

Note

¹ Part of the running title of Chapter 10 states: 'Of the circumstances which render it necessary that the Bank should impose its own limit on the quantity of its paper'.

Reference

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In Memoriam: Robert Heilbroner, 1919–2005

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Robert Heilbroner published over twenty books and countless articles over his fifty-year career – spent entirely at the Graduate Faculty of the New School in New York – but he was best known for his first book, *The Worldly Philosophers*, which brought to life that esoteric subject, the history of economic thought. In it we learn, for example, that Adam Smith, who lived with his mother until she died at the age of ninety and then continued his 'bachelor's life in peace and quiet,' was so absentminded that 'on one occasion he descended into his garden clad only in a dressing gown and, falling into reverie, walked fifteen miles before coming to.' Karl Marx was 'not an orderly man; his home was a dusty mass of papers piled in careless disarray, in the midst of which Marx himself, slovenly dressed, padded about in an eye-stinging haze of tobacco smoke'. And Joseph Alois Schumpeter was a 'would-be aristocrat' who lied to friends about his young wife's background: 'when she was away for a year before their marriage, he explained that she was being properly educated in French and Swiss schools. In fact she was earning her living in Paris as a maid' (Heilbroner 1999: 45, 140, 298).

These amusing tidbits might have been enough to sell the book to one generation, but *The Worldly Philosophers* has now inspired several.² Its staying power comes from a compelling rendition of the great efforts to understand the dynamics of capitalism. These dynamics include short-run economic fluctuations and long-run tendencies, impressive wealth accumulation and its devastating 'side effects' in terms of income inequality, poverty, government corruption, business collusion, and industrial concentration. Heilbroner linked these turbulent dynamics to the social, political, ethical and technological issues of the day. What bubbles up from the pages of *The Worldly Philosophers* is the tumultuous evolution of capitalist

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The European Journal of the History of Economic Thought
ISSN 0967-2567 print/ISSN 1469-5936 online © 2005 Taylor & Francis Group Ltd

<http://www.tandf.co.uk/journals>
DOI: 10.1080/09672560500112561

societies over the past 250 years and the creativity of the 'great economic thinkers' in capturing these complex dynamics.

At the same time as he was exploring the nature of the Smithian, Marxian and Schumpeterian contributions, Heilbroner was also making a name for himself as one of the most respected commentators on contemporary economic problems and especially on the prospects for social betterment in the late twentieth century. Heilbroner's writings on the future of capitalism constitute a unique genre. Books such as *The Future as History* (1961), *An Inquiry into the Human Prospect* (1980), *Twenty-First Century Capitalism* (1983) and *Visions of the Future* (1995) and articles in *Social Research*, *The New Yorker* and *The New York Review of Books* placed him at the forefront of public intellectual life in the latter part of the twentieth century.

How are we to reconcile Heilbroner the intellectual historian with Heilbroner the contemporary critic? As I have argued elsewhere,³ these two strands of Heilbroner's writings are closely connected. The worldly philosophers' insistence on endogenous system dynamics, their focus on social determinants of individual psychology and behaviour and the rich interplay of morality and efficiency all help set the tone of Heilbroner's voice as prognosticator. At the same time, Heilbroner's deep concern with the prospects for late twentieth century capitalist societies provided the lens through which he interpreted the history of economic thought. The dual Heilbronerian 'voices' were not just compatible: the historical, ethical and social grounding of the classical vision are what gave meaning to Heilbroner's imagination of the prospects for capitalism in the future.

Heilbroner's embrace of the classics and rejection of the modern-day neoclassicals hinges on the Schumpeterian distinction between 'analysis' and 'vision'. Schumpeter (1954: 42) defines vision as the 'preanalytic cognitive act' that 'enters on the very ground floor'. It is 'ideological almost by definition'. Heilbroner rejected Schumpeter's belief that analysis and vision could be separated, arguing instead that it was precisely the interplay between the two that gave economics its creative strength, that is, its 'worldly' dimension.

