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Frank William Taussig

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THE
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FRANK WILLIAM TAUSSIG¹

I

EARLY YEARS (1859–1880)

Whatever we may think about the relative importance of nature and nurture or, more properly, of heredity and environment in the formation of eminent men, there cannot be any doubt that in Taussig's case the two combined in a most happy alliance. Still more than we should in other cases, therefore, we feel that, in drawing the picture of the man, the citizen, the scholar, the teacher, and the public servant — all of which was Taussig — we must adopt the biographer's practice and first of all describe both his parental home and the two excellent people who created it.

Frank William's father — William Taussig — was born in Prague in 1826. Evidently not liking the surroundings on which the strife between Czechs and Germans was then beginning to cast ever-deepening shadows, the clever, energetic, and well-educated young man decided in 1846 to emigrate to the United States, where, first in New York and then in St. Louis, he found employment in the chemical trade. This was the beginning of a remarkably successful and (then) typical American career. After

1. In gathering material for this memoir, we have received aid from many friends and relatives of Taussig. In particular we wish to acknowledge gratefully the cooperation of Taussig's sister, Mrs. Alfred Brandeis, Taussig's son, Mr. William G. Taussig, and Taussig's friend and classmate, Mr. Charles C. Burlingham. Dr. Paul M. Sweezy has been good enough to compile materials on Taussig from the Publications of the Class of '79. Most of the data about Taussig's father are from his article, "My father's business career," in the *Harvard Business Review*, 1940.

For a bibliography of Taussig's writings, we beg to refer to the appendix of the volume, *EXPLORATIONS IN ECONOMICS, NOTES AND ESSAYS CONTRIBUTED IN HONOR OF F. W. TAUSSIG* (1936).

a few years, he abandoned the crude chemicals of the wholesaler's shop and pursued the finer chemicals of the St. Louis medical school, took his degree, and established a practice at Carondelet — now South St. Louis — visiting his patients on horseback with his medicines and pistols in his saddle.² Steadily rising in the community, he became mayor, judge in the county court, and finally its presiding justice. The practice of medicine was reasonably successful but the Civil War brought unbearable strain in that border state. So Taussig, a strong unionist and anti-slavery man, eventually accepted the position of district collector of federal taxes (1865) under the revenue acts of 1862 and 1864, and with the perquisites — since those collectors worked on a percentage basis and either received nothing at all or, if they had enough patience and energy to go to Washington and to insist, quite a sum³ — he started his fourth career, that of banking. The Traders' National Bank of St. Louis, of which Taussig was a vice-president, was only moderately successful. However, among its customers was a bridge company organized for the purpose of building a bridge across the Mississippi. Taussig joined in the latter venture and successively became treasurer and general manager. And this was the beginning of his fifth career, the one that was to bring prominence and prosperity. The enterprise was a success from the outset and eventually developed into the Terminal Railroad Association of St. Louis, which constructed the Union Station for all the roads entering St. Louis and by its own locomotives hauled the westbound traffic from East St. Louis to the terminal. It was Taussig's energy and resourcefulness⁴ that triumphed over all the obstacles that city magnates and railroad boards put in the way of the scheme. When everything had been done and all the fight-

2. The pistols seem to have been very necessary at the time. The son was fond of telling how, when they ceased to be so, his father, by way of celebrating the fact, invited his wife to come out with him "in order to shoot them off together."

3. The son recalled that his father did go to Washington and there, his accounts by his side, day after day sat on the steps of the Treasury until he got a hearing and the money that was due him.

4. How he impressed a shrewd judge of business ability may be inferred from the following anecdote. The bridge company bought its steel cylinders from the Carnegie works. Some trouble arose about the deliveries, and Taussig went to Pittsburgh in order to straighten out the matter with Andrew Carnegie himself. Whatever his point was, he carried it victoriously — with the result that Carnegie offered him a partnership.

ing was over, he was in due course elected president, a quiet and dignified position from which he retired in 1896, at the mature age of seventy. Still busy with all sorts of civic activities, universally popular, admired and respected, he lived until 1913.

The mother, Adele Wuerpel, was the daughter of a protestant teacher in a village on the Rhine, who was dismissed during the revolution of 1848 and thereupon emigrated with his family. Taussig was married to her in 1857. The marriage was a very happy one. She must have been a charming woman — able and gentle, good looking and good natured, gay and affectionate, a comfort in adversity, a delightful companion in success. She had a fine mezzo-soprano voice and shared her husband's love for music. No problems seem ever to have arisen in the *foyer* warmed by her steady radiance. It is very easy to visualize the kind of home which, first in modest and then in ample circumstances, she created for her husband and her three children — the subject of this memoir, a younger brother who predeceased him, and a sister who survives him — all of whom were unreservedly attached to her. It was a home that was sufficient unto itself, sustaining a family that was very conscious of a corporate existence. No wonder that Frank William emerged from that home a confirmed family man to whom family life and family responsibility were essentials in the scheme of things.

As we should expect, he enjoyed a happy childhood. Moreover, as his sister observes, "there was never any doubt of his being advanced in school and in his studies; and the large physical frame that we knew was early indicated. I remember him as a big boy. I also remember that he was never without a book in his hand, either for study or diversion, and that nothing distracted him while reading unless he was directly appealed to. It was his habit to work and study in the family living room. . . . As to schools, it was public school, I am sure, until he was about eleven years old. After that he went to a school called Smith Academy. . . . There was always much music in our family. Such artists as Rubinstein and Winiawski we were allowed to meet, and Theodore Thomas was at our house whenever he came to St. Louis. Frank must have begun his violin lessons quite early. The foremost violinist of our day in St. Louis was an intimate friend of the family and his teacher, and Frank was well advanced as a violinist when he went to college; and there he played quite regularly in a string quartet

and was a member of the Pierian as well. Music was one of the joys and recreations of his life. . . . There was no travelling . . . except summer jaunts."⁵

In 1871 began Frank Taussig's lifelong friendship with Mr. Charles C. Burlingham, when they were classmates at Smith Academy. Together they entered Washington University and together they migrated, in 1876, to Harvard. The Dean, Charles F. Dunbar, proved his good sense by admitting them without examination to the exalted rank of sophomores, although they had expected to take entrance tests for the freshman class. Taussig, pitching his camp in what to Burlingham seemed to be a "palatial" suite on Oxford Street, proved himself a brilliant scholar. He took every course in economics — political economy as it was then — and a lot of history, and in 1879 was graduated with "highest honors" in the latter field. He gave one of the "commencement parts," the subject of the thesis being "The new empire in Germany," and was elected to Phi Beta Kappa. But he was no recluse, though records are available to show that in 1878–1879 he took out of the library a prodigious number of books, mainly on history and philosophy. He played on his class baseball team, rowed on one of the six-oared crews in the scratch races, joined half a dozen students' clubs and societies, and formed friendships in all sets. And there was, of course, his violin.

