



THE GERMAN EDITION OF ALFRED MARSHALL'S PRINCIPLES OF ECONOMICS

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Despite the fact that Marshallian economics was widely ignored or only superficially perceived in the German language area (Rieter 1989, Caspari 2010), the German translation of Alfred Marshall's *Principles of Economics*, published in early summer 1905, was the first foreign language edition. It was soon followed by the Italian translation in the same year and the French translation in the following year, all three translations being made from the fourth English edition.

Although earlier German economists such as Rau, Roscher and Mangoldt had some influence on the formation of Marshall's thinking on economics (Streissler 1990, Groenewegen 1995: 153-4), and Marshall appreciated the works by von Thünen and Hermann, the reception of Marshall's *Principles* by German economists in general was lukewarm or hostile, as the one by Katzenstein (1893) in the journal edited by Schmoller. Schmoller and his followers found Marshallian doctrines as outdated as those of Ricardo and the old British school. A typical case of the self-complacency is the short review of vol. 1 of the second edition of Marshall's *Principles* by Schäffle who could not discover anything "which would have transcended the state of research beyond the old classical and the new historical school in a substantial way" (Schäffle 1892: 177; my translation). According to Schäffle Marshall's "great words as Marginal Use, Marginal Return, Consumers Rent, Quasi-Rent, Law of Substitution etc. are indeed new terms, however at closer sight not in the least the expression of new discoveries ... At some places they cover the bareness of comfortably recited trivialities" (Ibid.; my translation).

On the Austrian side the reception of Marshallian economics was not much better. The Austrians disliked Marshall's attempt to reconcile the new marginal approach with the old Ricardian school, and in particular they rejected Marshall's concept of real costs of production. However there are notable exceptions as, e.g., Robert Zuckerkandl, who in his long review essay comes to the conclusion that Marshall's *Principles* are the best attempt "to work up the results of modern research, with consideration of the most recent economic development, to a theoretical system" (Zuckerkandl 1891: 53; my translation).

The two main exceptions in Germany were Adolph Wagner and Lujo Brentano. Wagner wrote a very favourable review of Marshall's *Principles* in the Harvard-based *Quarterly Journal of Economics* using the opportunity to hit at Schmoller and other members of the historical school in pointing out that not all German economists "approve of the patronizing and pretentious attitude towards English writers, and especially those of the classic school, which is taken by some of the extreme German representatives of the historical school" (Wagner 1891: 319-20). In contrast to Schmoller et al., Wagner, who welcomed Marshall's *Principles* as a refined version of Ricardo's theory and referred to Marshall in the third edition of his *Foundations* (Wagner 1892-93) no less than 16 times, and his student Heinrich Dietzel highly appreciated Marshall's *Principles*. Schumpeter, who later succeeded Dietzel on his chair at the University of Bonn in 1925 had a more mixed relationship with Marshall (Hagemann 2010).

The other notable exception was Lujo Brentano (1840-1931), Wagner's long-time enemy and Schmoller's life-long friend, who was the most liberal and Anglophile member of the younger historical school. Brentano had been in close contact with Marshall over many decades. When problems with the translation of Marshall's

² The Brentano papers at the *Bundesarchiv* in Koblenz contain correspondence between Brentano and Marshall between 1880 and 1912 mainly on the social question and on the labour movement.





¹ For the following discussion on Brentano's reception of Marshall, including the footnotes, see Hagemann and Rösch (2012: 111-2).





Principles by a young economist, Hugo Ephraim from Leipzig, arose, Marshall contacted Brentano in April 1903 and asked for help in the finalization of the project.³ Thus Arthur Salz, who achieved his Ph.D. with the supervision of Lujo Brentano at the University of Munich in 1905, came in as the second translator.

According to the contract with the publisher J. G. Cotta in Stuttgart, which was signed in September 1903, royalties for Marshall were fixed only from the second edition onwards. Although the publisher sold the 1500 copies of the first edition within a few years, the second edition never materialized. Several reasons came together: Marshall's wish to use the sixth edition of the *Principles* (1910) as the basis, a split between the two translators Ephraim (who dropped out) and Salz, and Salz's ambition to adapt Marshall's German edition to the character of language and the scientific terminology of German economics, to the dislike of the British author, and some reservations to run into new costs by the publisher Cotta who originally preferred a reprint of the existing translation.

Marshall perceived Brentano's foreword to the German edition of his *Principles* as very flattering, and to be sure Brentano was strongly recommending that his pupils read Marshall's *Principles*. Thus, for example, Adolph Lowe (1893-1995), who later was one of the few German professors of economics in the Weimar Republic who used Marshall's *Principles* in his lectures at the Universities of Kiel and Frankfurt, had started to study economics with Brentano in Munich in 1911-12. However, a careful reading of Brentano's foreword reveals that it is not without a certain ambivalence. On the one hand, Brentano is full of praise for Marshall's book "which offers in an admirable way the combination of the results of modern research, own as well as foreign one, with the doctrines of the great economists of the pasts as far as the latter have proved to be tenable as a whole or modified in the course of time" (Brentano in Marshall 1905: iv). On the other hand, Marshall's book is given the task to fill those "gaps in thought and knowledge of students" which could not be covered by the German professors of economics due to a shortage of time. The latter had contributed in an extraordinary way to the advancement of economic knowledge in recent decades, and as independent reformers naturally put more emphasis in their teaching on their innovative contributions.

It should be added that Tokuzō Fukuda (1874-1930), who had been a student of Lujo Brentano at the University of Munich from 1898 to 1901 and later became an influential Professor of Economics, distributed the ideas of Marshall and Brentano in Japan. The Japanese edition of Marshall's *Principles* published in the 1950s also contains a Japanese translation of Brentano's foreword to the German edition. In Germany the only other edition of Marshall's *Principles* was a costly facsimile reprint of the 1890 original English edition in 1989, together with a booklet edited by Horst Claus Recktenwald and essays by Frank Hahn, George Stigler, John Whitaker and Donald Moggridge.

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⁴ See the letter of Cotta to Marshall, 1 August 1913, in which the publisher informed Marshall on the conditions made by Salz.



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³ See Groenewegen (1995: 433-4), and for the following also the correspondence of Marshall and the translator Salz with the publisher Cotta, Cotta-Archiv, Marbach.





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