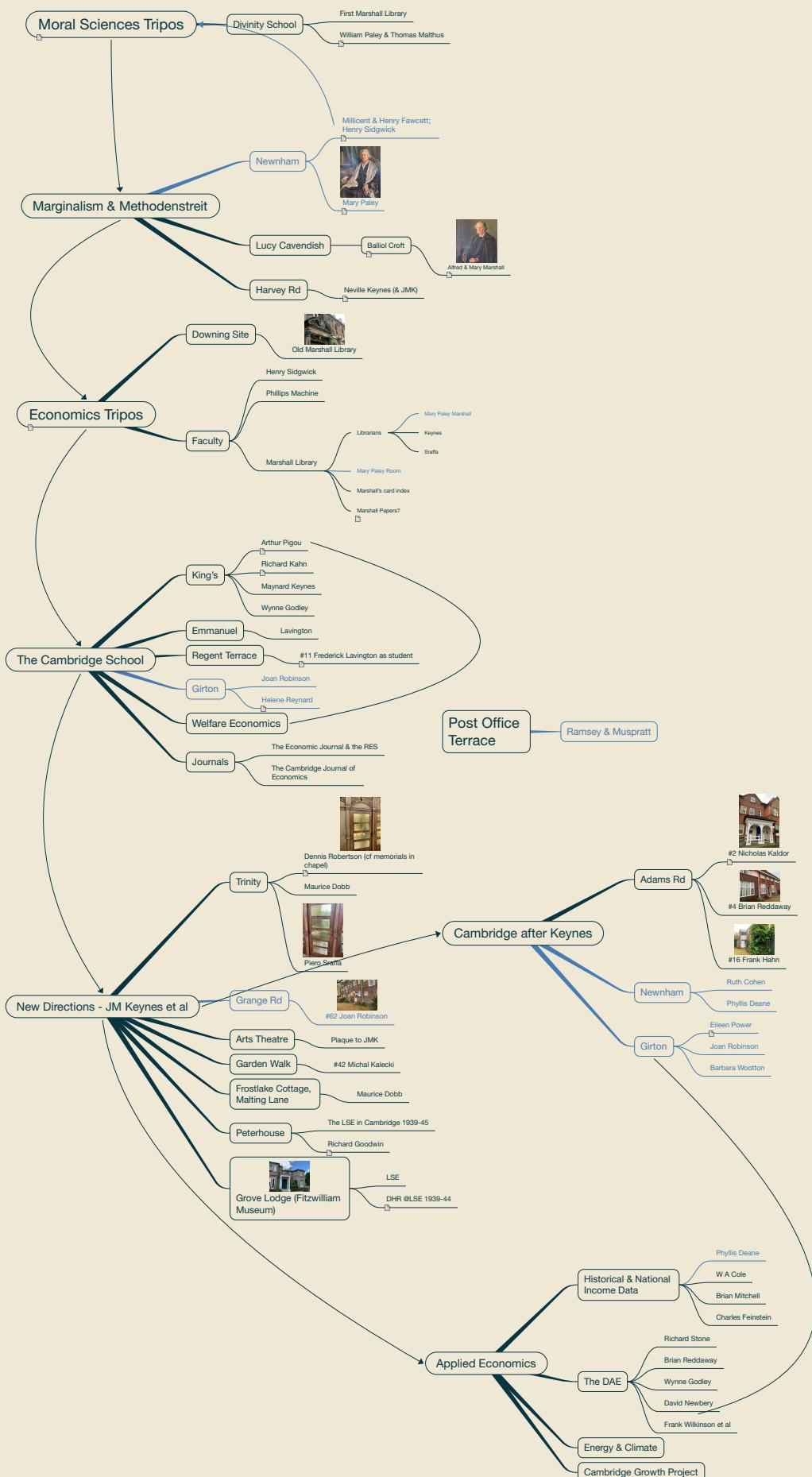


Cambridge
Economics Walk



/ Cambridge Economics Walk

The story of Cambridge Economics is also part of the story about what exactly is economics? Is economics about prices or values? Is it concerned with the efficient allocation of scarce resources or the explanation of inequalities in income and wealth? Is it about utility or welfare? Can it be an objective deductive science, or merely an inductive historical narrative? It is a story from a Moral Science of the 19th century, via Political Economy, to perhaps? an apolitical mathematical Economics in the 21st. But an aPolitical Economy is a veneer, even an illusion, in which the political and ideological assumptions are buried and obscured behind the formalism and inexorable logic of the maths. That ensures the chain of reasoning is valid but says nothing about the initial validity of the assumptions, nor of the quality and reliability of the data. Brian Reddaway, who we will meet later, had little time for the concept of statistical confidence: what mattered was your belief in the data, what Keynes in the Treatise on Probability would call the weight of the argument, related not to probability as risk or chance but what a later Cambridge alumnus Mervyn King) would call radical uncertainty.

/ Cambridge after Keynes / Adams Rd / #2 Nicholas Kaldor

LSE interplay

/ Cambridge after Keynes / Girton / Eileen Power

Economic history, an LSE connection again.

/ New Directions - JM Keynes et al / Trinity / Dennis Robertson (cf memorials in chapel)

DH Robertson can be seen as pushing the limits of Marshallian analysis, also bringing in the influence of Spiethoff and continental school: Real rather than monetary causes of the business cycle

More period based analysis, divergence with a Keynes - ironically even a divergence with Hansen who was, in many respects, much closer to him than Keynes!

/ New Directions - JM Keynes et al / Peterhouse / Richard Goodwin

Exiled from Harvard for his left wing views, a key part of the US Keynesian scene around Hansen, but seemingly coasting in his time at Cambridge, save for the impenetrable Elementary Economics from the Higher Standpoint. Flourished again after a move to Italy.

/ New Directions - JM Keynes et al / Grove Lodge (Fitzwilliam Museum) / DHR @LSE 1939-44

