

LEARNING FROM HITOTSUBASHI S
CARL MENGER LIBRARY
(QUESTIONING THE ORIGINS OF
AUSTRIAN ECONOMICS)

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I guess it must be because the gentle staff at the Center for Historical Social Science Literature at Hitotsubashi University, in Kunitachi, Tokyo, saw me spending so many afternoons classifying material, decyphering manuscripts and putting down notes for chapters to write back home at night, and that for more or less one year and a half that I spent there, that they once asked me to write a short essay for this Review.

Maybe the best way to answer such a kind invitation is simply to tell my experience for the year and a half that I lived as a foreign researcher in Japan. But besides the space to give over to personal feelings and the many memories I have built there, I feel I should also say some words of the results I have gotten. Of course, a short essay like this one can but be a brief sketch of such a matter, which is primarily meant for the doctoral dissertation the research served.

Still, maybe the most welcome thanks to the Faculty and the Library staff at Hitotsubashi for their kind interest and generous help are , I guess, to show the reader how much can be learned from the Center for Historical Social Science Literature, and how precious is, in particular, the Carl Menger Collection it houses.

Learning about the Library: hearing about the Carl Menger Collection in Japan and getting to it

It was in the United States that I first heard about the Carl Menger Library, and that it was housed in Japan.

I was at Harvard University (as a “ Clifford Augustus Tower Fellow ” invited by the Graduate School for the academic year) when I began to plan the necessary stages to complete a doctoral dissertation about the relationships between German-speaking philosophy and economics from the beginning of the Industrial Revolution on the European continent (roughly, the 1800 s, after the French Revolution and the Napoleonian wars) to the 1930 s.

It should be precise: “ German-speaking ” - and not only “ German ” - because both Germany and Austria are of major interest in confronting the philosophical thoughts that oriented the first steps of social sciences, and particularly of economics in the hinterland of Europe. That is the subject of my dissertation, and in order to make the pages that follow understandable to the reader, I shall explain its starting point in a few words.

German Idealists (Kant, Fichte, Hegel), revolutionaries (Marx) or critics of the Philosophy of history (*Geschichtsphilosophie*) (Dilthey, Rickert, Simmel, Max Weber) and, just as well,

Austrian psychologists (Brentano, Bolzano) and epistemologists (Carnap, Hempel, the Vienna Circle, and even Wittgenstein to a certain extent) have had an impact on the social sciences that gradually gained their autonomy during the XIXth century and the beginning of the XXth century. In the scientific field they contributed to shape, how can their influence be measured? How must it be evaluated, in particular in the field of economics?

These were the questions I began to ponder while deepening my knowledge in economics, and the history of the many thoughts that have shaped it for the last two centuries. For example, I was able to see how authors like those of the German Historical School of Economics (Roscher, Knies, Hildebrand, but in particular Gustav von Schmoller), in spite of a discourse bluntly anti-philosophical and hostile to the idealistic conception of history, held strongly to concepts inherited from this Idealistic tradition, the very same they pretended to despise.

It was not bad faith though, nor was it because of some hard-to-believe blindness from the part of the economists, but because philosophers' ideas that make their way into the discourse of " positive " sciences soon lose their trademark. Other philosophers are later needed to remind everyone that what is taken for granted has a history too, that our very spontaneous ways of thought too are rooted in history. So, what about the economics which has succeeded since the end of the XIXth century, that is Marginalism? or rather, a Marginalism which Neo-classical thinkers adapted to their own needs to give us today's economics?

Marginalism was born simultaneously and independently, in Britain, in France and in Austria. Three economists reshaped the field of economics and, through different ways of thought, invented a new paradigm. The latter, later called *Marginalism* was to replace everything that had been previously accepted (including previous criticisms of classicism, like Marx's). The infamous founders of Marginalism are, respectively to their countries: Stanley Jevons, Leon Walras, Carl Menger.