After the B.A. came the European tour. With another lifelong friend, Mr. E. C. Felton,⁶ he sailed in September, 1879. "After spending a few weeks together in London, we separated," wrote Taussig shortly afterwards. "I went to Germany, and spent a winter, from October until March, at the University of Berlin, studying Roman Law and Political Economy.⁷ In March, I left Germany, and rejoined Felton in Italy. We spent two months together in Italy and then went to Paris by the way of Geneva. In Paris, in May, we again separated, Felton going to England, on his way home, while I traveled in different parts of Europe

5. Letter from Mrs. Alfred Brandeis to Professor Mason.

6. Son of S. M. Felton, the founder of the Pennsylvania Steel Works.

7. It is worth mentioning that this inevitably implied contact with those principles of — shall we say? — conservative reform that were espoused by the Verein für Sozialpolitik. Taussig always acknowledged the influence of, and to the end retained his feelings of sympathy and respect for, Adolph Wagner. We do not know whether they actually met.

chiefly in Austria and Switzerland.”⁸ Some articles in the *New York NATION* published during the travels in Europe, testify, if testimony be needed, to the seriousness of the young man.

When he returned to Harvard, in September, 1880, he did so in order to enter the Law School. He had not definitely committed himself to economics as a profession. The law still meant as much or more to him. But he was offered and he accepted the position of secretary to President Eliot — a laborious, though not a full-time job, which introduced him to the arcana of University administration and University politics⁹ — and thus entered upon the service that was to be central to his life for the sixty years that followed.

II

ASCENT (1881–1900)

His secretarial duties interfered for a time with Taussig’s plan to study law, but they left him enough surplus energy to work for the Ph.D. in economics. The special subject he selected was the history of American tariff legislation, a choice that was as indicative of the importance, in his mental pattern, of the historical component as it was of the paramount importance, in the hierarchy of his scientific interests, of the great questions of economic policy. It is necessary here — and it will be necessary later on — to stress both points. No doubt Taussig was an eminent theorist and a very great teacher of theory. The institutionalist opposition that later on arose against the type of theory he taught, seems however to have overlooked that a great part of his work was on institutional lines and that, in important respects, it would have been more correct to claim him as leader than it was to consider him an opponent. To him, economics always remained political economy. His early training and his general equipment were not only as much historical as they were theoretical; they were primarily historical. The practical problem in its historical, legal, political, in short, in its institutional aspects attracted him much more than any

8. From the publications of the Class of '79, *SECRETARY'S REPORT*, Commencement 1882. In the report, Commencement 1885, Felton adds his own comments, testifying to the fact that they enjoyed themselves “hugely” in London.

9. Among the first fruits of this training was the fourteen-page report on “The University 1879–1882,” published by Taussig in the *REPORT* of the Class of '79, Commencement 1883.

theoretical refinements ever did. And nobody who knew him can have failed to admire his ability to see problems in their sociological settings and in their historical perspectives.¹

It was, then, in a thoroughly historical spirit that he approached his chosen subject: international trade. The prize essay of 1882 on "Protection to young industries as applied in the United States," which served as Ph.D. thesis and in 1883 was published as a book — and a successful book it was, for a second edition was required in 1884 — contained very little theory, but excelled in factual analysis. Incidentally, there is another aspect to this performance that is too characteristic to be passed by, an aspect which foreshadowed his future eminence in the field of tariff policy. It is that balance and maturity of judgment which constitutes so important an element in his greatness as an economist and which in that book, written when Taussig was only twenty-three, shows to an extent that is quite astonishing. As much on grounds of political morality as on grounds of economic expediency, Taussig never was in sympathy with the tariff legislation of this country. He was far indeed from being a protectionist in the ordinary sense of the term. But he was not a free trader either. He frankly recognized whatever seemed to him to be tenable in the protectionist arguments — particularly, but not exclusively, the infant industry argument — and never tried to minimize it as economists who sympathize with free trade are in the habit of doing. This was not his way. He approached that problem, as he did any other, in a spirit that was both practical and judicial.

For another decade or more, his creative work followed the line thus auspiciously opened. The book on PROTECTION TO YOUNG INDUSTRIES was followed by the HISTORY OF THE PRESENT TARIFF, 1860–1883 (1885), and both developed into that classic, THE TARIFF HISTORY OF THE UNITED STATES (1888, with various subsequent editions extending to the eighth in 1931) which established his reputation as the first American authority in that field and which, as a politico-economic analysis, has in fact no superior in any field. Most of the articles which he wrote at that time also

1. His knowledge of American history was in fact on a professional level. In 1884 he gave, in the absence of Professor A. B. Hart, a course in American history. Precisely because it was professional, however, that knowledge did not extend — not at the same level, at least — much beyond this country. As we have seen, he studied Roman law and he had done much general reading. But neither ancient nor medieval history was ever a living reality for him.

deal with tariff problems, but the other public issues of those years did not fail to attract the attention of his active mind, and regarding two of them Taussig made significant contributions. The economic and political aspects of the silver question seem to have stirred him deeply. Mastering the subject with his usual thoroughness, he started in 1890 numerous publications in that area, and in 1891 produced his book on *THE SILVER SITUATION IN THE UNITED STATES*, which became the standard work of the anti-silver school and exerted strong influence all over the civilized world. Also in 1891 he published in this *JOURNAL* a "Contribution to the theory of railroad rates." This paper, alone of all that he did until 1893, indicates leanings toward purely theoretical reasoning, and even that was concerned with an "applied" problem. His writings do display, to be sure, full command of the analytic apparatus of economics such as it was at the time. But though he readily used it, he does not seem to have entertained any particularly deep interest in it until he was well over thirty.

In view of this fact, considerable biographical interest attaches to the preface he wrote in 1884 for the translation of Emile de Laveleye's *ELEMENTS OF POLITICAL ECONOMY*.² This preface is probably the only source for the methodological views that Taussig held at that time, and it usefully supplements what we know from other sources respecting his views on economic policy in general. Also it is highly characteristic of the man. Most of us would in such a preface confine ourselves to compliments and commendations or else refuse to write it at all. Not so Taussig. Compliments are there of course. But they are confined to a chaste minimum and, for the rest, he does not avoid showing, though always courteously, dissent and criticism. He points out what seem to him to be mistakes. He frankly says so when he feels that a certain view of Laveleye's is "not authoritative." He commends Laveleye because the latter less completely than others "had broken loose from what may be called the classic system." He gives guarded assent to his author's criticisms of *laissez faire* and to his advocacy of government interference, although in Taussig's view humanita-

2. He also wrote a supplementary chapter which, significantly enough, dealt exclusively with practical questions. It is entitled "Economic questions in the United States," and its fourteen pages are devoted to a treatment of the tariff, internal taxation, money, silver (here arguing against Laveleye's bimetalist views as strongly as it is possible to argue against a man's views in that man's own book), and American shipping and navigation laws.

rian sentiments seemed to have "carried Laveleye too far." "Concreteness" and "attention to the actual facts" are approved, but in at least one passage, Laveleye's argument is criticized — all too justly, of course — because of lack of "incisiveness."

