

J. A. SCHUMPETER, WERNER STARK, AND THE HISTORIOGRAPHY OF ECONOMIC THOUGHT

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This article intends to assess and compare the main contributions to our discipline of two major authors and authorities. Both of them originated in Central Europe and, later on, went to work in the United States, where their most important books on the subject were published posthumously during the second half of the twentieth century. At the same time, besides pertaining to different generations, they also were very unlike from each other.

The eldest, Joseph Alois Schumpeter (1883–1950), remains much better known among contemporary economists, although very few of them seem to have read in its entirety his imposing *History of Economic Analysis* (1954a), still a model of our trade. The same probably also applies to his shorter and previous book on the same subject, *Economic Doctrine and Method*, which had been initially published in Germany forty years earlier, as well as to the essays collected in his *Ten Great Economists: From Marx to Keynes*.¹

Werner Stark (1909–1985) has been more noted up to now as an eminent sociologist. But after having published two thoughtful and stimulating booklets in England in 1943 and 1944—*The Ideal Foundations of Economic Thought*, and *The History of Economics in its Relation to Social Development*—he left an important manuscript called *History and Historians of Political Economy*, finally issued as a book fifty years later, with a contents characterized by very valuable epistemological and methodological insights.²

While Schumpeter apparently never mentioned Stark in his writings, the latter was well aware of and quite critical of the former's contributions. In his latest

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¹ Referred to as Schumpeter (1952). Nevertheless, only the first two of these three books will be discussed here, under the designations of Schumpeter (1954a) and Schumpeter (1954b). The complete reference for the latter appears below in note 4, and in the references

² These books will be labeled as Stark (1943), Stark (1944), and Stark (1994), respectively.

book, which had been written much earlier, there are no references whatsoever to Schumpeter's *History of Economic Analysis*. But in 1955, Stark did publish a review of it in *Kyklos*, a German-Swiss economic journal to which he also contributed several other articles.

In discussing the contributions of both authors to the historiography of economics, I shall refer to these articles, as well as to other auxiliary works by them. The secondary literature on these writings will also be taken into account whenever needed. This literature is much more voluminous and controversial with regard to Schumpeter than in the case of Stark.³

By considering their ideas equally relevant and not necessarily alternatives to each other, I assume that as historians of scientific ideas, we should refrain succumbing either to the temptations of theoretical manicheism or to the spell of unwarranted eclecticism. For these reasons, one of my objectives in this article is to show that despite notorious and apparently irreconcilable divergences that were always forcefully expressed by Stark, his ideas ultimately finished by converging with those of Schumpeter. This convergence, of course, did not result in a unique and identical opinion, but only in some complementary perspectives—an outcome that may also prove quite satisfactory for the actual or potential users of their contributions.

With that purpose in mind, the following two substantive parts of the article seek to characterize, in turn, the main features of both authors' views on the subject and methods of the history of economic thought. The confrontation of these is completed by an assessment of Stark's criticism to Schumpeter's works, and by a brief and still provisional conclusion derived from it.

I. SCHUMPETER'S TWO HISTORIES OF ECONOMIC THOUGHT

Schumpeter began to write and publish on our subject relatively early in his long career. The book *Epochen der Dogmen und Methodengeschichte*,⁴ first issued in 1914, was the third that he published after his study on methodology⁵ and his famous *Theory of Economic Development*.⁶ That book, perhaps together with the initial one,⁷ can be viewed as a first approximation to Schumpeter's posthumous

³ On the former, see the illuminating surveys made by Mark Perlman (1982, 1995, 1997). The only worthwhile comments I found on Stark's historiography of economics are credited to Charles M. A. Clark (1994, 2001).

⁴ This book, initially commissioned by Max Weber to become the first volume of a collection named *Grundriss der Sozialökonomik*, was reissued in German ten years later, but was translated into English only after Schumpeter's death, with the title of *Economic Doctrine and Method: An Historical Sketch*.

⁵ *Das Wesen und der Hauptinhalt der Theoretischen Nationalökonomie*. Leipzig: Duncker & Humblot, 1908. For a long time, this book remained available only in its original German edition, reprinted in the 1970s. It was translated into Japanese in 1936, and into Italian in 1982 (Shionoya 1990, pp. 187–88).

⁶ Its first German edition came out in 1912 and was revised by Schumpeter and reissued in 1926. The English translation was published in 1934, when Schumpeter was already working at Harvard University.

⁷ The considerable importance of this still largely unknown work has been duly ascertained by Yuichi Shionoya (1990).

magnum opus, in the same way as the essays collected in Schumpeter (1952) after his death but that he had written during the preceding decades.⁸

This gradualism, which occurred equally in relation to Schumpeter's other books,⁹ can be clearly perceived by comparing the "Bibliographical Preface" of *Economic Doctrine and Method*¹⁰ with part I of the *History of Economic Analysis*, entitled "Scope and Method."¹¹ While the former still was a very short and sketchy survey of the specialized literature that had preceded that early work of the author in the history of economics, the latter—although incomplete and unfinished—extended over four chapters, in which Schumpeter not only discussed such themes as "Why Do We Study the History of Economics?"¹² but also presented his views on matters such as "The Techniques of Economic Analysis," "Contemporary Development in Other Sciences," and "The Sociology of Economics."¹³

Even so, from his earlier book, the following important statement deserves to be mentioned here:

Specialized research in the field of the history of doctrines must of course be looked for in the first place in specialized works about individual authors and schools . . . From the history of individual doctrines and problems, in which full justice can be done to the historical evolution in all its details, we can learn far more than from comprehensive histories, and monographs (Schumpeter 1954b, pp. 4–5).

The same plea for the primacy of specific scientific historical research procedures *vis-à-vis* the elaboration of broader and more general essays in the history of ideas reappeared with further details and a greater emphasis in the already mentioned first part of his latter book. According to what we are told in its "Editor's Introduction," this work derived in great part from Schumpeter's final nine years of teaching at Harvard University, during which time he gave successive courses in the history of economic thought (Schumpeter 1954a, pp. v–vi).

This last observation is both interesting *per se* and important in relation to the frequent accusations of conservatism and positivism leveled against Schumpeter's *History of Economic Analysis*. Such accusations were confirmed by at least one of his students at that time, "Schumpeter as a teacher promoted neoclassical orthodoxy rather than his own heresies . . . (He) almost never taught, discussed or assigned his own substantive work" (Tobin 1991, pp. viii, ix).

It was also at this same juncture that he established his differentiation between "economic analysis" and "economic thought," thereafter concentrating his focus

⁸ A good comment on the merits and shortcomings of that selection can be found in Perlman (1997).

