

HISTORY OF THOUGHT AT THE ELEVENTH CONFERENCE OF ECONOMISTS

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BY

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As is the custom, the organisers of the 11th Conference aggregated papers as far as possible into areas of interest. There were two sessions, and four papers, that were clearly in the area of interest of the history of economic doctrine. The following gives an account of these papers. This brief survey is descriptive and not analytical. Its intention is to bring to the attention of members of the History of Economic Thought Society, the existence of this material and to suggest to those desirous of so doing, that they write to the author seeking a copy of his paper.

One extraneous preliminary comment. Economists Conference sessions are far too cramped, too many papers per hour, and not sufficient, sometimes, none, time for discussion. The virtues of the foundation Conference for Historians of Economic Thought at New England in 1981 included the distribution of papers ten days in advance, one-and-a-half hours session for a single paper, with half-an-hour for the author to summarise the contents of the paper to an audience that had already read it, and then a full hour for informed discussion. Long may these criteria be the norm for future History of Thought conferences.

"Money Illusion in Keynes' General Theory" by Bruce Littleboy, Department of Economics, University of Queensland.

This paper comprising some ten pages is a spin-off from major work concerned with Axel Leijonhufvud's interpretation of Keynes' economic theory. Littleboy portrays that the money illusion concept was not part of Keynes' theory or exposition, despite widespread belief to the contrary. Littleboy quotes examples to show that a money illusion explanation was used by some of Keynes' contemporaries in the classical tradition, e.g. Pigou and that Keynes was critical of them for it. The author infers that "the official version of the history of economic thought" needs to be re-written.

"From Keynes to Lowe and Marx: Social Significance of Traverse Analysis" by Joseph Halevi, Department of Economics, University of Sydney (and visiting scholar to the New School for Social Science, New York, U.S.A.)

Halevi's paper of some fourteen pages deals with the relation of employment/unemployment and the "structure of production". The analysis starts with Keynes' chapter 16 of the General Theory, certain writings of Kalecki and Wicksell and Marx's schemes of reproduction. The concept of the Traverse was introduced by Hicks in "Capital and Growth" in 1965. A traverse is a movement from one growth path to another and is shown to assist the understanding of the interreaction of capital and consumption good production sectors, the marginal efficiency of capital, cost-price rigidities, production paths and the level of employment. Adolph Lowe's model, (The Path of Economic Growth, 1976) is considered as a powerful conceptual apparatus not only as a descriptive device but as a means of evaluating the social objectives of the economic system and a policy guide for the implementation of full employment planning.

Halevi's paper is concise with a closely-reasoned chain of argument which forces the reader back to the literature and the references.

"A Survey of Selected Critical Assessments of the Writings on Alfred Marshall"
by John C. Wood, School of Economics and Finance, Western Australian Institute
of Technology.

John Wood's paper is based on the introductory survey analysis with which he opened the four volumes of collected essays on the writings of Alfred Marshall, published by Croom Helm in 1982 and of which he is the editor.

Wood's paper, among other things, draws together the threads of a number of articles by Marshall's contemporaries and later writers on Marshall's place in the history of economics and particularly the role of the Principles. Further the paper has sections outlining the literature on Marshall's views on specific topics, for example the concept of the representative firm, the theory of rent, the Marshallian demand curve, the constancy of marginal utility of money assumption and a number of other topics. There are reviews of the literature on Marshall's opinions and attitude in areas other than economics, such as morals and politics. Marshall's use of mathematics gets a mention.

Like most survey articles John Wood's account of the literature leaves one with a feeling of inadequacy on what one has not read.

"The Restoration of 'Supply and Demand': The Production of Jevons' Theory of Political Economy" by Michael White, University of Adelaide.

Michael White's contribution runs to some seventy pages, and the theme is part of a major investigation into the origins of the economic theories of certain nineteenth century economists. The current paper is closely allied to the article on "Jevons in Australia: A Reassessment" published in the Economic Record of March 1982, and which some readers of the HETSA Newsletter will recall being first delivered at the foundation HETSA conference at Armidale in 1981.