So far as Taussig's own published work is concerned, the first signs of a theorist's interest in theory appear in 1893. Two papers that he contributed to the PUBLICATIONS of the American Economic Association for that year, the "Interpretation of Ricardo" and "Value and distribution as treated by Professor Marshall," define his moorings with curious finality. The first tells us succinctly that, to Taussig, Ricardo was the greatest of all economists; and from this "interpretation" of that eminent theorist, one can deduce why — then and throughout Taussig's life — this was so, Ricardo's only rival being Böhm-Bawerk.³ There is a fundamental affinity in the mental patterns of those three great men that made Taussig enter into and appreciate the viewpoints — the theoretic styles, as it were — and the contributions of the other two as he entered into and appreciated the viewpoints and contributions of no other theorist. The second paper with equal clearness states the terms on which he, there and then, concluded his alliance with Marshallian teaching, adopting it as one of the main sources of his own classroom work. To this we shall have to return later.

For the moment, we will merely note that two further papers, published in the PROCEEDINGS of the American Economic Association in 1894, sound the note that was to dominate Taussig's creative work in theory. "The relation between interest and profits" and "The wages fund at the hands of the German economists" are chips from the work he was then doing on the subject of WAGES AND CAPITAL and paved the way towards the body of doctrine which he published in 1896 in a book bearing the latter title. An article on "The quantity theory of money," that appeared in the PROCEEDINGS in the following year, completed the groundwork of what might specifically be called Taussigian theory.

But let us return to Taussig's career at the University. The years from 1881 to 1896 were obviously strenuous ones — especially if one adds to his more strictly professional activities his member-

3. Taussig once said as much to Professor Schumpeter. Since the latter happened to be an Austrian and a pupil of Böhm-Bawerk, friendliness may have had a share in prompting that statement. But in view of the line which Taussig took in his theoretical work, that share cannot have been great.

ship on the editorial board of the *CIVIL SERVICE RECORD*, his contribution of articles to the *BOSTON HERALD*, the *ADVERTISER*, and the *NATION*, and his participation in the proceedings of the Cobden Club and the Massachusetts Reform Club. Undoubtedly they were more strenuous than was good for a man who, though powerfully built and healthy, was yet not of that strength that knows not fatigue. There was not much opportunity for relaxation or diversion, although he does seem to have found time to keep up his interest in music.

In the meanwhile — or, specifically, in March, 1882 — he had been appointed instructor in political economy for 1882–1883; and the importance of this appointment was greatly enhanced by the absence, during that academic year, of the only full professor of economics, Charles F. Dunbar. Among other things, this meant that the introductory course (the present Economics A) was entrusted to the young man.

We have now met, for the second time, the name of that excellent man who cannot be omitted from any biography of Taussig.⁴ Dunbar was not only the teacher who first introduced him to the science of which he was to become an outstanding leader. Dunbar's formative influence went much further than that fact in itself implies. If we compare some of his essays with Taussig's earlier work on the tariff, we cannot fail to observe that, in tone, spirit, and approach there is considerable affinity between the two. "It was Professor Dunbar who cast Frank's horoscope and picked him for his own. He had been editor of the *Boston Daily Advertiser* and had retired to a farm when President Eliot persuaded him to become Professor of Political Economy, which up to that time had been taught by Professor Francis (Fanny) Bowen as a branch of moral philosophy."⁵ Since Taussig had assisted in one of Dunbar's courses, it is safe to assume that the

4. See Taussig's tribute, Charles Franklin Dunbar, in the *HARVARD MONTHLY*, 1900.

5. From Mr. Burlingham's tribute to the memory of Taussig in the *HARVARD ALUMNI BULLETIN*, November 30, 1940. In that respect, Francis Bowen (1811–1890), therefore, enjoys the distinction of having been in a boat with Adam Smith. He was in fact something of a polyhistorian which, however, at his time unavoidably meant that he did not go very deeply into any of the subjects covered by that wide term. His *PRINCIPLES* (1856; new edition under the title of *AMERICAN POLITICAL ECONOMY*, 1870), though not without merit, were hardly up to the level of those of the English classics whose teaching he rejected.

latter's recommendation counted for much in Taussig's appointment to an instructorship.

Evidently prospects looked less bright after Dunbar's return. Any really able and energetic young man on the lowest rung of the Harvard ladder then seems to have faced — as he does now — a difficult choice between dwelling, for an indefinite time, in a position not altogether satisfactory, and the more alluring chances of other careers open to him.⁶ Taussig provisionally solved the problem, after receiving the Ph.D. degree in June 1883, by accepting, in September of that year, a part-time appointment as instructor (to give a half-course in tariff legislation) and by entering the Harvard Law School “with the intention of taking the regular three years' course, and of practicing after I got through the school.”⁷ That arrangement lasted until he obtained the LL.B. in June, 1886. Some months before that, however, Harvard had thought better of the matter and, upon his refusal to accept a full-time instructorship, had appointed him Assistant Professor of Political Economy for five years.

From a purely worldly standpoint, the excursion into jurisprudence had therefore been a loss — in the sense that it had been a precautionary measure which eventually proved to have been unnecessary. Yet it is incumbent upon us to emphasize the contribution that the legal training made to Taussig's mental equipment. It is a debatable question how much a modern economist has to gain from such an expenditure of time and energy that might be sorely needed in the conquest of his own territory. In Taussig's youth the balance of advantage and disadvantage was different. Economics had no techniques which it takes years to learn. All-round competence was a possible goal and a reasonable ideal to cherish. Moreover, legal training then was perhaps the best available means by which the economist might make his mind “work to gauge.” Finally, the kind of facts, familiarity with which jurisprudence conveys, are certainly relevant to the economist's pursuits. Especially if Roman law be included in the study, as it was in Taussig's case, the gain in the institutional line of approach must always be considerable. Now Taussig's was exactly the type

6. Subordinate positions at Harvard were, however, more satisfactory then owing to the fact that it was much easier for a young man to conquer what is so difficult to conquer now, a course of his own.