⁹ His *Business Cycles*, published in 1939, can be considered a new and more elaborate version of his *Theory of Economic Development*.

¹⁰ Schumpeter (1954b, pp. 3–5).

¹¹ Schumpeter (1954a, pp. 1–47). My copy of this work is from the 1961 fourth printing of the original edition.

¹² Schumpeter (1954a, pp. 4–6).

¹³ See chapters 2, 3 and 4 of the referred to part. A good analysis of Schumpeter's sociological views can be found in Shionoya (1996) and also in a previous article by Richard Swedberg (1989). But the most exhaustive methodological analysis and critique of that great book was produced by Hans Aufrecht (1991).

on the former (Schumpeter 1954a, p. vii), although without entirely relinquishing his interest in the latter, which, according to him belongs more to the province of economic history than to the realm of the history of economics (Schumpeter 1954a, p. 52). Within this perspective, Schumpeter defined the history of economic analysis as, “the history of the intellectual efforts that men have made in order to *understand* economic phenomena or, which comes to the same thing, the history of the analytic or scientific aspects of economic thought” (Schumpeter 1954a, p. 1). The economic phenomena themselves are also very important in historical terms, whenever one takes into account, “the fact that the subject matter of Economics is in itself a unique historical process . . . so that, to a large extent, the economics of different epochs deal with different sets of facts and problems” (Schumpeter 1954a, p. 5). At the same time, he added, “scientific Economics, does not lack historical continuity,” and its “filiation of scientific ideas . . . does not differ from the analogous processes in other fields of knowledge” (Schumpeter 1954a, p. 6). Schumpeter recognized that this was something that might be disputed by many, because of the existing doubts about the scientific status of economics.

Of course, Schumpeter himself did not harbor any restrictions in this regard, only pointing to the difficulties that might be caused by the pervasiveness of ideology in economics and in the social sciences in general. That point had been raised by him earlier in his presidential address to the American Economic Association (Schumpeter 1949). According to him, another related obstacle derived from the fact that:

common-sense knowledge goes in this field much farther relatively to such scientific knowledge as we have been able to achieve, than does common sense knowledge in almost any other field . . . The primitive apparatus of the theory of demand and supply is scientific. But the scientific achievement is so modest, and common sense and scientific knowledge are logically such close neighbors in this case, that any assertion about the precise point at which the one turned into the other must of necessity remain arbitrary (Schumpeter 1954a, p. 9; see also p. 161).

For this reason, the subsequent chapter of the same part began with the following definition: “What distinguishes the ‘scientific’ economist from all other people who think, talk and write about economic topics is a command of techniques that we class under three heads: history, statistics and ‘theory.’ The three together, make up what we shall call Economic Analysis” (Schumpeter 1954a, p. 12).

Most of that chapter was directed to the discussion of these three legs of economic analysis, to which Schumpeter almost immediately added a fourth one—economic sociology. In that same chapter, he also discussed the diverse concepts and meanings of the term “political economy” (1954a pp. 22–23), together with the various applied fields of scientific economics or economic analysis (1954a, pp. 22–24).

Having dealt with the relationships between economics and related disciplines such as Sociology, Logic, Psychology and Philosophy (1954a, pp. 25–32), Schumpeter again, in chapter 4 of the first part of his book, took up the question of the differences among the histories of economic analysis, economic thought, and

political economy systems.¹⁴ Pointing to the example of Adam Smith's *The Wealth of Nations*, he tells us that, "we are not so much interested in *what* he argued for as . . . in *how* he argued, and what tools of analysis he used in doing so" (1954a, p. 38).¹⁵

At the same time, although being a true believer in the existence of scientific progress, Schumpeter clearly knew this was something very difficult to ascertain within the social sciences in general and, more particularly, in the realm of economics. These difficulties can be readily perceived in his famous argument on the scientist's "visions":

In practice we all start our research from the work of our predecessors, that is, we hardly ever start from scratch. But, suppose we did start from scratch. What are the steps we should have to take? . . . (A)nalytic effort is of necessity preceded by a pre-analytic cognitive act that supplies the raw material for the analytic effort. In this book, this preanalytic cognitive act will be called vision. It is interesting to note that vision of this kind not only must precede historically the emergence of analytic effort in any field, but also may reenter the history of every established science each time somebody teaches us to *see* things in a light of which the source is not to be found in the facts, methods and results of the pre-existing state of the science (1954a, p. 41).

Although that "vision" tends to be essential for any original analytical work, it should not overlap with the latter, in order to avoid the occurrence of ideological biases. According to Schumpeter, this result can be attained not only by taking for granted that "vision is ideological almost by definition," but also by sticking to the rules of procedure, which "are almost as much exempt from ideological influence as vision is subject to it" (1954a, pp. 42–44).¹⁶

On the whole, we may well assume that Schumpeter valued original knowledge above all—namely, the knowledge that revolutionizes accepted views and methods. The changes it entails are rooted both in a previous accumulation of factual knowledge and in the dissatisfaction with prevailing theories. Or, as he said, "The most obvious way in which sciences advance is by *new departures*, that is by the discovery of new facts, or new aspects of old facts, or new relations between facts. Examples will be given from the history of Physics and of Economics" (1954a, p. 1141).

An initial conclusion is that Schumpeter's *History of Economic Analysis* is much more than an expanded and more elaborate version of his previous works on the same subject. It actually represents a new achievement of superior order, which clearly distances itself from them both in size and in quality.¹⁷ The 200 pages of *Economic Doctrine and Method* were less numerous than those of any part of his *History*, with the exception of the first and the last ones, i.e., the "Introduction" and the "Conclusion." On the other hand, the periods covered by the various parts of the *History* are not the same as those of the four chapters of *Economic Doctrine and Method*.

¹⁴ The same issues were taken up again by him on pp. 52–53.

¹⁵ The same argument is repeated in a somewhat different wording on p. 1141.

¹⁶ See also in this regard pp. 561–62.

¹⁷ This same viewpoint has been held by Perlman (1997, p. 15).

These four chapters are: I. The Development of Economics as a Science (up to the Mercantilists and the Cameralists); II. The Discovery of the Circular Flow of Economic Law¹⁸ (Physiocrats and Adam Smith); III. The Classical System and its Offshoots (including Stuart Mill and Karl Marx); and IV. The Historical School and the Theory of Marginal Utility. On the other hand, the three substantive parts of the *History of Economic Analysis* deal with the evolution of economics “From the Beginnings to the First Classical Situation” (part II, which thus includes the first two chapters of the former work); “From 1790 to 1870” (part III); and “From 1870 (and later)” (part IV).