While Jevons and Walras had not much of an opposition to fight on the methodological level and were quite free to open new paths (like the use of mathematics in economics, that the French mathematician Augustin Cournot had suggested), Carl Menger found in the methodological debate his most interesting battlefield. Menger (1840-1921) had to overcome the immense obstacle of the German Historical School. The resulting polemic was to become known as the *Methodenstreit*. Neither only the well-known outcome of this *Methodenstreit*, nor the anecdotes thereof, but its underlying concepts and their philosophical weight is therefore of primary interest to the scholar working on the economic discourse of this era.

Moreover it is not so much the end of Menger's career, even less his works published posthumously by his son, Karl Menger, that would be able to tell us about this experience in reshaping the structure of the field of economics into a pure science. On the contrary, Menger's own beginnings, hesitations and how he fought his way through obstacles would be the most interesting part. If possible, manuscripts would be the most valuable documents, if they were accessible to the public.

Now, such a treasure does exist. And the community of scholars should always be grateful both to the place that has housed it and has made it available to the learned public as well as to the scholar who first reminded the Western academic world of its existence, after 40 years of quasi-

amnesia.

The Austrian-born Illinois Wesleyan University Professor of Economics, Emil Kauder, first edited in 1959 a list of the best pieces listed in the *Catalogue* carefully completed by the Library staff of the Center for Historical Social Science Literature at Hitotsubashi University, in Kunitachi, Tokyo.

Kauder's *Menger and his Library*, published in Tokyo, in Japanese and in English, made its way only to a few libraries of the major universities around the globe. The Widener Library at Harvard being one of them, we had access to it. Looking back upon that time, we can but feel a strange nostalgia thinking how thin are the events that change the course of lives. As thin as the fifty or so pages of Kauder's pamphlet...

The next step was then to make a visit to the Menger Library at Hitotsubashi University possible. While I was back at the Sorbonne University and the Ecole Normale Supérieure in Paris, my homeland, I had to comply with military and bureaucratic authorities' many requests. But, at last, administrative obstacles being removed, the Ecole Normale Supérieure and the University of Tokyo jointly proposed my application to the Japanese Ministry of Education for a grant of one year and a half (1).

The Monbusho Grant allowed me to enter Tokyo University Philosophy Department, where I have since then worked as a researcher - as well as a student of Japanese language and culture, as much as my doctoral work allowed me to. The status granted by Japanese authorities gave me access to Hitotsubashi University library facilities too, and I could begin searching these rare documents at will, sharing my time and my activities between these two great Universities.

Learning from the Library:

gathering relevant material, exploiting it and finding results

The Hitotsubashi University Center for Historical Social Science Literature (mostly in the Western world) houses all of the 19100 volumes of Carl Menger's Library that had been acquired from his widow after the death of the Viennese Professor (Menger died in 1921) (2).

The then University of Commerce of Tokyo, located in the Kanda central area of the capital, saved the Collection twice, first from the fires lit by the 1923 Kanto Grand Earthquake, just after the volumes reached Japan. Then the university moved to Kunitachi in 1930. The collection was then saved for the second time by extraordinary chance from bombings on Tokyo by being transferred to Inamachi, Nagano prefecture from the destruction of World War II. It was then moved to Kunitachi. It is here presently and this is where an answer can be found.

A short essay like this cannot display all the results of the enquiry, and we should refer our reader to a larger work (3), but here are the steps we took for our research, and after explaining our choices and our method, we will also display some of the results we think we have reached.

1. The material available: did it fit the goal?

The first step was to make my choice in this huge material and to pick up the most interesting

items. This meant discarding without pity all that was only loosely related to my subject or adding considerations far away from my starting points. What these points of departure were we already mentioned *supra*, but let us now see what they meant in concrete terms of books to be consulted and exploited.

A first part of the material to examine was, of course, Menger's own production. My interest would go to Menger's earlier works and the evolution that occurred in his thought in the following decades, in answer to the fight he had to undergo. This corresponds to the year between his first masterwork and approximately the turn of the century. This is exactly the bulk of the material available at Hitotsubashi.