7. From the REPORT of the Class of '79, Commencement 1885.

of mind that would exploit those advantages to the full. The legal stamp was, in fact, on his work, both on his teaching and on his research, for anyone to see whose eyes are open for such implications.

He entered upon his duties — which really were those of a full professor — in the autumn of 1886. The half-course on tariff legislation went on,⁸ the general introductory course was handed over to him,⁹ and his famous “Ec. 11” (as it later became) started on its illustrious career.¹ Other courses were added from time to time.²

Promotion to Full Professor followed in due course (1892), and in 1901 the newly established Henry Lee Professorship was conferred upon him. It was not until then that he wrote: “I may hope to live in Cambridge and work for Harvard until I die.”³ Practically, however, the appointment of 1886 not only was decisive but there are unmistakable symptoms that Taussig felt it to be so. He settled down. In the class report for 1890, he states with an accent of finality that since 1886, he had “lived the uneventful life of a college teacher”: is there merely contentment in this turn of phrase or also something like a gentle sigh? And, as a further

8. That course, later generalized into International Trade, was given as a half-course in the academic years (ending in June of) 1884–1894, 1896, 1897, 1901, 1906, 1913–1917, 1920, 1921, 1923, and 1925–1927. This was a graduate course. An undergraduate course in International Trade, also a half-course, was given in 1921, 1922, and 1924.

9. Taussig conducted the course now known as Economics A (then “Polecon I”) in the academic years (ending in June of) 1887–1894, 1896–1901, 1904–1909, and 1911–1915. In addition he coöperated as special lecturer in 1922–1928.

1. This, a course in advanced theory, was given in the academic years (ending June of) 1887–1894, 1897–1900, 1904–1909, 1911–1917, and 1920–1935 — an imposing record.

2. We take the opportunity to list them here:

There were the “20” (reading) courses, 1891–1900, 1907–1909, 1911, 1912, 1915–1917, and 1920–1935. In 1900 this was a half-course.

Then there was a course entitled “Investigations in economic questions” (really selected problems in economic theory and policy), 1889, 1896 (half-course), and 1899 (half-course);

A half-course in Railway Transportation, 1891–1894, and 1896;

A half-course in Banking, 1896;

A half-course in Taxation, 1897, 1898, 1900, and 1901; and

Finally, the undergraduate half-course in Theory (Economics 1, as it was later), 1901, 1904, 1906, 1908, 1916, 1917, and 1930–1935. Students considered this to be the crack undergraduate course.

3. CLASS REPORT, Commencement 1895.

sign of that deep attachment to Harvard that was to remain unshaken to the distant close, we may quote the sentence that follows: "I was so fortunate as to be appointed just in time to take part in the celebration of the two hundred and fiftieth anniversary of the founding of the University, and, being then the youngest member of the Faculty, seem to have a better chance than any other member of taking part in the three-hundredth anniversary when that time comes around."

On June 29, 1888, he was married at Exeter, N. H., to Miss Edith Thomas Guild of Boston. Their son, William Guild Taussig, was born in 1889. During the summer of that year he built the house (2 Scott Street) on what was then known as the Norton estate, hoping "to live here in peace and quiet for many years to come."⁴ The eldest daughter, Mary Guild (later married to Gerald C. Henderson), was born in 1892, a second daughter, Catherine Crombie (now the wife of Dr. Redvers Opie), in 1896, and a third, Helen Brooks (for some years now an M.D. and pediatrician at Johns Hopkins Hospital, Baltimore), in 1898.

Besides his teaching and research, his multifarious activities flowed on in a swift steady stream: he currently wrote articles, threw himself into the fight against free silver, served as a member of the Cambridge School Committee (1893-94), as a member of the Governor's commission on the Massachusetts tax laws, as a delegate from the Boston Merchants' Association to the Indianapolis Monetary Convention, and so on. He did his part in the administrative work of the University, which labor, however, never was one of his major interests.⁵ In 1888 he was elected a

4. That house, so well known to all Harvard men, remained his home till practically the close of his life. (It was only in the autumn of 1940 that he rented it and moved to his eldest daughter's [Mrs. Henderson's] house on Francis Avenue.) Domestic arrangements were later on completed by a family settlement that gave him the use of the spacious summer home in Cotuit, Mass., beautifully situated on the sea.

5. Here we will insert a conspectus of Taussig's official activities within the Harvard administration:

COMMITTEES OF THE FACULTY

Special students	1890/91-1891/92
Admission from other colleges	1892/93-1893/94
Instruction	1895/96-1900/01
Commencement parts	1896/97-1900/01
Bowdoin prizes (chairman)	1899/00-1900/01
Instruction and degrees at Radcliffe (chairman)	1906/07-1908/09 1908/09

member of the American Academy of Arts and Sciences and in 1895, American Correspondent of the British Economic Association (Royal Economic Society).⁶ These things, that might be important in the life of a lesser man, are here mentioned merely to round off the picture for those numerous friends and pupils who may be interested in every detail. For them, we will add that the sabbatical year 1894-95 was spent abroad — two months of it in Capri and two others in Rome — during which he added to his professional equipment by acquiring a reading knowledge of Italian.

Plenty of work awaited him on his return. The department was rapidly growing and the introductory course numbered over five hundred students. He found the lectures to these five hundred men a serious tax on his strength but also a great source of satisfaction, since they gave him an “inspiring opportunity of reaching the great mass of undergraduates.” But what proved an even greater source of satisfaction and a still more inspiring opportunity for service, was his appointment to the editorial chair of the *QUARTERLY JOURNAL OF ECONOMICS* (1896), a position which he had temporarily filled during an absence of Dunbar in 1889-90 and which from 1896 he was to fill until 1935. Of this, more later on.⁷ For the rest, another quotation from the class reports (1895) will fittingly conclude our survey of those years:

In University politics, I am a firm advocate of the shortening of the College course to three years [!], and of the modification of the admission requirements in such manner as no longer to give Greek any preference . . . among the subjects that may be offered by candidates. . . . In politics I am a disgusted independent, awaiting the appearance of a new party that shall stand squarely on the platform of a moderated tariff, sound money, and, above all, civil service reform and honest government.

DEPARTMENT OF ECONOMICS

Chairman 1892/93-1893/94; 1895/96; 1898/99-1900/01;
1910/11-1911/12

DIVISION OF HISTORY, GOVERNMENT, AND ECONOMICS

Chairman 1896/97-1897/98

6. In the class report, Commencement 1895, he wrote: “I am told that the position as correspondent has caused me to be regarded in some quarters as a stubborn and traitorous enemy to American prosperity, but I am content to accept it as an honorable appointment from a body of distinguished men of science” — an interesting as well as amusing passage.

7. Further editorial work was involved in his being elected, also in 1896, chairman of the Publication Committee of the American Economic Association.