Such differences cannot be attributed only to the interval of roughly thirty years separating the elaboration of the two books, although this certainly had some importance by allowing the author to push his enquiry beyond the first years of the twentieth century up to the interwar period. Neither were they caused by the time taken for the completion of each work. They derived essentially from their respective natures, with the former one representing no more than a work of synthesis, predominantly based on secondary sources (listed at the beginning of each of its chapters), and the latter being on the contrary the result of a laborious and systematic analytical effort, based upon direct consultation of all the relevant bibliographical and documentary primary sources available.

A specific contribution of the *History of Economic Analysis* lies in the concept of “classical situations,” a post-Keynesian criterion of periodization that Schumpeter created for describing the achievement of theoretical agreements after long periods of struggle and controversy, which finally gave rise to consensus and to the consolidation of the fresh and original work that preceded it (1954a, pp. 51, 379–80). This concept bears a certain similarity to the idea of “paradigms,” later formulated by Thomas Kuhn in his famous book on *The Structure of Scientific Revolutions* (1962).¹⁹

Since, according to Schumpeter, the first of these classical situations only appeared in the second half of the eighteenth century, and since none of them could be understood by itself, he undertook in part II of the *History of Economic Analysis* the huge effort of covering “the whole span of more than 4000 years that extends from the ‘beginnings’ to about twenty years after the publication of *The Wealth of Nations*” (1954a, p. 52).²⁰

For Schumpeter, that first classical situation resulted from, “the merger of two types of work ... the stock of factual knowledge and the conceptual apparatus that had slowly grown, during the centuries, in the studies of philosophers. And ... a stock of facts and concepts that had been accumulated by men of practical affairs ...” (1954a, p. 52). After reviewing in one chapter the scattered and

¹⁸ The title of this chapter reminds one of the first chapter of Schumpeter’s *Theory of Economic Development* (“The Circular Flow of Economic Life as Conditioned by Given Circumstances”).

¹⁹ That similarity has been duly noted by a couple of contributors to a volume published in 1996 under the editorship of L. S. Moss, such as Backhouse (1996) and Shionoya (1996). See also, the essay by Jensen (1987). One of the first applications of Kuhnian categories to the history of economics can be found in Coats (1969).

²⁰ No fewer than five essays of the Moss volume mentioned in the previous note were dedicated to a critical assessment and completion of that part of the *History of Economic Analysis*.

incremental contributions of ancient Greek philosophers and Roman statesmen, and in another those of medieval scholastic theologians, laical intellectuals of the Renaissance, and Natural Law philosophers of the sixteenth, seventeenth and eighteenth centuries, Schumpeter attempted to classify the voluminous economic literature of that very long formative period.

He attributed the difficulties of such a task to the incipient nature of economic knowledge in that period, previous to the emergence of any established professional standards. This made the field of economic thought not only undefined, but much wider than at the time when Schumpeter was writing his book, by including “for instance, technology” (1954a, p. 155). And some pages later, he stressed again that, up until 1750, economic analysis had remained quite rudimentary (1954a, p. 161). In a further chapter, he grouped the “econometricians” and Turgot—including among them the Physiocrats (1954a, pp. 209–49). From there, Schumpeter turned to a discussion of the main research themes and economic policy issues, beginning with population, rent, wages, and employment (1954a, pp. 250–75), then shifting to value and money (1954a, pp. 276–334), and ending with a chapter on the “Mercantilist Literature” (1954a, pp. 335–76).

The next stage of this study, part III of the book, concerns the period from 1790 to 1870, the so-called “classical” period of economics. Here again, he first reviewed the main authors and then the main themes of their works (1954a, pp. 463–526, 527–74). He preceded these surveys with very instructive introductions on the social, political, and intellectual background of the period (1954a, pp. 379–462). It was in that period that a rapid process of professionalization occurred, by which economics finally became a specialty and established its claim to a singular field of research.

The same procedure was repeated in part IV, which covers the period “from 1870 to 1914 (and later),” and where Schumpeter began, as before, with an “Introduction and Plan,” followed by two chapters on the period’s background (1954a, pp. 753–99). Here again he referred to the consolidation of a new theoretical paradigm:

The breaks with tradition around 1870 were meant to be breaks by the same, men whose names are associated with them ... Upon these “revolutions” followed two decades of struggle and more or less heated discussions. And from these again emerged, in the nineties, a typical classical situation in our sense, the leading works of which exhibited a large expanse of common ground and suggested a feeling of repose, both of which created in the superficial observer an impression of finality—the finality of a Greek temple that spread its perfect lines against a cloudless sky (1954a, pp. 753–54).

But, perhaps even more important than this statement was the sentence that immediately followed it, “But in the last decade or so before the outbreak of the First World War, even the superficial observer should have been able to discern signs of decay, of new breaks in the offing, of revolutions that have not as yet issued into another classical situation” (1954a, p. 754).

After these came a chapter on the German historical school and another on the remaining economic authors of the period (1954a, pp. 800–85). The value and distribution theory of this time had “experienced a revolution of its own,

which was to subside into a typical Classical Situation around 1900.” The Economics of that period was reviewed further in three long chapters (1954a, pp. 886–1135).

Finally, part V, the Conclusion entitled, “A Sketch of Modern Developments,” constitutes a rather descriptive and schematic summing up of the post-WWI theoretical developments up to Keynes and modern macroeconomics (1954a, pp. 1139–184).

Theory for Schumpeter was much the same thing as for Joan Robinson in her famous *The Economics of Imperfect Competition* (1933), “not a stock of political recipes but . . . a box of analytic tools . . . [which] are not a heap of disconnected elements but form an engine . . . [that] grinds out results, within wide limits, no matter what the concrete problem is that is fed into it” (1954a, p. 474). According to what we are told by Shionoya (1990), this instrumental perspective had an older vintage in Schumpeter’s own ideas, exposed in his first book of 1908, on the methodological foundations of neoclassical economics. But it was only in this posthumously released work that he introduced and used it as a criterion for characterizing the historical evolution of economics.

Ricardo was, for him, the first economist who had arrived at such a construction or mode of reasoning (Schumpeter 1954a, pp. 474, 539), whose results are generalizations and “laws.” And these would reach a much higher precision when they became expressed in geometric and/or algebraic terms. Referring to the “classical” economists of the first half of nineteenth century, Schumpeter had arrived at the conclusion, “Many circumstances combined the theory of those writers in a state that cannot be described as anything but primitive; but one of them was obviously the lack of the appropriate technique; essentially quantitative relations cannot be stated satisfactorily without mathematics” (1954a, pp. 602–603).