DH Robertson only taught at the LSE for 1yr according to Presley, and then went to Treasury, but the LSE had moved to Peterhouse/Grove Lodge at this time so did he really move that much??

The struggle to escape from eg Bonamy Price's common sense and gentlemen's dinner party ethics to an independent rational science.

In the 1890s:

Part 1 of the Moral Sciences Tripos consisted of two papers on each of the following subjects: Psychology including Ethical Psychology; Logic and Methodology; Political Economy; together with a paper of Essays.

Part 2 consisted of group (A) Metaphysics, Political Philosophy, Ethics—on each of which there is one paper—and group (B) the following special subjects, History of Philosophy, Advanced Logic and Methodology, Advanced Psychology and Psychophysics, Advanced Political Economy. There are two papers on each of these special subjects besides an Essay paper containing questions on all the above subjects. Every student had to take one, and not more than two, of the special subjects; also every student had to take the papers on Metaphysics and Ethics except those who select Advanced Political Economy as a special subject: for such students the paper on Political Philosophy was provided as an alternative for Metaphysics.

Part 1 Political Economy:

1 The fundamental assumptions of Economic Science, the methods employed in it, and the qualifications required in applying its conclusions to practice; its relation to other branches of Social Science.

2 Production of Wealth.

Causes which affect or determine

- a The efficiency of capital and of labour.
- b The difficulty of obtaining natural agents and raw materials.
- c The rate of increase of capital and population.

3 Exchange and Distribution of Wealth.

Causes which affect or determine

- a The value of commodities produced at home.
- b The rent of land.
- c Profits and wages.
- d The value of currency.

e The value of imported commodities. Monopolies. Gluts and crises. Banking, and the foreign Exchanges.

4 Governmental Interference in its economic aspects. Communism and Socialism.

The principles of taxation: the incidence of various taxes: public loans and their results.

List of books recommended on this subject:

Marshall, Economics of Industry

Walker, The Wages Question, and Land and its Rent.

Mill, Principles of Political Economy, Books III. and V.

Jevons, Money and the Mechanism of Exchange.

