot’s possible
influence on the economics of Smith; Böhm-Bawerk’s interpretation of Turgot’s
theory of capital and interest; and describing Turgot as a great mathematical thinker
on a par with Hermann, Jevons, Walras, Pareto and Fisher. All three issues require
some elaboration.

1. Influences on Smith’s economics, including that by Turgot

As Marshall confided in an 1896 letter to Cannan quoted at the start of this paper,
during the early 1870s he had been considerably interested in assessing ‘the
influences exerted on Adam Smith’ by British and French authors. Earlier (19 August
1892) Marshall had told former student, L.L. Price of this interest in a letter (in
Whitaker 1996 II pp. 80-81).

Guillebaud’s (1971, 1982, p. 96) personal reminiscences of Marshall
recalled Marshall telling him, ‘There is a tendency amongst some contemporary
economists to urge that we should now go behind Ricardo to Adam Smith. I would
agree, but I would go further and say, “back to before Adam Smith”’. Guillebaud
added that he had often regretted not asking Marshall ‘which of Smith’s predecessors
he had in mind’ when he still had the opportunity to do so. What little remains about
Marshall’s studies of Smith’s predecessors is in the chapter on the growth of
economic science of the Principles (Appendix B of its later editions), his (circa 1870)
fragment on ‘the method and history of economics’ (Groenewegen 1990), and his
notes on the history of economic theory preserved among the Marshall papers. In
addition, occasional footnotes of the Principles indicate predecessors of Adam Smith
on specific aspects of theory. Examples are the note on cost of production in relation
to value and the long, historical note on the development of the law of diminishing
returns, which gave Turgot priority on this subject.
Marshall’s ownership of Feilbogen’s 1892 book, *Smith und Turgot*, does not mean he used it on the Smith-Turgot controversy, though reading it may have given him the higher opinion of Turgot’s economics evident in later editions of the *Principles* and during his debate with Wicksell over Böhm-Bawerk’s interpretation of Turgot’s theory of capital and interest. Moreover, the second chapter of its fifth part dealt at some length with Smith’s association with the Physiocrats and their views. Whether this affected Marshall’s views cannot be proven, but later editions of the *Principles* present a rather more favourable opinion of Turgot’s work and distinguished his economics from that of the Physiocrats to a greater extent.

2. **Böhm-Bawerk’s Interpretation of Turgot’s Theory of Capital and Interest.**

Marshall’s initial agreement with Böhm-Bawerk’s interpretation of Turgot’s capital and interest in a footnote on the subject from the first and second edition of the *Principles* was noted in the previous section. As evident from the catalogue of his library, Marshall early on had purchased a copy of Smart’s English translation of Böhm-Bawerk’s *Critical History of Interest Theories*. Only much later did he acquire a copy of a German edition. He in fact owned most books by Böhm-Bawerk including the two other volumes dealing with capital theory. Marshall’s growing annoyance with Böhm-Bawerk’s views is easily demonstrated from the record (see Groenewegen, 1995, pp. 217, 475-7) and this was at its greatest with regard to his views of predecessors, including Marshall himself. Marshall claimed in a letter to J.B. Clark that he had worked out the whole of his theory of capital between 1870 and 1874 ‘when Böhm-Bawerk and von Wieser were still lads at school or college’ (Marshall to J.B. Clark, 24 March 1908, in Whitaker 1996, III p. 103).
This part of the paper, however, need not overly focus on Marshall and Böhm-Bawerk. It deals with Marshall and Turgot with special reference to Marshall’s defence of Turgot’s capital and interest theory against Böhm-Bawerk’s interpretation thereof, contained in correspondence with Wicksell, originating from an acknowledgement to Marshall’s advice on this subject by Cassel in his *Nature and Necessity of Interest* (Cassel, 1903, pp. 20-22, esp. p. 22 n.2). As Marshall explained by letter to Wicksell, this advice had itself arisen under circumstances which clearly reveal Marshall’s detailed examination of Turgot’s theory of capital and interest in the light of Böhm-Bawerk’s interpretation. Marshall indicated that ‘a student who had come to Cambridge’ some six years ago (that is, in 1898), had proclaimed the opinion that the founders of economics of every nation ‘were inferior in common sense to most children of ten and very much inferior to his worthy self’, a view for which he apparently gave Böhm-Bawerk as his authority. In response, Marshall had argued that Böhm-Bawerk rarely ‘caught [the] real meaning’ of his predecessors and proposed to demonstrate this by giving a lecture on the theory of capital and interest of ‘one of these great writers’ of the past. The students selected Turgot, and

“I therefore did – what I had not done before – compared Turgot’s words with Prof. Böhm-Bawerk’s account of them; I made full notes for the lecture. I read out alternative passages from Turgot and from Prof. Böhm-Bawerk’s account of Turgot. I then gave Turgot’s and Prof. Böhm-Bawerk’s book to the class and asked them to pass the book from hand to hand, adding “a fortnight hence, I will ask the question in lecture – have I done justice to Prof. Böhm-Bawerk’s treatment of Turgot”.