For Schumpeter, the main objective of any theory was to point out the logical relationships of apparently unconnected variables—and that was ultimately the main reason why he valued so highly the theoretical contribution of Walras.²¹ The justification for it, in his words, was:

The history of analytic effort in this field is the history of a growing awareness, partial at first, ever more general later on, of the presence of a logically coherent process, an awareness that first attained conscious formulation in the works of such men as Cantillon, Quesnay, A. Smith, Say and Ricardo. But it was only in the period under discussion that the conception of an economic cosmos that consists of a system of interdependent quantities was fully worked out with all its problems, if not quite satisfactorily solved, at least clearly arrayed and with the idea of a general equilibrium between those quantities clearly established in the center of pure theory (1954a, p. 918).

Only after that point had been reached could he affirm that “there existed by about 1900, though not a unified science of economics, yet an engine of theoretical analysis whose basic features were the same everywhere” (1954a, p. 952). The exception of the Marxists was acknowledged by him on the same

²¹ A great fuss has been made of Schumpeter’s praise of that author. An adequate survey of the issues involved in it can be found in an article by George R. Feiwel (1986).

page, but it is important to stress that for Schumpeter even they remained very much within the boundaries of the discipline by way of their all-encompassing dynamic theories.

This last observation takes us back to the beginning of the *History of Economic Analysis*, where he had stated, “the garb of philosophy is removable also in the case of Economics: economic analysis has not been shaped at any time by the philosophical opinions that economists happened to have, though it has frequently been vitiated by their political attitudes” (1954a, p. 31). And “even those economists who held very definite philosophical views, such as Locke, Hume, Quesnay, and above all Marx, were *as a matter of fact* not influenced by them when doing their work of analysis” (1954a, p. 32).

It is always worthwhile to remember that Schumpeter used and directed these statements against what he termed:

pseudo-explanations of the evolution of Economic Analysis, with a strong appeal for many historians of Economics, who are primarily interested in philosophical aspects and therefore attach an undue weight to . . . such aspects which in fact abound in the literature and are not always easy to recognize for what they are—frills without importance that nevertheless obliterate the filiation of scientific ideas (1954a, p. 32).

With this last citation, we can finally take our leave from Schumpeter and turn to Stark’s contributions. Almost all of these preceded Schumpeter’s *History of Economic Analysis*. But, interestingly, Schumpeter did not seem to have made acknowledgement of them in his work. And yet, as we shall see, the reverse was not true, since Stark mentioned *Economic Doctrine and Method* in several of his writings, and later reviewed Schumpeter’s *History* in a German-Swiss economic journal (Stark 1955).²² However, before looking at its contents, we need first to examine Stark’s previous works on the same subject.

II. STARK’S CONTRIBUTIONS TO THE HISTORIOGRAPHY OF ECONOMICS

Stark’s contributions consist of his two initial booklets from the WWII period, a couple of articles he published thereafter,²³ and his recently issued posthumous book. Werner Stark was born in 1909 in Marienbad, Bohemia, then a part of the Austro-Hungarian empire.²⁴ He studied at the University of Hamburg, in Germany, where he completed a doctorate in political science in 1934, with a dissertation in economic history.²⁵ During his academic formation he also attended lectures at the London School of Economics (1930–31) and at the Universities of Geneva, Switzerland (1933), and Prague, where he obtained a second doctoral degree in 1936, this time in law. He had moved there after

²² In this regard, see also Stark (1959).

²³ In particular, Stark (1947, 1950).

²⁴ The biographical information presented here has been extracted from Clark (1994).

²⁵ *Ursprung und Aufstieg des landwirtschaftlichen Grossbetriebe in der böhmischen Ländern* (Origin and Development of Large-Scale Agricultural Enterprise in Bohemia and Moravia).

Hitler's ascent to political power in Germany. Due to the German invasion of Czechoslovakia in 1939, he fled to Britain, living and working in Cambridge until the end of WWII. Thereafter, he held teaching positions at the Universities of Edinburgh (1945–51), Manchester (1951–63), and finally at Fordham University in New York (1963–1975). After his retirement from Fordham, he moved to Salzburg, Austria, where he spent his final years.

Most of his published works in the history of economic thought derived from his residence in Cambridge.²⁶ The first was his booklet, *The Ideal Foundations of Economic Thought*, a set of three essays dealing with the origins,²⁷ the crisis,²⁸ and the superation or substitution of classical economics.²⁹ Although sharp, and even brilliant, in philosophical terms, these essays on the social philosophies underlying the evolution of economic thought were still rather incomplete and unsatisfactory in relation to the history of economics.

The least controversial was the first one, which located the philosophical roots of classical economics in the works of John Locke and G.W. Leibniz. At the end of it, Stark stressed that “classical economics, arising (in the second half of the eighteenth century) . . . was at once realistic and idealistic” (Stark 1943, p. 49): realistic with regard to the analysis of the initial development and stable functioning of market economies, and idealistic due to its assurance that the situation of equilibrium could last indefinitely. According to him, that outlook underwent a complete change due to the effects of the first Industrial Revolution—a change that the emerging economic science took quite a long time to assimilate and incorporate into its theoretical schemes.

One of the first consequences of that change on the philosophical and theoretical level was the definite and irreversible disassociation and conflicts that emerged between liberalism and socialism, or better said, between individualism and collectivism. By analyzing and comparing the libertarian alternative of Thomas Hodgskin (1787–1869) with the egalitarian alternative of William Thompson (1785–1833), the second essay attempted to demonstrate how this confrontation led to the end of classical economics, and to its subsequent substitution by Marxist economics on the one hand, and by neoclassical marginalism on the other. The origins of the latter are examined in the third essay, which takes Hermann Gossen (1810–1858) and Richard Jennings (1814–1891) as its main precursors.

The last paragraph of the second essay provides a good sample of Stark's viewpoints at that time:

Yet the union of liberty and equality remained the day-dream of mankind. It reappeared, though somewhat altered, in Karl Marx, whose system of thought was a synthesis of Hodgskin's theory of development and Thompson's collectivist utopia. Thus the old ideal was taken over by the critic of political economy, and political economy lost its ideal (1943, p. 149).

²⁶ To those mentioned above in notes 22 and 23, we may add Stark (1958).

²⁷ “The Philosophical Foundations of Classical Economics” (Stark 1943, pp. 1–50).

²⁸ “The End of Classical Economics or Liberalism and Socialism at the Crossroads” (Stark 1943, pp. 51–148).

²⁹ “The Scientific Foundations of Modern Economics” (Stark 1943, pp. 149–208).