Sidgwick, Principles of Political Economy, Introduction and Book III.

Fawcett, Free Trade and Protection.

The following books should also be consulted:

Bagehot, Lombard Street

Bastable, Foreign Trade sic, The Theory of International Trade (1887)

Farrer, Free Trade and Fair Trade]

Giffen, Essays in Finance, Second Series.

Nicholson, Money and Monetary Problems, Part I.

Rae, Contemporary Socialism.

Sidgwick, Principles of Political Economy, Books I. and II.

NB. JNK's book on Formal Logic was recommended for the Logic & Methodology paper, as well as works by Mill and Jevons.

Part 2 Advanced Political Economy:

Students will be expected to shew a fuller and more critical knowledge of the subjects included in the schedule for Part I. The examination will also include the following subjects; the diagrammatic expression of problems in pure theory with the general principles of the mathematical treatment applicable to such problems: the statistical verification and suggestion of economic uniformities: and a general historical knowledge (a) of the gradual development of the existing forms of property, contract, competition and credit; (b) of the different modes of industrial organization; and (c) of the course and aims of economic legislation at different periods, together with the principles determining the same.

/ Moral Sciences Tripos / Divinity School / William Paley & Thomas Malthus

Maynard Keynes regarded the Revd. Thomas Malthus as the first Cambridge Economist, but Malthus did not found a Cambridge school or tradition, that would come later with Marshall and Neville Keynes. A very strong case can be made for William Paley some 23 years senior to Malthus. Paley was great grandfather to Mary Paley one of the first Newnham students and wife of Alfred Marshall. He wrote up his college lectures, he was elected a fellow of Christ's in 1766, as *The Principles of Moral and Political Philosophy* in 1785, which quickly became a set text in Cambridge and went through 20 editions in England by 1821.

/ Economics Tripos

Marshall eventually succeeded in separating economics from the Moral Sciences Tripos in 1903. This had been his aim from the outset of his tenure of the chair. Marshall retired in 1908 to be followed by Arthur Pigou, a controversial appointment as he was only 30 at the time. The consensus seems to be that Marshall felt that Pigou offered a better prospect for the further consolidation of economics teaching and the professionalisation of the subject than his dutiful ally and former student Herbert Foxwell.

/ Economics Tripos / Faculty / Marshall Library / Marshall Papers?

Trade Cycle sketch, 1870s MS on Money

/ Marginalism & Methodenstreit / Newnham / Millicent & Henry Fawcett; Henry Sidgwick

Newnham and Girton in the story of women at Cambridge

Marshall being an opponent, but Fawcett and Sidgwick, later Keynes (eg Robinson, Reynard etc)

Henry Fawcett combined the chair of political economy (from 1863 to his death in 1884) with being an MP (from 1864) and Postmaster General (from 1880). Fawcett's wife was Millicent Garrett, the younger sister of Elizabeth Garrett Anderson (to whom Fawcett had also proposed). Millicent, Henry and their reformist circle which also included Henry Sidgwick, were instrumental in the founding of Newnham College, and the cause of women's education in Cambridge. Sidgwick had recruited Marshall into the cause, but despite his marriage to Mary Paley and his subsequent period of exile due to the celibacy rules, Marshall later opposed degrees for women. Surprisingly, perhaps, this did not seem to have generated any domestic strife in the Marshall household.

/ Marginalism & Methodenstreit / Newnham / Mary Paley

As mentioned earlier Mary Paley was William Paley's great granddaughter and one of the first Newnham students. She read Moral Sciences and was writing her own book on economics when she married her former economics teacher, Alfred Marshall in 1877.