During this investigation Marshall had discovered that Böhm-Bawerk’s views were wrong in at least two respects. Böhm-Bawerk had attributed to Turgot views not in his writings; secondly, Böhm-Bawerk had ignored Turgot’s views which opposed his own views and which were easily found in Turgot’s work. Marshall recalled having lent these notes ‘to several persons….and [that he] may have lent them to Prof. Cassel’. The notes in question appear to have been lost and are not preserved among Marshall’s papers in the Marshall Library.

In December 1904, Marshall sent the notes to Wicksell on loan. They clearly did not convince Wicksell of the validity of Marshall’s views on Turgot’s theory of capital vis-à-vis those of Böhm-Bawerk. Wicksell’s response when returning the notes stated that Marshall tended to ‘somewhat overrate the earlier writers on interest, especially Turgot’, although he now did concede that Turgot’s work contained ‘many glimpses of the truth…. but hardly a worked out theory’. (Wicksell to Marshall, 6 January 1905, in Whitaker 1996 III p. 102).

This episode is revealing. When compelled to do so, Marshall was quite happy to engage in detailed study of Turgot’s work to settle a special problem, particularly when this had been set by his students in class. This is shown by the claim on his careful comparative notes on Böhm-Bawerk’s comments on Turgot and Turgot’s corresponding, or non-corresponding views. It may well have taken Marshall beyond a reading of the Réflexions, since Turgot’s other observations on interest in his 1770 Mémoire sur les prêts d’argent, had been cited by Böhm-Bawerk (1890, pp. 55-57) from Daire’s edition of Turgot’s works. However, this reference occurred in chapter 2 dealing with the defence of interest against its religious prohibition in the literature from the sixteenth to the eighteenth centuries. If Marshall had followed up those remarks on Turgot by Böhm-Bawerk, as he could hardly have failed to do in this
context, Turgot’s paper on interest can be added to the parts of Turgot’s work as edited by Daire Marshall had definitely studied. In the absence of the notes Marshall made for his class on Turgot and Böhm-Bawerk in the late 1890s, this cannot be said for certain, though remarks Marshall included in 1907 on Turgot in Appendix E of his *Principles* are supportive of the view that he was fully aware at this stage of Turgot’s treatment of time preference as part of his interest theory.

3. Turgot as ‘mathematical economist’

Marshall’s remark describing Turgot as a writer ‘inclined towards mathematical modes of thought’ which placed him in the distinguished company of Hermann, Jevons, Walras, Pareto and Fisher, was not made until the 1907 fifth edition of the *Principles*. Given this date, and the fact that it occurred in the context of capital theory, it seems likely that Marshall made this alteration with his earlier detailed study of Turgot’s capital theory firmly in mind, particularly when he had been reminded of its existence by correspondence with Wicksell. More precisely, this remark was made in Appendix E while discussing the appropriate concept of capital for those inclined to treat time preference as a key issue in capital and interest theory, of which Turgot was one of the first. Such economists, Marshall indicated, tended to include all forms of accumulated wealth as capital, ‘that is, all the result of the excess of production over consumption’ (Guillebaud 1961, II p. 787).

In the final versions of Appendix E, Marshall associated such capital concepts with writers on capital theory with a distinct mathematical bent, that is, with Hermann, Jevons, Walras, Pareto and Fisher, all noted mathematical economists and likewise with those of Turgot, an author of ‘distinct mathematical inclinations’ in his writing. This is a somewhat surprising addition, because Turgot’s economics
contains few algebraic flourishes, and no geometrical ones. Moreover, what little there is, was included at the very conclusion of his unfinished 1749 letter to l’Abbé de Cicé on paper money, with its algebraic formula on the annual growth of bills to be issued by the king in order to maintain the real value of the revenue thereof from the effects of the concomitant inflation. As the first piece of Turgot’s economic writings in the Daire edition, Marshall may well have seen it.

In Appendix E, however, Marshall was not referring to explicit mathematical formulations in Turgot’s work, but to his view that some that work displayed distinctive ‘mathematical modes of thought’. Examples of segments of Turgot’s work which can be argued to show such ‘modes of thought’, and of which Marshall was aware by then, include the following. Turgot’s statement of the law of diminishing returns, or law of variable proportion as Schumpeter (1954, pp. 259-61) described it, was presented in a strictly incremental way in which the concept of marginal product, though not of course the name, was clearly visible. Turgot’s exchange theory used the mathematical apparatus of averages and means, while his views on time preference presented in his defence of interest implicitly put forward an equational relationship to demonstrate that it was interest which equated the subjective evaluations of present and future goods. Furthermore, Turgot’s capital theory in the Réflexions frequently employed analogies drawn from the language of physics. Examples are the reference to equilibrium in §88 on the preservation ‘of a kind of equilibrium’ among the yields from the various employments of capital; the remark in §89 that the current rate of interest acts as ‘thermometer’ for judging the relative scarcity of capitals; and that in §90 comparing ‘the price of interest’ to ‘a level’.