As we all know, reality tends to change faster than ideas, which insist on hanging on even after having been completely phased out of reality for a long time. Their demise, however, can eventually be accelerated by insistence to stand by them, and/or through attempts to reconcile them with new realities. It was precisely this that seems to have happened with the writings of Gossen and Jennings, which, despite their declared intentions, actually pointed to “the disappearance of the old social philosophy” and to “the dissolution of the old social ideal.”³⁰ In his postscript to that work, Stark stressed that:

Of the four great thinkers who first formulated the theory of marginal utility, two still preserved something of the old idealistic spirit: Walras and Marshall. The attitude of Jevons and Menger, however, was already purely positivistic, or . . . purely scientific. It was the more modern attitude, and therefore the attitude which won the field. Walras was eclipsed by Pareto, and it is only at Cambridge that the great tradition of Locke and Leibniz still survives (1943, p. 209).

Leaving aside this last statement, which may be attributed to a feeling of gratitude for having been well received as a refugee, one cannot fail to see in it a schematic simplification of neoclassical economics that might have been due at the time to a lack of greater familiarity with its literature. But, there was still another aspect—namely, Stark’s idealized version of classical economics—that also seems to have led him in the same direction and which can be perceived in the paragraph that immediately follows the statement reproduced above:

The development of political economy from a doctrine that at once was realistic and idealistic, to a purely realist theory is commonly hailed as a glorious progress. Yet it can only appear as such if the standards of the present are uncritically taken for granted . . . If there be no difference between nature and society, then, indeed, modern economics, consciously shaped as it is on the model of mathematics and physics, is the perfection of reason; but, if the two realms are essentially different . . . classical economics must needs be superior, because it combined a systematic description and logical analysis of what it is, with normative investigation and ethical doctrine of what ought to be (1943, p. 209).

It is always worthwhile to remember that the influence of physical and natural sciences—and of mathematics—in political economy did not begin with neoclassical economics, but much earlier. This wasn’t unknown by Stark at that time, as we can gather from his observation on the same page, that “the law of diminishing utility (was) not a new invention,” with the law of Gossen and Jennings being “the law of Bentham and Bernoulli in changed form.” To be sure, Stark’s whole approach in this first book, both to classical and marginalist theories, seems to have been rather superficial, with authors like Quesnay, Smith and Say, or Jevons, Marshall, Menger, and Walras being mentioned *en passant* or second-hand, while others—such as Sismondi, Stuart Mill or von Thünen—did not appear in it at all.

Such limitations were overcome and eliminated in Stark’s second booklet, which actually represented a partial and preliminary version of his posthumous

³⁰ Subtitles appearing on pages 149 and 179 of Stark (1943).

work published in 1994. Actually, both were coeval according to Stark's own statement in his preface.³¹ Its main essay corresponds to a revised version of the posthumous book's eighth and last chapter, while its first appendix can be found in chapter four of the same book.³² But, what really matters is the fact that through it, we are in the presence of a more mature, a very learned, and highly reasoned piece of work. This can be perceived in its preface, where Stark begins by surveying the evolution of historiography in general—from pragmatism to positivism, and from the latter to interpretation and explanation—a trend in which, according to Stark, the history of economics had lagged behind (Stark 1944, p.vii).

The author's main concern in this respect was more methodological than empirical. The challenge he attempted to face was clearly stated in the two initial paragraphs of the main essay itself:

There are, in the last analysis, two ways of looking upon the history of economic thought: the one is to regard it as a steady progression from error to truth, or at least from dim and partial vision to clear and comprehensive perception; the other is to interpret every single theory put forward in the past as a faithful expression and reflection of contemporary conditions, and thus to understand its historical causation and meaning.

It is obvious that between these two antagonistic conceptions no compromise is possible. If the one is right, the other must be wrong. Which, then, is that affords the true key to the understanding of the development of Economics? (1944, p. 1).

Stark clearly favored the second alternative but, at the same time, he did not seem to want to adopt an anti-evolutionary viewpoint. On the contrary, on the next page he stated that:

The transition from the classical to the neoclassical doctrine was gradual, and it corresponded to a much wider movement of thought, which is traceable in all sciences and arts. It was gradual; for ever since 1830 there is a noticeable steady endeavour to put subjective, i.e. individualistic interpretations upon the objective, i.e. social, categories of the classical economists (Stark 1944, p. 2).

Postulating the existence of all-inclusive trends, he then almost at once arrived at the main thesis of his essay, that “modern (that is, neoclassical) Economics immediately appears as a simple product of historical development, as a mirroring of the socioeconomic reality within which it took its origin, not only the various theories which preceded it” (1944, p. 2).

Even if there still remain some historical inaccuracies—such as the coupling of (Stuart) Mill and Schmoller *vis-à-vis* Menger and Jevons³³—Stark's substantive message not only appears essentially sound and correct, but also does not seem

³¹ “The form in which I present this essay . . . is not the one in which I first put it on paper . . . [A] rather lengthy book in which the reader had to make his way through long disquisitions and discussions . . .” (Stark 1944, p.viii).

³² “The Material Contents of the History of Political Economy” (Stark 1994, pp. 223–77), and “The Intellectual Stages of the History of Political Economy” (Stark 1994, pp. 113–30).

³³ Stark (1944, p. 3); the first of them clearly pertained to a different and previous generation from the other three.

to be diametrically opposed to Schumpeter's positions on the same issues. Although stating that "Economics is a science of society, and must change with the changes thereof" (1944, p. 4), he almost immediately added that:

Perhaps it would not be unfair to describe and develop [the] underlying idea as follows: the economic reality of a period forms the view of the contemporary economists; but these views in their turn transform the economic reality which they interpret, so that in the end, things and thoughts appear in the same way as determining and determined elements (1944, p. 5).

Nonetheless, we must be careful to avoid mixing these two categories since, "The transformation of economic life is a real and political *process*, its interpretation, however, an ideal and individual *act*. Therefore its analysis and explanation must start from a different basis" (1944, p. 6). And historical relativity itself should always be weighed in each case, since:

Posterity knows nothing of the inner struggle of the thinker; it sees only the thought which has become history . . . It is the historical perspective which allows us to advance from the assertion that ideas are conditioned by reality, to the assertion that they are determined by it—provided we do not forget that the formation of ideas has never been, subject to absolute necessity in its time (1944, p. 7).