/ Marginalism & Methodenstreit / Lucy Cavendish / Balliol Croft

Marshall in Bristol, then Oxford and back to Cambridge. Irony of leaving Cambridge because of his marriage vs treatment of Mary's work

/ Marginalism & Methodenstreit / Lucy Cavendish / Balliol Croft / Alfred & Mary Marshall

When Alfred Marshall married in 1877 he was forced to give up his fellowship at John's. The celibacy rules were not relaxed until 1882. The couple moved to Bristol, and then to Oxford in 1883 where Marshall had been offered the role of college lecturer at Balliol by Benjamin Jowett who had hoped that Marshall would be eventually able to succeed Bonamy Price in the Drummond Chair of Political Economy. However, before that could happen (Bonamy Price was repeatedly re-elected until his death in 1888), Marshall was elected to the Cambridge chair in 1885 following the death of Henry Fawcett (in 1884). The couple built a house on the Maddingley Road they named Balliol Croft. That house is now renamed Marshall House and is part of Lucy Cavendish College.

/ Marginalism & Methodenstreit / Harvey Rd / Neville Keynes (& JMK)

Neville and Methodological debate of the late nineteenth century, he had a disparaging view of Bonamy Price, the Drummond Professor at Oxford, who had denied that economics was scientific. Neville was briefly a college lecturer at Balliol in Oxford, succeeding Alfred Marshall.

Inductive vs deductive - Marginalist/Walrasian/Mathematical approach vs English/German Historical Schools/US Institutionalists

JNK as creating a compromise, trying to settle the scope and method

/ The Cambridge School / King's / Arthur Pigou

Foundational to Welfare Economics, concept of externalities, even if he missed the point on Keynes

/ The Cambridge School / King's / Richard Kahn

Hairgrips version of QT, multiplier, the lost contribution on prime costs and the short period

/ The Cambridge School / Regent Terrace / #11 Frederick Lavington as student

Mature student after some time in banking

Dismissed as saying it's all in Marshall, but actually took things forward ... uncertainty, speculation, role of financial markets - sadly died very young

/ The Cambridge School / Girton / Helene Reynard

Protege of Keynes, Junior bursar of Girton, London





/ Cambridge after Keynes / Adams Rd / #16 Frank Hahn



DENNIS HOLME ROBERTSON EQ.AVR.
huius collegii socius et lector scientiae oeconomicae
olim Londinii postea apud nos professor, locos
obscurissimos mira sollertia mira elegantia inlustrauit
Nempe tali fuit in his studiis auctoritate ut aerarii
publici praefectorum consiliis tam in bello quam in pace
adhiberetur. Idem nec poetā neque histrio spernendus
collegas discipulosque lepore atque argutis delectauit.
eximia suauitate modestia humanitate sibi deuinxit.
Hac sane anima nullam tulit terra candidiorem.
Obiit A.S. MCMLXIII aetatis sua LXXIII

ARTHUR HAROLD JOHN KNIGHT
HVIVS COLLEGII PER XXXII ANNO SOCIVS
LITTERARVM GERMANICARVM ET SVECANARVM
INTERPRES DOCTVS ET ELOQVENS
VIR TAM CORPORE QVAM MENTE VEGETVS
A.S. MCMLXIII AETATIS SVAE LXI
IN VNDIS ORAE CALEDONIAE QVAM MVLTVM AMAVERAT
MORTE IMMATRA PEREMPTVS
SOCIETATI DESIDERIVM RELIQVIT

IN MEMORIAM
GVILELMI IOSCELYN ARKELL RSS.
QVI RVRIS A PVERO AMANTISSIMVS
APVD OXONIENSES GEOLOGVS FAMAM ADEPTVS EST
HVC ANNO NATVS XLIII INTER SOCIOS ADELECTVS
AEGRA VALETVDINE AD STVDIA NIHILO SEGNIOR ERAT
OBIIT A.D. MCMLVIII SVAE AETATIS LV

MAURICE HERBERT DOBB
Huius Collegii per XXVIII annos socius et lector
Inter viros artis oeconomicae peritos quasi
signifer novarum partium videbatur. Doctrinas enim
Caroli Marx adhuc apud Britannos non satis intellectas
rebus cum praeteritis tum praesentibus feliciter
attulit. Ut in scriptis ita in vita cotidiana neminem
comiorem tibi fingere possis, neminem humaniorem.
Obiit A.D. MDCCCLXXVI aetatis sua LXXVII

FREDE
COLLEGII NOST
THEOLO
EX HOC
DEVMT AC
FLORVM CV
VIR C
VITA NO

GEORG
collegii soci
studis græc
philosophiae it
disciplinam pa
leopore insignis.
unice adeptus
mortem obiit.