III

THE AUTUMN OF LIFE (1901-1919)

Taussig did not feel old at forty-two. There was nothing cramped or galling or hectic in his life. His reputation stood high. To a large extent, he had filled the measure of his ambition. In spite of all this and of perfect physical health, he suddenly found himself unable to work. We speak of nervous breakdown in such cases, which indeed are more frequent in the academic profession than one would infer from the general conditions of a professor's life. He took leave and went abroad for two years, relaxing completely and spending one winter at Meran in the Austrian Alps, another on the Italian Riviera, and the summer between (1902) in Switzerland. Catastrophe was thus avoided, and in the fall of 1903 he was able to resume his teaching and the editorship of the *QUARTERLY JOURNAL*. Later on, he accepted election to the office of President of the American Economic Association, which he held in both 1904 and 1905.⁸ But that was all: the years from 1901 to 1905 are a blank in the history of his achievements.

By the end of 1905 he was his old self again, at least as a teacher and a scholar. (In other respects he had to nurse his strength for the rest of his life.) It was then that he fully developed those methods and fully acquired that mastery of the high art of instruction that established his world-wide fame as a teacher. In his research, he went on with his work in the field of his first choice, international trade, and most of the papers that he wrote during those years belong to that field. The fruits of these labors were then harvested in that rich book which is an arsenal of industrial fact and a masterpiece of analysis, *SOME ASPECTS OF THE TARIFF QUESTION*, first published in 1915 (third enlarged edition, 1931).

Also in 1915, Taussig delivered a course of lectures at Brown University which he published under the title of *INVENTORS AND MONEY MAKERS*.⁹ So far as we know, this book was the first tangible result of a type of research which had always interested

8. At that time he was also elected Fellow of the British Academy and of the *Accademia dei Lincei*. Other honors that were conferred upon him during the whole period now under survey also testify to his established reputation. He received the Litt.D. from Brown University in 1914, and, though *nemo propheta in sua patria*, from Harvard in 1916.

9. In passing we should note here that he also gave a series of lectures at the University of California summer school in 1916.

him and for which he was quite exceptionally qualified. The general area may be called economic sociology or the sociology of economic activity. The study of institutions is a part of it. The study of individual or group-wise behavior within the institutional setting is another. And in this broad field a realistic analysis of the type and behavior of the entrepreneur constituted one of the most important groups of problems to which Taussig devoted increasing attention as time went on.

From 1905 to 1911, however, the bulk of his energies went into the composition of his *PRINCIPLES OF ECONOMICS* — “the result of many years of teaching and reflection.” The work, in two volumes, appeared in 1911. It was an immediate success and became, as it deserved to be, one of the most widely used textbooks of economics.¹ Neither intent nor achievement, however, is adequately expressed by that phrase. To be sure, it was an excellent pedagogic performance, embodying as it did the mature wisdom of a supremely able teacher. Moreover, Taussig took it upon himself to teach more than facts and methods. He taught an attitude and a spirit. He fully accepted for himself a tradition which at least some of us have become disposed to question — the tradition that attributes to the economist the right and duty to shape and to judge public policies, to lead public opinion, to define the desirable ends. Of that duty he had the highest possible opinion, and he meant to fulfill it with that sense of responsibility that was innate in his strong character. Like Marshall, he taught the gospel of his time without ever going beyond it or displaying a sense of its relativity. But he taught it impressively and at its highest. He thus joined the long file of great economists, headed by Adam Smith, who believed that teaching economics meant teaching humanity.

But this was not all. Rightly or wrongly, a textbook is generally thought of as a conveyor of material not one's own. Any systematic survey of the whole field must, of course, contain such material. But Taussig's treatise consists, to an extent that is quite exceptional, of material he had mined himself, and systematizes primarily the results of his own thought. This is obviously true of the fourth book or section, which is one of the best things ever

1. Third edition, revised in order to take account of war effects, 1921. Japanese translation, 1924. Fourth edition, largely rewritten, 1939. The dedication reads: *Patri Dilecto Filius Gratus*.

written on international trade. To a lesser extent, it is also true of many individual points in the third book (money and banking), in the sixth (labor), the seventh (problems of economic organization such as railroads, industrial combinations, public ownership and control, and socialism), and the eighth (taxation).

The first book ("The organization of production": wealth and labor, division of labor, large-scale production, and so on), besides introducing the whole subject of economics on traditional lines, sounds, in the chapter on capital, a personal note which then dominates the second and fifth books (value and exchange; and distribution). These books present Taussig's individual version of that system which we now call classical and which marks the transitional stage lying between the teaching of the old classics (Smith-Ricardo-Mill) and the theoretical work of our own epoch. He built his structure on the foundations laid in *WAGES AND CAPITAL*, which he had steadily developed during the intervening years — the most important stepping stones appearing in his papers on "Capital, interest, and diminishing returns" (this *JOURNAL*, 1908) and "Outlines of a theory of wages" (*PROCEEDINGS of the American Economic Association*, 1910). With much of what he said the modern theorist will be unable to agree. What matters here is that he conquered a place in the front rank of the group that boasts of such names as Marshall and Wicksell.

The work that gave final form to the *PRINCIPLES* was done in an atmosphere of sorrow. Mrs. Taussig's health had given cause for anxiety for some time. In 1909-1910 he took a year's leave of absence, which they spent in Saranac, N. Y., and there she died on April 15, 1910.

Research and teaching, however, went on unfalteringly. One more quotation from the Class reports, Commencement 1914, will round off the picture of those years — which, indeed, remained unchanged until 1917: "My life during the past seven years has been quiet, the winters at work in Cambridge, the summers spent at our house at Cotuit. I continue to conduct nearly the same courses as in previous years, and give a large part of my energy to Economics I, the first course in the subject, and now the largest elective course on the College list. It is the policy of our department, and indeed of the College in general, not to put the much frequented general courses into the hands of young instructors, but to keep them under the older and more experienced members of

the teaching staff." And Taussig goes on to state that in the spring of 1912 he took a brief journey to Europe as representative of the Boston Chamber of Commerce at an international Congress of Chambers of Commerce in Brussels, and then acted as chairman of the Program Committee for the Congress held in Boston, September, 1912.

Early in 1917, however, he embarked upon a new career that was as distinguished as it was short. Nature had fashioned him for public service and in a wider sense he was a great public servant all his life. But for about two years and a half he now became one in the narrow sense of the term by accepting the chairmanship of the newly created United States Tariff Commission.