After having stated these assumptions and premises, Stark boldly concluded that he had provided "a key to the understanding, and a tool for the analysis, of all theories put forward in the past" (1944, p. 8). He then attempted to prove this through short surveys on mercantilism, physiocracy, Adam Smith's *The Wealth of Nations*, the departures from it by Say, Ricardo, and Malthus, the labor-value theory of Marx, the rise of German historicism, and neoclassical economics.³⁴

This main essay was followed by two appendices, the last of which consisted of a chronological listing of "The Main Literature on the History of Economics" (1944, p. 76). Among the twenty authors and works, from 1871 to 1940, figuring into it, more than two thirds were either German or Anglo-American (seven titles each), five were French and one Italian. Schumpeter's *Epochen der Dogmen und Methodengeschichte* was among the former. But the most important and most interesting appendix was, undoubtedly, the first one—on "The Formal Problems of the History of Economics,"³⁵ which deals with matters of periodization and with conceptual definitions. Or, as the author stated in his own words, "the historian of economics must know where to begin; how to group the thinkers whom he means to discuss; and, lastly, who is to be included in, and who is to be excluded from, his considerations" (1944, p. 59)

The crux of these problems is, of course, epistemological and has to do with the nature and limits of the scientific discipline whose historical reconstruction and analysis is to be undertaken. In a way not unlike that of Schumpeter in his later *History of Economic Analysis*, Stark, already in the early forties, pointed to the fact that:

³⁴ Stark (1944, pp. 8–58).

³⁵ Stark (1944, pp. 59–75).

In every period there is wide range of ideas on economic life, from very primitive concepts to over-refined systems of thought. Where is the line of division between scientific and unscientific ideas? . . . In the present, it may be simple enough to separate the corn from the chaff, but in the past it is not always easy to part thinkers and talkers, connected as they appear by the spirit of their age. Yet a boundary line has to be drawn, be it at a venture (1944, p. 60).

This separation, however, only becomes possible with the advent of modern national economies and states: “*Viewed historically, political economy is the investigation and analysis of the order dominant in modern exchange economy*” (1944, p. 61). It is important to add that economics as a science did not appear at once and suddenly, but developed, like the economy whose functioning it seeks to explain, in a slow historical process. According to Stark, “the principles of free exchange, as well as other intellectual reflection may have appeared first in the sphere of money and monetary circulation . . .” and from there it probably passed to “foreign trade, and then commerce; in a latter stage industry; and only after some centuries, the citadel of tradition, agriculture” (1944, pp. 62–63).

In the same appendix, Stark explicitly stressed the scientific character of economics, by stating that:

The adherents of historicism are prone to forget that they are concerned with the past of *science*. Their opponents, on the other hand, fail to realize that it is the *past* of a science which is to be studied. But it is at the same time the past *and* science which the historian of political economy has to deal with (1944, p. 65).

This, of course, affects the criteria of periodization, which should be “taken from economics proper, but [comprehending] it as a progressive development.” And this, in turn, can be translated into “a growing knowledge of the laws which constitute the inner order of the system” (of exchange economy)—a system which is essentially dynamic (1944, p. 65). Therefore:

The principle of periodization which we seek must express at once the absolute progress of knowledge, and the much more important relativity of its tenets; it must take into account, not only our growing comprehension of the capitalist order, but also its great historical variations, which the science, describing it could not but share . . . The successive constellations through which capitalism has passed, have each brought one of its fundamental traits to particular perfection, and the scientific thought of the respective periods has naturally given prominence to those fundamental traits . . . (1944, p. 65).

The rest of that appendix was dedicated to a discussion of the “four epoch making ideas” which gave origin to those periods. In Stark’s own words, they were the following:

The first had asserted itself by 1570–80. It consisted in the realization that national economy—the economy of the whole nation—is the modern economic unit. The second broke through by about 1750–60. It is embodied in the conviction that modern exchange economy must be conceived as a system of interdependence. The third appeared between 1820 and 1830; then it was fully realized that our system of national and exchange economy, that is to say,

modern capitalism, is not a natural order, eternal as the physical framework of human life, but only a historical category. The fourth and last perception was reached after 1870: the perception that it is the psyche of man in which and through which the laws of the present-day economic order operate. Thus the history of political economy is divided into four periods . . . (1944, pp. 65–66).

It is interesting to note that, contrary to Schumpeter, Stark did not discern at the time when he was writing this appendix (the future chapter four of his posthumous book)—that is, during WWII—the emergence and occurrence of a new period: that of contemporary economics. This does indeed seem quite strange if we take into account that he was then working and writing in Cambridge, the birthplace of the Keynesian revolution in macroeconomics. In principle, he shouldn't have been either opposed or indifferent to these changes, especially considering that he had dedicated his 1943 book to Keynes.

The fact remains that Stark's essay of 1944 was well received by the public, going through four editions in England, and having been translated into German, Japanese (four editions), and Spanish (two editions). Even so, Schumpeter ignored it. And some of its later critics, like George Stigler and Mark Blaug, clearly misunderstood and distorted its contents.³⁶ It might be possible that they would have proceeded otherwise after reading again that essay and its appendix within the long-delayed book of 1994, on the *History and Historians of Political Economy*, to which we now turn our attention.

Most of its eight chapters constitute thoughtful and well-elaborated reviews of the authors and works listed in the second appendix to the 1944 essay. They are grouped in two sets, entitled "The Literature on the History of Political Economy" and "The Fundamental Problem: Reality and Ideas." Each of them is completed by a chapter that formerly was part of the 1944 booklet.³⁷

The first chapter of the 1994 book deals with "The Beginnings" of the historiography of economics as a distinct field of study, which Stark located in France during the second quarter of the nineteenth century. The first works that he mentions are the *Histoire de l'Économie Politique en Europe*, published in 1837–38 by Jérôme Adolphe Blanqui (1798–1854) and the *Histoire de l'Économie Politique* of 1841, by Albert de Villeneuve-Bargemont. Both are dismissed by him for being "dogmatic, not historical" (Stark 1994, pp. 3–21, particularly p. 4).

More definite progress in this regard occurred, according to Stark, with the works of Wilhelm Roscher (1817–1894) and Eugen Dühring (1833–1921). At least in Germany their influential books gave rise to the so-called "historical approach" discussed in the second chapter of the book (1994, pp. 23–57). Even so, neither of them received full approval from the author:

Roscher's work was much too broad and Dühring's book much too egocentric to permit the clear outlines of the progress of thought to appear. It was Hugo Eisenhart [1811–93] who first undertook the important task of presenting a short and lucid sketch of the past of economics; in 1888, he published a small book entitled *Geschichte der Nationalökonomik* (1994, p. 23).

³⁶ Clark (1994 p. XVIII).

³⁷ See above note 32 and the accompanying text.