Heilbroner's contributions to academic debates in the history of economic thought were limited, his most influential being perhaps his interpretation of the so-called 'Adam Smith problem'. Heilbroner had limited patience for the esoterica that filled many journals in the history of economics. The history of economic ideas was of more than academic interest: it provided the visionary underpinnings for thinking about the future. The specific predictions of the worldly philosophers were often wrong (Heilbroner particularly enjoyed 'sparring' with Marx and Schumpeter in this regard). But this was much less important than the fact that these thinkers were deeply engaged with problems of capitalism in their

day, and sought to generalize only from that very engaged perspective, in which politics and morality were intertwined with economic forces in a way that meant these 'non-economic' considerations could not be ignored. For all its lightness of style, the subtext of *The Worldly Philosophers* is an ambitious one: to unveil the grand role for economic thought in social progress. '[A] worldly philosophy,' Heilbroner wrote, 'has a unique potential to provide the visionary guidance that will help at least some capitalists make their way as safely as possible through the coming decades...' (Heilbroner 1999: 320–1).

In the seventh, and most recent, edition of the book, published in 1999, Heilbroner added a new, final chapter with the ambiguous title 'The End of the Worldly Philosophy?' Heilbroner clearly intended a play on the dual meaning of the word 'end': purpose and termination. He lamented that the grand purpose of economics, as exemplified by the worldly philosophers, had been lost with the modern embrace of science and its presumption of value-neutrality. In this sense, Heilbroner argued, the two meanings of the term 'end' in the title of the final chapter of *The Worldly Philosophers* are linked, as the narrow, 'pseudoscientific' focus of contemporary thought was leading economics to its demise because of its failure to play the important normative role in society that the ideas of Smith, Ricardo, Malthus, Marx, Mill, Keynes and Schumpeter played in their day. Heilbroner laments: 'The new vision is Science, the disappearing one Capitalism' (Heilbroner 1999: 314).

The economics profession has lost one of its most popular historians of economic thought and one of its most respected radical critics. While his brilliantly flowing and lucid writing style can probably never be replicated, Heilbroner's understanding of the purpose of economic thought – 'to give meaning to economic life' – will, I hope, be embraced by economists and intellectual historians for generations to come.

Notes

1 This piece draws on three recent essays of mine, listed as Milberg (2004a, 2004b, 2005).

2 See, for example, the Summer 2004 issue of *Social Research*, entirely devoted to a celebration of the fiftieth anniversary of the publication of *The Worldly Philosophers*.

3 Milberg (2004b).

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Roy Harrod and the Keynesian revolution: his newly published correspondence

Walter Eltis

1. Introduction

Daniele Besomi's edition of Roy Harrod's correspondence from the inter-war years together with influential newspaper articles and hitherto unpublished papers (Harrod 2003) places us inside the intellectual ferment in the economics profession in the 1930s. The 941 pages of Harrod's correspondence contain much that is fascinating. Most of his many letters to and from John Maynard Keynes are already published in the thirty volume Keynes edition, but Besomi's meticulously edited pages add equally important and interesting correspondence with Evan Durbin, Godfried Haberler, Ralph Hawtrey, Hubert Henderson, Nicholas Kaldor, Richard Kahn, Frank Knight, James Meade, Arthur Pigou, Dennis Robertson, Joan Robinson, Jan Tinbergen and many others. The subjects covered include many in microeconomics that Harrod addressed through a series of original and influential articles in the pioneering imperfect competition literature and during his chairmanship of the Oxford Economists' Research Group, which met or corresponded with several hundred leading businessmen. For most readers it will be the leading issues in macroeconomics that are of most interest, not least because many are still controversial in the twenty-first century. This article will focus on how Harrod's 1930s correspondence illuminates the debates that arose in the creation and dissemination of Keynes's new economics and of Harrod's own development of the first basic formulae of economic growth from the new magnitudes of Keynesian economics.

Harrod was exceptionally close to Keynes (he succeeded him as editor of the *Economic Journal* and became his official biographer), but he was not a

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