To head a new public agency, to shape its spirit and its routine, to create the nucleus of a tradition, is one of the most difficult of all the tasks that can be encountered in public administration. That is so in any country, but it is particularly so in this one where the "old stagers" of bureaucratic work on whose experience any new agency can draw, are so rare. Not to fail at such a task in American administrative conditions amounts to proving beyond doubt an individual's exceptional force of personality. For the semi-scientific and semi-judicial functions of that body, Taussig was, of course, the right man and he was by all accounts an unqualified success. His idea of the proper function of the Commission was to stress the fact-finding aspect of its duties and to proceed by cautious steps from research to recommendations that he hoped would in time tend to supplant the *ex parte* statements on which legislative action in the tariff area was being based. Thus the Tariff Commission undertook, under his leadership, a systematic study of all the important commodities listed in the tariff act so as to be able to furnish reliable information to Congress whenever an occasion for revision should arise. Another project envisaged a revision of the customs administrative laws, which were an inheritance from the stage-coach days of 1799, and almost unbelievably cumbersome. The recommendations of the Commission were subsequently adopted, practically in their entirety. Another report dealt with the question of free ports and free zones and still another with reciprocity and commercial treaties, both of which were not only excellent pieces of work but exerted considerable influence in shaping the policy of the country. These reports were to a large extent his personal work and expressive of his personal views.

Open-minded and receptive to all reasonable points of view as he was, his outstanding authority naturally made him the leader of his group in a sense that is not usually implied in an official position of this nature. We cannot do better than quote the addition made to the *THIRD ANNUAL REPORT* of the Commission, which was formulated soon after his resignation:

In the resignation of Dr. F. W. Taussig, which took effect August 1, 1919, the commission sustained an irreparable loss. For many years his knowledge of the tariff history and the tariff policies of the United States has surpassed that of any other living man. His books and numerous papers on these subjects form a collection of ably interpreted information to which students and lawmakers have long turned for guidance. At the same time his work and his views have manifested none of the narrow-sightedness of the specialist, for the reason that his wide learning in other fields and his acquaintance with business affairs and business men have enabled him to see in the proper perspective the significance of tariff policies and the details of tariff measures. He has combined in high degree the vision of the educator and of the theorist with the sane judgment and common sense of the practical business man. To these qualities he adds a forceful personality and great energy. His selection by the President as the chairman of the Tariff Commission gave universal satisfaction and inspired in all quarters confidence in the fairness, accuracy, and usefulness of the commission's work. At no little personal sacrifice during more than two years, his wisdom was of indispensable aid in shaping its organization, initiating and planning its investigations, guiding its counsels, and directing its activities.

With the country's entry into the war, Taussig's responsibilities were soon extended beyond the work with the Tariff Commission itself. He became a member of the Price Fixing Committee of the War Industries Board and for a time served with the Milling Division of the Food Administration and with the latter's subcommittee on the meat-packing industry. The burden soon became too great for him and he had to retrench. At the request of President Wilson, however, he retained his membership on the Price Fixing Committee together with the chairmanship of his own Commission.

President Wilson fully realized the value of the coöperation of so able, public spirited, and disinterested an advisor. Their relation was such that, as early as January 1918, Taussig felt able to submit to the President his views on subjects far beyond his official duties, especially with respect to the war aims of this country. Thus it was almost a matter of course that he was invited to join the Advisory Committee on the Peace. Naturally enough, too, the

sub-committee of the latter on tariffs and commercial treaties was his special assignment, but he attended the meetings of, and acted as draftsman to, the general committee on economic provisions. He also lent his aid and gave advice on other matters, foreign and domestic.

He had gone to Paris deeply resolved to stand for justice and fairness and in a frame of mind completely free from vindictiveness. There is no doubt that on many individual points that came within his official competence, he was actually able to assert decisive and beneficial influence, smothering dexterously many an unreasonable demand.² But precisely how far that influence went we shall never know. Nor shall we ever know exactly what he thought and felt about the more portentous clauses of the Treaty beyond what he told the Unitarian Society of Boston in a lecture entitled, "A human story of the Peace Conference."³ In his delightful and almost chatty letters which he wrote home during those months, he confined himself to his daily preoccupations and observations. Part of what he did and thought might perhaps be reconstructed from intimate conversations. But he never expatiated on his share in that work and he was always severely reserved in his critical comments. Some of us may regret this but it was highly characteristic of the man. In whatever he did or said he was actuated by a deep sense of responsibility. He never "let down" anyone with whom he had coöperated.

Before returning in June 1919, he had handed in his resignation from the Tariff Commission, which actually took effect in August. He served, however, on the President's Industrial Conference, 1919-1920, and until 1926 on the Sugar Equalization Board.⁴

IV

THE GRAND OLD MAN (1920-1940)

At sixty, Taussig returned to Harvard, to his teaching, and to his research, with fame and authority still enhanced and with almost youthful zest, evidently resolved to carry out his early

2. Many of the smaller questions concerning tariffs and treaties were, in fact, on English suggestion, left to him as an arbiter to decide, though some concessions to unreasonable demands seem to have been made against his advice.

3. An abstract of this lecture appeared in the *CHRISTIAN REGISTER*, 1920.

4. For completeness' sake, we here record that he was made Commander of the Belgian Order of the Crown and Chevalier of the Legion of Honor.

vow "to live in Cambridge and to work for Harvard" to the end.

Again his life flowed on in the old channels. His days were well filled with work that was pleasure, interrupted by short brisk walks and, in the summers in Cotuit, by long hours of swimming and sun-bathing. In the evenings he enjoyed an occasional concert and still more company, mostly men's company of primarily academic description — company that his strong personality good-naturedly dominated to the point of imparting to his dinner parties some of the flavor of the classroom. His delightful and generous nature showing through a coating of dignified reserve, he then became the beloved leader who lives in our memory with all his shining virtues and with all his lovable little mannerisms.⁵ In 1918, he had married Miss Laura Fisher, whose kindness, for over a decade to come, brightened his home and cheered the youngsters who came to pay their respects to the great scholar in admiration, affection, and awe.

Within his professional activities, the editing of this JOURNAL more than ever occupied a prominent place. Both because of what the JOURNAL meant to him and because of what he meant to the JOURNAL, it is appropriate to stay for a moment in order to define his service and success. From 1896 to 1936 — with but a few short interruptions, except for the two years of breakdown — he devoted himself with unflagging zeal to reading and judging manuscripts, inviting contributions, offering suggestions for improvement. Until Professor A. E. Monroe joined in the task in 1929, moreover, he worked with little help other than secretarial. His success was striking. No doubt is possible concerning the level at which he kept the JOURNAL or concerning its contribution to the development of scientific economics all over the world.