The latter's contribution had counterparts in other countries, such as in England, where "interest in the history of political economy had been awakened by Cliffe Leslie (1827–1882), who in 1875 published a thorough discussion of Roscher's work . . . But it was not until ten years later that there appeared a description of the development of economic science . . . by the Irishman John K. Ingram (1823–1907)" (1994, p. 27).

The same occurred in France, with the publication of a work by Alfred Espinas (1844–1922), *Histoire des Doctrines Economiques* (1891), also strongly criticized by Stark (pp. 33–36). The same held in Austria, with Othmar Spann (1878–1950), a dissident of Menger's neoclassical school, whose book *Die Haupt Theorien der Volkswirtschaftslehre* (1911) reached a large readership both before and after WWI. This also occurred in the USA, where Lewis Haney published in 1936 his widely read *History of Economic Thought*.

During the interwar period, higher standards were attained with the works of Charles René Gonnard in France and Edgar Salin (1892–1974) in Switzerland, the last two exponents of historicism in Stark's classification. This perspective, according to Stark:

had hardly altered its character . . . in the fifty years between Wilhelm Roscher and Edgar Salin. Its followers, with very few exceptions, gave the same answers to the three basic problems of the history of economic thought. The origin of Political Economy they are inclined to find in Antiquity . . .; the basis for the division of its development they are inclined to seek in the great periods of cultural history . . .; and lastly, as regards the delimitation of the field of investigation . . . they wish to comprehend and describe the whole reflection of the economic system in the human mind . . . (1994, p. 57).

In contrast to their broad perspective stood the narrower focus of the so-called "theoretical approach," examined by Stark in the third and longest chapter of his book (1994, pp. 59–112). He related this approach to the neoclassical theories developing from the 1870s onward, although he did begin it with an analysis of the *Guida allo Studio dell'Economia Politica*, published in 1876 by Luigi Cossa (1831–1896), one of the last followers of classical political economy in Italy and a former disciple of Roscher.

Probably for these reasons, Cossa held the opinion that political economy is "as old as all other sciences," and according to Stark, "utterly, failed to grasp the essential difference between the old and the new ideas" (1994, p. 61) But despite this, "Cossa's book achieved rapid and complete success. Not only did it reach numerous editions in Italy, but it was translated into English, French, Spanish and German, so that its circulation—*faute de mieux*—became worldwide."³⁸

Only from the end of the nineteenth century were there attempts to substitute it by more modern approaches, particularly the famous, much re-edited and translated *Histoire des Doctrines Economiques depuis les Physiocrates*, published for the first time in 1909 by Charles Gide (1847–1932) and Charles Rist (1874–1955). While the former of these authors was a general economic theoretician,

³⁸ Stark (1994, p. 65). According to Perlman (1982 p. 157), it even influenced Schumpeter.

his junior partner specialized in money and credit, and his own main work, the learned *Histoire des Doctrines relatives au Crédit et à la Monnaie depuis John Law* was published in 1938.

According to Stark, “In Gide and Rist, historical interest in the past of Economics is very light, while, the theoretical point of view predominates . . . they regard the past development of doctrines only as a previous history of the present systems . . .” (1994, pp. 70–71). Gide, in particular, was considered by Stark “a typical representative of the marginal utility school,” which, he says, “is divided into two branches; a psychological and a mathematical,” with the latter being “represented in the historiography of political economy by Joseph Schumpeter, whose study *Epochen der Dogmen und Methodengeschichte*, published in 1914 . . . marks the complete conquest of the romantic influences on economic thought” (1994, p. 73).

Leaving for the end of this paper Stark’s appraisal of the works by Schumpeter, let us turn to the other representatives of that theoretical approach. According to the author:

Until about 1920, theoreticians all over the world remained content with the survey of development sketched by Gide and Rist ten years before. Their work had been translated into English, German, Russian, Spanish, Polish, Serbian and Czech, and had thus a circulation even wider than that of Cossa’s book twenty five years earlier. But, at the time when Gonnard published his great historicist survey, the conviction was already general that the theoreticians also should produce a broader and deeper study of the evolution of economic thought, based both on the principles of theory and the knowledge of history. Progress toward this aim was due especially to two men; the American Fred O. Boucke and the Frenchman G. H. Bousquet (1994, p. 7).³⁹

In Stark’s opinion, these two authors “brought important questions of principle into the debate and communicated a stimulating influence drawn from the study of the great systematic sciences that are so often represented as the models of Political Economy—Philosophy and Mathematics” (1994, p. 77). Because both of them, and in particular the former, have remained little-known authors up to now, Stark’s comments on their works (1994, pp. 77–106) are not only valuable in themselves, but perhaps even unique.

The same may also apply to those referring to other two representatives of the “theoretical approach,” namely, the American William Amasa Scott, defined by Stark as a follower of Schumpeter, and the Englishman Eric Roll, who envisaged “a synthesis between Walrasian economics and Marxian sociology” (1994, pp. 106–11). Neither of them figures among the secondary sources of Schumpeter’s *History of Economic Analysis*. But Roll was a successful contemporary writer—although blasted (together with Stark) by Mark Blaug at the beginning of his important and influential *Economic Theory in Retrospect*—held in high esteem by authors like J.K. Galbraith, who even dedicated to him his *Economics in Perspective: A Critical History*, published in 1987.

³⁹ Gonnard’s three-volume work, the *Histoire des Doctrines Economiques*, had appeared for the first time in 1921–22.

Summing up this third chapter of his book, Stark stated:

the historiography of Political Economy created by the theoreticians . . . shows three typical tendencies: (1) as to the problems of the origin of the science, the inclination to transfer the beginnings into the eighteenth century . . . because the conception is dominant that Economic Theory is a systematic science and cannot therefore be conceived before the appearance of a system of ideas, before the breakthrough of the idea of system; (2) as to the problem of development, the division of schools is usually preferred . . .; and (3) in the solution of the problem of character, they mostly follow the tendency to draw the circle of their investigation as narrow as possible—because they adhere as a rule to the ideal of the natural sciences that regard all perceptions as void of value that do not seem to embody eternal truths (1994, pp. 111–12).

Turning to the second part of Stark's 1994 book, which deals with the relationships between theory and reality, we find the analysis of three further approaches that are essentially epistemological and which already point to the author's subsequent work in the field of sociology of knowledge. Taking up the same authors and works analyzed in the first part, he established a distinction among (a) the "critical approach" of those who reject any notion of causality between economic phenomena and economic ideas—among whom he included Schumpeter; (b) the "descriptive approach," whose aim is "to depict the views of the past as honestly and faithfully as possible;" and (c) the "explanatory approach," which tries to show "how and why particular theories arise," and which, according to Clark (1994 pp. xxiii–xxiv), seems to represent Stark's own approach.