LVDC
IN ACADEMIA PH
PHILOSOPHAND
RATIONEM EX VI
RERVM NATVR
SENSU
VERVM ADSEQU
OBITU.

OT
PATRIA EXV
ACVTVS ATOM
PHILOSOPHIAE N
HVIVS C
FAMILIARIS CON
IDEM VIR
DECESSET A.S.

JOHANNES M^TAGGART ELLIS M^TAGGART LITT D
MDCCCLXVI — MCMXXV
COLLEGII CLIFTONENSIS ALVMNVS
HVIVS COLLEGII
SOCIVS ET LECTOR PHILOSOPHIAE MORALIS
VITAM PHILOSOPHIAE
ET ACCEPTAM RETTVLIT ET IMPENDIT
Homo liber de nulla re minus quam de morte cogitat:
et ejus sapientia non mortis sed vitae meditatio est.

IACOBVS WARD

NATVS A. D. VI KAL. FEB. MDCCXLIII HVIVS COLLEGII L ANNO
SOCIVS PHILOSOPHIAE XXVIII ANNO IN VNIVERSITATE
PROFESSOR VIR QVI NEC SIBI NEC ALIS FACILE PARCRET
PRISCA MORVM SEVERITATE OMNIVM VENERATIONEM COMITATE
HVUMANISSIMA PLVRIMORVM MERVIT AMOREM HIC VERITATIS
IMAGINEM CVIVS DESIDERIO A PRIMA PVERITIA PER SVMMAS
RLRV M ANGSTIAS OMNIA POSTHABVERAT FRVSTRA VT CREDEBAT
IN SACRO MINISTERIO IN QVAESTIONIBVS NATVRALIBVS
FELICIVS PERSECUTVS IN PHILOSOPHIA VT SPERABAT TANDEM
PAENE COMPLEXVS INDEFESSO ARDORE ADHVC PERSEQUEVENS
MORTEM OBIT A.D. IV NON. MART. MDCCCCXV

Hoc titulo commemoratur

ALFRED NORTH WHITEHEAD O·M
huius collegii per LVII annos socius et aliquamdiu lector
tum Londinii mathematicae professor philosophiae
denique apud cantabrigienses transatlanticos professor
mox professor emeritus binis veluti patriis trina vitae
spatia egisse videtur primum mathematicae alterum
physicae tertium metaphysicae studiis dicata et regiae
societatis et academiae britannicae socius obiit vir
si quis alius humanitatis exemplar die Decembr. XXX A.D.
MCMXLVII aetatis sua LXXXVII.

PIERO SRAFFA

ITALIA PROEVGS CANTABRIGIAE RECEPVTVS
HVIVS COLLEGII PER XLV ANNOS SOCIVS
DAVIDIS RICARDO SCRIPTA SCRVPLOSE RECENSUIT
QVO ERAT ACVMINE IN REBUS OECONOMICIS TRACTANDIS
MVLTOS ARTIS ILLIVS NODOS DENVO TEMPTAVIT
BIBLIOTHECAM PRETIOSISSIMAM COLLEGIO LEGAVIT
DECCESSIT A.S. MCMLXXXIII AETATIS SVAE LXXXVI

ALFRED MAURICE BINNIE

COLLEGII REGINARVM ALVMNVS
COLLEGIO NOVO ARVD OXONIENSES ADSRIPTVS
HVC REDVX SOCIVS LECTOR TVTOR FACTVS
AQVARVM VORTICES ÓBICIBVS OPPPOSITIS
MIRO ACVMINE PERSCRVTABATVR
IDEA LALIVM PRAERVPTA SVPERARE GAVDEBAT
OBIITA S. MCMLXXVI SVAE AETATIS LXXXVI