Such successes are rare. In fact it would not be easy to think of another instance in our field of an editor's attaining Taussig's standard. To define the secret of his achievement in that line is to define his personality, in which strength and broadmindedness had

5. We will mention here that he received honorary degrees from Northwestern University (LL.D. 1920), from the University of Michigan (LL.D. 1927), from the University of Bonn (Ph.D. 1928), and from the University of Cambridge (Litt.D. 1933). The last gave him the greatest pleasure. He crossed to England in order to receive it and thoroughly enjoyed both his stay in general and the ceremony in particular — the dignity of which was relieved by the pleasant jokes of the Orator. In 1920, he was elected President of the Harvard chapter of Phi Beta Kappa.

formed so happy an alliance. He led the JOURNAL with a firm hand and did not allow himself to be hampered by committees. He occasionally sought advice, but he always decided for himself pretty much independently of such counsel. A man who will do that and who holds his opinions strongly is apt to be narrow and dictatorial. But he was neither. He knew quality when he saw it and he insisted on having it. But it was quite immaterial to him whether or not he liked an author's methods or results. A striking instance of this is his treatment of mathematical contributions. His own attitude to mathematical economic theory was one of skepticism, if not of dislike. Yet he welcomed to the JOURNAL the papers of Henry L. Moore and in the last year of his editorship he cheerfully accepted one of the most technical pieces of work ever done in that line. Nor was this all. In a singularly felicitous manner, he faced the problem that articles on matters of current interest present to any editor of a scientific periodical. He wished, of course, to keep the JOURNAL in contact with the problems of the time. But he favored contributions on problems that lent themselves to treatment in the light of general principles, and he tried to get, and as a rule did get, contributions that were in one way or another of permanent interest. In the matter of reviews, he preferred review articles on carefully chosen books, thus avoiding another of the difficulties that beset an editor's path.

The exacting editor who set standards instead of accepting them thus became a teacher of the profession. But it is as the teacher of students at Harvard that we think of him when we look back upon the years now under review. All along we have emphasized that his heart and soul were in that work in which he had no equal. He had — admittedly — not only his equals but also superiors in the formation of schools of thought, although he himself formed one in the field of international trade and although the influence of his general vision of the economic problem is recognizable far and wide; he had, however, no equal in this or any other country as a master of the art of teaching. It is now time to try to define his method.

We have seen that he taught a wide variety of subjects. He also acted as tutor⁶ and he was an effective and stimulating lec-

6. From 1925-26 to 1931-32, Taussig held conferences with a few honor students, the rule being one conference per student. The College Catalogue describes him as tutor from 1927-28 until 1934-35.

turer. But his world-wide fame as a teacher is associated with the teaching of theory, to which he confined himself from 1928, and especially with his favorite (graduate) course, "Ec.11" — a course that shaped the minds of many American scholars and was widely copied in American colleges and universities. And his personal success here was achieved by the method of class discussion. Both this method and the material he chose were ideally adapted to the situation of scientific economics as he found it and as he helped to shape it.

He was one of the first to realize that economic theory, like the theoretical part of any other subject, is not a storehouse of recipes or a philosophy, but a tool with which to analyze the economic patterns of real life. Hence the teacher's task consists in imparting a certain way of looking at facts, a habit of mind, an art of formulating the questions which we are to address to the facts. But it is not enough to understand the tool; the student must learn to handle it. Taussig's way of achieving this end was what he himself liked to call the Socratic method. At each meeting of the class, he started discussion on a particular problem which he admirably knew how to make interesting, and allowed his students to fight it out, guiding proceedings with a good-natured firmness that never has had and never will have its like. Returning from a meeting of his course, he once told a friend, "I am not pleased with my performance today. I talked too much myself."

In choosing his material, his practice was to steer a middle course between the doctrines of the past and the doctrines of the future. In his time, what is usually referred to as "classical economics" (the views and methods of the leading English economists between 1776 and 1848) was slowly passing out of the picture. Nevertheless, while substantially teaching more modern theory, primarily Marshallian, he always kept the classical background in view. Again, in his time new tendencies were asserting themselves that have by now produced a different type of economics. Their development he followed cautiously and not further than he felt the ground to be safe. This policy had much to do with his tremendous success as a teacher. He avoided refinements that would have interested a few only, and at the same time resolutely steered away from what was becoming definitely obsolete.

It is not enough to say that students loved him and that he spoke with the authority of wisdom and experience. Far beyond

what such a statement conveys, he succeeded in impressing something of his breadth of spirit and his high sense of public duty upon everyone who came near him.

As before, the fruits of his research in his last decades divided themselves into three groups. First, we may note that among the nearly sixty publications which may be credited to him from 1920 to 1934, the great majority pertained to problems of international trade. Results of his work with the Tariff Commission and the problems of the war and postwar periods loom large, of course — those experiences in fact not only offering opportunities for interesting applications and verifications of his views (which, by the way, were much more successful than detractors of “classic” doctrine are in the habit of admitting), but also occasioning new progress.⁷ A book of collected essays, *FREE TRADE, THE TARIFF AND RECIPROCITY*, appeared in 1920;⁸ and he bade farewell to teaching the subject, though by no means to his interest in it, by the publication of a masterpiece, his *INTERNATIONAL TRADE*, in 1927.⁹

That treatise contains several novelties, which cannot be discussed here, but in the main sums up, with unsurpassable clarity and force, most of Taussig’s work and teaching in the field. In order to appreciate at its proper value the imposing fabric of that work, it is first of all necessary to reduce, to its true dimensions, the importance of what to the modern theorist always proves a stumbling block. The pure theory of international trade is no doubt in a process of radical reconstruction which is bound to do away with most of the tools that Taussig used. He even started from a labor-quantity theory of value which he found useful in clearing up certain basic problems but which cannot be upheld except by means of a number of auxiliary hypotheses of a most dangerous nature. This stamps him as a “classic” in the eyes of many people. But techniques as such never interested him greatly. He implemented his scientific vision with whatever instrument he found at hand and if the latter was Ricardian, its user was, in some respects, far ahead of his time — witness, for instance, his grandiose plan of an international allocation of raw materials. His success with

7. See, in particular, his important article on “International Trade under Depreciated Paper” (this *JOURNAL*, 1917).

8. French translation, 1924.

9. German translation, 1929; Japanese translation, 1930.

the practical problems that really interested him was astonishing. And critics should marvel at what obsolete tools can do in the hands of a master rather than at the reluctance of the master to part with obsolete tools.

The theory is, however, not the whole of the achievement. It is not even the main part of it. Disregarding the wide horizons, the profound wisdom, the shrewd appraisal of political implications that were his, and confining ourselves to the purely scientific aspect of his performance, we cannot fail to admire the way in which he worked himself, and led his numerous pupils to work, in the spirit of econometrics: the "theory" is followed by the "facts" or, as he chose to put it, by "problems of verification"; and here time-series analysis, though of an unsophisticated kind, comes into its own. But he goes much beyond the usual haunts of the econometrician. He makes his analysis an instrument of economic history and thus leads toward a future that is full of promise, in which theoretical illiteracy will no longer be a badge of honor for the economic historian to carry, nor historical illiteracy a badge of honor for the theorist.