This approach, however, is better represented by the last chapter of his posthumous book, entitled "The Material Content of the History of Political Economy," which, as we have already seen, corresponds *grosso modo* to the main essay of Stark's booklet of 1944. Having already analyzed its contents and, in order to conclude this paper, let us now finally turn to Stark's opinions on Schumpeter's works.

III. DIVERGENT AND CONVERGENT VIEWPOINTS OF TWO AUTHORITIES

As we have already stated, Stark's assessment of Schumpeter can be found not only in both parts of his 1994 book, but also in several articles published in the 1950s that refer specifically to Schumpeter's *History of Economic Analysis*.

Although primarily focused on Schumpeter's *Epochen der Dogmen-und Methodengeschichte*, Stark's 1994 book also took into account other works published by the same author before 1940. Thus, in his critique of Schumpeter's "theoretical approach" (Stark 1994, pp. 73–77), there are references not only to the first German edition of the *Theory of Economic Development* (1912), but also to his *Business Cycles* of 1939, and mainly to his first and least well-known book on methodology, *Das Wesen und der Hauptinhalt der theoretischen Nationalökonomie*, published in 1908. To this book, Stark ascribed a paramount importance, saying that:

To Schumpeter, Political Economy is simply, market analysis with all that belongs to it. When he conducts his investigation, he occasionally represents the abstract economic theories in the light of concrete social facts. His self-limitation is only the result of a consciously adopted method, and not the sign of a narrow mind. Behind his words is a wider knowledge that works in them and through them (1994, pp. 76–77).

Apparently, we are in the presence of a restrained critique that can be read as an acknowledgment of certain convergence between Schumpeter's views and Stark's ideas on the subject. But this impression is completely undone by Stark's comments in his chapter on the "critical approach," where he declares:

One of the most striking examples of a rationalistic and unhistorical conception of the history of economic doctrine is afforded by Joseph Schumpeter's essay. The idea that relative truth pertained to the changing theories is entirely foreign to him, and he regards the progress of [their] development as the progress of the knowledge of an essentially unchangeable object of investigation—as if the order of the human world was as eternal as the order of the firmament, as if economics was of the same character as astronomy. Any page of Schumpeter's treatise will serve to prove this: it is a collection of absolute judgments and, although the judge is wise and conscientious, he nevertheless infringes upon the laws of higher justice because he measures every one according to the outward appearance and fails to penetrate to the internal causes and motives. It would be easy to multiply examples, but a few illustrations will suffice to characterize Schumpeter's method (1994, pp. 145–46).

Such illustrations were then presented by Stark in the subsequent pages of that chapter. All were taken from Schumpeter's *Epochen der Dogmen-und Methodengeschichte* of 1914. In retrospect, it is a great pity that Schumpeter didn't seem to have recognized these criticisms, which he could have used and answered in his own *History of Economic Analysis*, thus improving even more the quality of that great work.

Stark's review of Schumpeter's *History of Economic Analysis* was published in German one year after the book's appearance, and in 1959 he added to it a note on Schumpeter's "classical situation." Scattered references to Schumpeter's ideas can also be found in Stark's book on the sociology of knowledge.⁴⁰ The English summary of that review was far from doing justice to the richness of its contents. The three main points of it were the following:

- (a) Schumpeter sees Léon Walras as the man in whom truth became incarnate, and so the whole of evolution becomes centered around his achievement; the time before 1870 as a preparation of his work, the time after it, as a mere elaboration of detail (Stark 1955, p. 249).
- (b) Having denied the time bond character of economic analysis, Schumpeter does his best to show that all theories put forward in the past are in fact comparable, if only they are expressed in the same technical terminology (1955, p. 249).

⁴⁰ Stark (1958a), especially chapters 2 and 4.

(c) His book, great as it is, is yet essentially one man's picture of the past. But, however unorthodox and unjustified the *History of Economic Analysis* may be in its construction and in its content, nobody will deny that it is a monument of tremendous learning and the memorial of a man of uncommon breadth of scholarship and depth of penetration (1955, p. 250).

In the review itself, the eulogies came first and the critique thereafter. And the latter was both sharper and more diverse than in the English summary. It related, among other things, to Schumpeter's sociology of knowledge, which, according to Stark, was exclusively focused on the ideological and less rational aspects of political economy, whose progress was conceived by him only from a technical point of view (1955, pp. 232–34). Within this same perspective, Stark also criticized Schumpeter's differentiation of economic analysis from economic thought and from political economy (1955, pp. 234–35), to which he opposed his own historical variable of "economic representations" (*Wirtschaftsbilde*) (pp. 235–36). He equally accused Schumpeter of examining authors and works "in pieces," instead of viewing them in their entirety (1955, pp. 239–40).

After having reviewed the instances to which these critiques applied, Stark concluded that Schumpeter didn't succeed in transforming the received knowledge of the historical evolution of economic thought which, as he stressed, cannot be taken only as the mere formation of a way of thinking (*Denktechnik*) (1955, pp. 246–47). Only at the very end did he concede that Schumpeter's book had raised "perhaps hundreds of particular problems" that needed to be solved, and that "He didn't conquer our citadel, but he awoke us from our rest. And it, was perhaps this that he had mostly wanted" (1955, pp. 246–47).

One of Schumpeter's main legacies has been the concept of "classical situations" in the history of economics. It was to this discussion that Stark devoted what was to become his last paper on the subject. Originating from special lectures given at Yale and Princeton, this paper not only examined the aforesaid notion, but also enlarged and improved it through the addition of Stark's own historiographical categories. According to his viewpoint, "a classical situation in political economy is not one of fact alone, nor one of thought alone, but a total life-situation, in which both fact and thought are equally embedded" (Stark 1959, p. 63). Stark demonstrated this with regard to the 1770s when Adam Smith's *The Wealth of Nations* gave rise to the first "classical situation," and then again in relation to the 1870s, with the advent of the so-called marginal revolution. In both cases, the resulting "classical situation" did not, and could not, last through time. Stark attributed their discontinuities to the first Industrial Revolution and to the Great Depression of 1873–1896 (Stark 1959, pp. 61, 63). While rejecting Schumpeter's viewpoints, he accepted and put his concept to good use.

The most important result of all this rests in the fact that substantive authors such as Schumpeter and Stark, even if and when they strongly diverge with each other, may ultimately contribute converging ideas, at least for the enrichment of our own knowledge. Whereas Schumpeter's work can be viewed as a kind of *mapamundi* of our discipline, Stark's contribution represents a compass by which we may be assured of not getting lost.

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