White's thesis in the present paper is that Jevon's Theory of Political Economy (published in 1871) should be seen as an essential part of the decline of the Wages Fund Doctrine debate. With the overthrow of that doctrine and Mill's recantation, the automatic free market of supply and demand forces no longer had its assured position in the general theory and policy of political economy. Within contemporary economic history trade unionism and collective bargaining appeared to gain respectability. White argues that using concepts which in embryo pre-dated the final overthrow of the wages fund doctrine, Jevons "Theory" was "primarily a theory of income distribution, designed to argue that a 'market' distribution of income constituted an exchange of equivalents. Hence, in the long run, such a distribution of wages and profits was one in which labour and capital received their 'due reward' for it revealed their relative contributions to production". The new underpinning of the forces of supply and demand showed that trade union activity in the wages area was unnecessary and if effective pernicious.

Michael White's long paper expounds in detail the Jevons' family connection with the iron manufacturing and merchant interests, minor Jevons papers and addresses that show a hostile attitude to the wage negotiating aspects of the trade union role, and a chapter-by-chapter analysis of the "Theory of Political Economy" itself from the aspect of the final utility/productivity approach to the free market. Reference is also made to Jevons' reaction to the writings of some of his contemporaries, particularly C.H. Fleeming Jenkin.

Michael White's work on Jevons raises, in a noted instance, the question of the inter-relation of ideology and science in the development of economic theory. Does the ideological origins of 'marginalism' as a defender of the capitalist 'status quo' preclude the use of the techniques of marginalism, in the form of the differential calculus, within the corpus of socialist economics. This question was raised in the discussion that followed the White paper but time precluded consideration and answer.

Incidentally the chairing of the session at which the Wood and White papers were delivered was one of the last activities undertaken by Professor Geoff. Harcourt before moving to his new post in that fount of all economic truth - English Cambridge.

BOOK REVIEWS

Ian Bradley and Michael Howard (eds.), Classical and Marxian Political Economy: Essays in Honour of Ronald L. Meek (Macmillan 1982 \$30). Reviewed by B.J. Macfarlane.

From Quesnay to Marx and Sraffa might have been an alternative title to this volume. However, some introductory remarks about the flavour of the book are in order before going into this aspect.

Samuelson's chapter on the Tableau Economique, with its disparaging tone, and the two chapters (Introduction and ch. 7) by the editors depart entirely from the spirit and socialist purpose of the work of Ronald L. Meek. What seems to have happened can be deduced from a reading of this book. It started as a tribute to Marxian economist Ron Meek, but, in line with the fact that "Ronald Meek wrote one of the most perceptive reviews of Piero Sraffa's 1960 classic, Production of Commodities by Means of Commodities (Harcourt p. 255), an attempt was made to find contributors close to the Neo-Ricardian (Sraffian) position on value and distribution.

Amongst those appearing here who fit this description are Ian Steedman (Ch. 3: Marx on Ricardo), John Eatwell (Ch. 6: Competition) G.C. Harcourt (Ch. 8: The Sraffian Contribution: an Evaluation), J.E. King (Ch. 4: Value and Exploitation) and Shigeto Tsuru (Ch. 9: The Significance of Marxian Political Economy).

However, the editors seem to have a change of heart and reversed their ideological position between the commissioning of the book and the end product. That gestation lag allowed them to give expanded scope to the enemy camp in the form of Samuelson (Ch. 1: Quesnay's Tableau Economique), and Mark Blaug (Ch. 5: Another Look at the Labour Reduction Problem in Marx). Moreover, they inserted a new chapter in front of the pro-Sraffa Ch. 8 by Harcourt, an addition which not only gives Sraffa a huge serve (pp. 243-254) but, with a windy exposition of Sraffa, makes the superior-quality Harcourt chapter redundant for that purpose. (The reader, nevertheless, will learn more about Sraffa's purpose and his influence from Harcourt).

Why was this shift allowed to take place in a book in honour of a pro-Sraffian, anti-general equilibrium economist like Ron Meek? Apart from a genuine conversion to the logic of the anti-Sraffa position, the editors clearly dislike the widening influence of Sraffa's challenge to orthodox background, and they perceive that Sraffa's silence on the "dynamic" questions discussed by Marx indicates Sraffa's support for Marx in those questions. They claim, nevertheless