Second, he set up another landmark by his work on the *ORIGIN OF AMERICAN BUSINESS LEADERS* published in 1932 (Dr. C. S. Joslyn collaborating). We have noticed Taussig's growing interest in what we have termed economic sociology. Individual behavior or motivation was what attracted him first. He then shifted to another approach. He was among those few economists who realize that the method by which a society chooses its leaders in what, for its particular structure, is the fundamental social function — such as, for instance, was the function of the warrior in feudal society — is one of the most important things about a society, most important for its performance as well as for its fate. And he made a bold and original attempt at coming to grips with this problem by collecting, through a questionnaire, extensive information concerning the problem of what the rôle of the self-made man, or else of his heir, in American industry really was. Whatever we may think of the merits of the methods Taussig used in drawing inferences from the material assembled, we cannot escape the fact that, viewed under the wide aspect which gives to the venture its true meaning, this study was pioneer work and a stroke of genius.

Third, two contributions should be mentioned that issued

forth from his theoretical workshop. The one, "A contribution to the study of cost curves" (this *JOURNAL*, 1923), deserves to be remembered because of the importance which the subject has more recently acquired. It was a result of work done at the Tariff Commission and presented a theory of a "bulk-line cost curve." This particular theory, to be sure, did not prove successful, but, again, it was a lead. The second paper, "Is market price determinate?" (also this *JOURNAL*, 1921), gave another impetus to scientific thought. As far as we know, Taussig was the first to face the fact that economic theory, if it is to be made quantitatively operational, will sooner or later have to work with ranges rather than with points, with zones of finite breadth rather than with functions in the ordinary sense. This lead has not been followed so far, for the excellent reason that it calls for an entirely new technique. One day, however, Taussig's "penumbra" — a most felicitous term of his — will get its due.

But the day was at hand when the "inevitable" — as he called it — began to cast its shadow. No major performance dates from any of the years after 1932. In the classroom he still did excellent work. But slowly he became aware of a danger of losing his grip. To a man of his character — to one whose life was his work — it must have been a severe pang. But he did not hesitate. He resigned his chair in 1935 and the editorship of this *JOURNAL* in 1936.¹ Afterwards he wrote of his retirement, "My colleagues and friends said they were sorry, and their kind words made me hope that I had succeeded in carrying out what had long been my intention — to retire when people might still say with some show of frankness 'it is a pity' and not to wait until they could say with complete frankness 'it is time.'"

It was fortunate, especially when the *JOURNAL* had gone out of his life, that there was a duty awaiting him on which he had set his heart. His *PRINCIPLES OF ECONOMICS* had long been a matter of great concern to him. The revisions in the third edition (1921) had been done in a hurry and had never satisfied him. "In view of the enormous economic and social changes of the period since 1914,

1. The title of Henry Lee Professor Emeritus was conferred upon him. For 1936-37 he was elected President of the Harvard Alumni Association. His pupils and friends presented him, in celebration of his seventy-seventh birthday, with a volume of essays entitled *EXPLORATIONS IN ECONOMICS* (1936).

the treatment of hardly any subject could be quite the same.”² And he bent his remaining strength to the exacting task of revising, partly rewriting the whole, and of recasting completely the third book (money and banking) and the fifth book (distribution). Securing able collaborators, he succeeded in this last revision, and in March, 1939, he was able to write his prefatory benediction. The general framework, the vision and approach were not changed. Nor was the fundament of the theoretical structure.

And wisely so. Taussig's work as an economist has its historic place. From that place it can never vanish. It would not have done to obliterate its strong features by a nondescript eclecticism. Those features stand out impressively if we look at them in the light of the evolution of American economics. In the beginning there were the old masters of practical wisdom — Hamilton and others like him — but, as was natural in an environment where men had other things to do than to philosophize, no home-grown scientific economics flourished. There were protectionist Smithians of the Daniel Raymond type and, later on, such original but undisciplined thinkers as Henry Carey. After the Civil War or thereabouts, things began to move forward, slowly at first and then more quickly. More than any other man's, Taussig's name is associated with the development that wrought the change. But in his formative years, he, like everyone else who appreciated serious thinking, had first to learn the English lesson in the form that Mill had imparted to it. Like Marshall, he got the elements from Mill. No keen mind, however, can read Mill without seeing the greater figure of Ricardo looking over his shoulder. And *there* was the kindred spirit whose guidance Taussig felt able to accept, not in a spirit of receptive imitation but in one of creative allegiance. The same difficulties that presented themselves to others who started with the Ricardian apparatus — Marx among them — must have presented themselves to him. And as he struggled with the famous fourth section of Ricardo's first chapter, he hit upon Böhm-Bawerk's work — which no doubt helped him to elaborate a theory of capital that at the same time was a theory of wages. Like Marshall, whose path was different but fundamentally parallel, he did not take kindly to the utility analysis — only still less so. But he felt no difficulty in going on to develop his theory of wages to the point which the phrase “discounted marginal

2. From the preface to the fourth edition.

productivity of labor" indicates. This point once reached, the affinity between the English and the American Marshall becomes still more obvious. Both succeeded in building up an organon of analysis that was classic in the sense in which that term applies to the theoretical physics of the 1890's — in the sense that conveys beauty and simplicity of lines as well as technical limitation. Both made that organon serve a great historical vision and an ardent desire to solve the burning questions of their day. Both were right in respecting one another as they did and right in not surrendering any point to one another.

Completion of the new edition of the *PRINCIPLES* left a great void in Taussig's life which he incessantly strove, yet was unable, to fill. It was not given to him to rest in idleness. He never ceased to feel that there was still work for him to do. In fact, there was. Few men's last messages are so much worth having as his would have been. But he was rapidly becoming incapable of sustained exertion and nothing — except the sketch of his father's life on which we have drawn — came of the painful efforts he kept on making. He was one of those men who ought to die in harness and for whom *Nunc dimittis* will never ring true.

To the end, however, he was free from the common discomforts of old age to a quite unusual degree. He enjoyed perfect eyesight, perfect hearing, unimpaired power to walk and to swim. He had no personal worries on his mind and he was happy in the circle of his family which for the last time gathered round him in Cotuit during the summer of 1940. At the usual time, the beginning of the academic year, he returned to Cambridge. There he suffered a seizure which left him unconscious for over a week. Without regaining consciousness he passed away, peacefully and painlessly, on November 11, 1940.

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