Moreover, Marshall’s awareness of Turgot’s mathematical abilities may have been enhanced by reading Say’s Turgot biography. This mentioned Turgot’s
friendship with d’Alembert and d’Alembert’s high regard for Turgot’s ability; as well as the experiments in the physical sciences in which Turgot was engaged during his short retirement. Say (1887, p. 79) described these as ‘avidly researching scientific books which were appearing in every part of Europe’, adding that Turgot was doing ‘advanced geometry with Bossut, chemistry with Lavoisier, and astronomy with Rochon.’ Moreover, his friend and collaborator Condorcet kept Turgot fully informed on what was happening at the Academy of Science. Such a retirement record substantially accords with Marshall’s picture of a person whose work displayed distinctive ‘mathematical modes of thought’.

III

What is the value for Turgot studies of this survey of the visible signs of Marshall’s awareness of Turgot as an important statesman-philosopher-economist. A number of issues can be raised here by way of conclusion. Marshall recognised Turgot as a major statesman, as a philosopher, as a scientist, and especially as an economic writers of considerable merit. Marshall’s views resemble much of the late nineteenth century praise which liberal thinkers accorded Turgot at the time. Marshall was able to draw on such views via Say’s biography of Turgot, a striking example of this type of liberal acclaim by the grand-son of J.B. Say. In this manner, Marshall’s views reflect the temper of the substantial volume of Turgot literature produced over the four decades from the 1860s.

Marshall’s depiction of Turgot the economist is more interesting as a nineteenth century example of Turgot studies. This is partly due to the fact that it was so very selective, and partly from its peculiar feature that it failed to draw to a significant
extent on the rich contents of Turgot’s works as collected by Daire. What evidence there is suggest that Marshall never went much beyond the Réflexions in his reading of Turgot’s economic work available to him, despite the fact that this amounted to only a small proportion of Turgot’s substantial economic output. Marshall’s great admiration for the Réflexions in the 1870s, expressed in correspondence with Foxwell, may partly explain this neglect of Turgot’s other work.

Even then, Marshall drew only to a limited extent on the contents of the Réflexions. The matter which most consistently attracted his attention was Turgot’s concise statement about subsistence wages. This was relevant to Marshall both as an early example of the very extensive classical subsistence wage literature and because it was an essential assumption for physiocratic tax incidence theory where all taxes fell ultimately on land rent (produit net). The context of tax incidence also induced Marshall’s first recognition in print of Turgot’s capital and interest theory, though the quality of this part of Turgot’s economics was not fully appreciated by him until his careful examination of it together with Böhm-Bawerk’s criticism for a special lecture class in 1898. This study, as he subsequently informed Wicksell, greatly lifted the quality of Turgot’s work in his estimation to that of a major thinker on the subject and, furthermore, may have induced him to speak of Turgot as a person whose work displayed clear mathematical modes of thought.

Only few other aspects of Turgot’s economics stood out for Marshall. The quality of Turgot’s value and exchange theory relative to that of Adam Smith was recognised by Marshall early on in his economic career, a matter not further pursued by him. However, he failed to look at Turgot’s 1769 paper on this subject, and never became aware of Turgot’s concise statement of competitive equilibrium theory with respect to cost of production and a supply and demand determined market price.
Later, Turgot’s superiority over Smith in his discovery of diminishing returns in agriculture came indirectly via Cannan’s (1892) research of the subject; but the full extent of that originality did not greatly impress itself on Marshall’s published record of it. Finally, studying Say (1887) and Feilbogen (1892) appears to have given Marshall a less jaundiced view of the Turgot-Smith controversy, though he never explicitly addressed this issue in his published writings. Marshall’s brief history of economics chapter for the *Principles* (later Appendix B) moreover never mentioned Turgot by name, while it accorded Smith’s contribution a completely separate section.

Taking all of Marshall’s remarks together, and integrating them into a single evaluation (something which Marshall never did), the picture implicitly presented of Turgot’s importance as an economist and reformer is not too far from the mark. Taken as whole, Turgot the major economic theorist is recognised for his originality in connection with diminishing returns, his insightful theory of value and exchange and, in particular, the high quality of his capital and interest theory. Moreover, although Marshall never explored the details, Turgot as statesman and reformer is praised for the enormous good he tried to do in improving the lot of the French people as a whole. From this perspective, Marshall brought out the essentials of Turgot’s very significant place in world history: a great, reforming, economic statesman and a major eighteenth century economic thinker.
References


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