Menger's first economic theoretical publication (he had worked in the corporate and the administrative sector before) was the *Grundsätze der Volkswirtschaftslehre*, whose first edition appeared in 1871. The second edition, much better known, is a version revised by his son and largely different from the first; it was published posthumously in 1923. Moreover, the Center has the author's copy of the first version of 1871. The Viennese publisher, Wilhelm Braumüller, had sent it to Menger, who duly re-annotated his own book, so that one can see today, in faded ink, the original manuscript marginal notes by the author himself. Kauder called the author's copy " a curiosity ". It is much more than that, a concrete example of " work in progress " in a matter of greatest moment to the history of economic thought. Kauder himself realized it as he soon undertook the major work of decyphering of these notes. We shall say more about it later in this article. For now, let us just stress the importance of the copy registered under: Mon 2142, and about which Kauder made the following statement: " Although some thoughts of the fragment have been further developed in the second edition (e.g. the theory of needs) it would be wrong to conclude that the Hitotsubashi fragment is a preliminary of the *Grundsätze* published in 1923 ".

But soon, in order to justify his approach in the *Grundsätze*, Menger had to turn to epistemological questions and fight the German Historical School of economics. On this, besides a very bitter correspondence with Schmoller already much studied by the academic community, as if violent polemical stuff was the best part of a scholar's thought, Menger's major contribution is his *Untersuchungen über die Methode der Socialwissenschaften und der Politischen Oekonomie insbesondere* (1883) Menger states the conditions to which one can claim doing scientific job in the field of economics and that would be the second major work to be analyzed, though here manuscript marginal annotations were scarce. Let us be more precise:

Together with the book, the polemic born then, known as the " *Methodenstreit* ", would have a tremendous effect on the history of economics. As a matter of fact, it laid down the foundations for the methodology not only of " Austrian economics " as those became known, but also of mainstream economics since then, as it has been combined with other Marginalist standpoints and even some Classical results (hence, the denomination often used of " Neo-classicism ", even if, strictly speaking, Menger was almost as anti-Ricardo as he was anti-Schmoller).

But Menger was not only the major contributor of the time to the quest for the methods to use in economics that had become necessary; he had also laid the ground for assumptions regarding the theory of value, of capital, etc. that were developed by his pupils, like Böhm-Bawerk and von Mises. In a word, with the noteworthy exception of mathematization, Menger set up the goals, the

means and the ways of economic research as we still know it today. Therefore, to address this matter of greatest moment leads one to ask the relevant philosophical questions about - and here let us use Michel Foucault's concept - the " *épistémè* " of *our times* in the field of economics.

To understand the new structure of the field of knowledge brought in by Menger, it therefore seemed necessary before all to examine the notes he had left on their books in his collection. A bibliophile as he was, many of them have intrinsic value. But librarians and amateur bibliophiles are much better placed than I am to talk about such a matter, that I should therefore leave them, pointing out though how much such a work would be necessary - and without doubt rewarding for Menger was a *connaisseur* and had also a complete register of his collections.

But, from the point of view of the philosopher, and for that matter, the philosopher interested in economy-related questions, would not to understand where Menger took his views from be the first track to follow? What is *new* is new within respect to something older whose comprehension remains necessary to conceive of the *new* itself. And, consequently, should not we ask about the development of his thought from earlier thinkers?

For example, if we were to ask the same question in the case of Stanley Jevons, in Britain, it is possible to refer to a very small, but undying, group of economists who never accepted the idea of basing price-value on the value of labor. Suffice to evoke thinkers such as Longfield, whom Jevons had read. As to Walras, his goal, as paradoxical as it may seem with the distance, was anchored in French attempts to build viable alternative social systems. But to whom did Menger refer to?

This was the second part of the material we had to search. And, as a matter of fact, the question that led to it should be of major interest to any study of German economic and philosophical literature, for the main commentators on the subject fall short of satisfactory explanations; for instance, those put forward by Friedrich von Hayek fifty years later (which refer Menger's views mainly to his practice of the financial market of the time) need to be discussed. The heirs of Menger have been the subject of many an in-depth study, but should not a philosophical questioning begin with the *roots* of the whole thing?

On this subject, it had sometimes been said that Menger used (and abused) predecessors of the marginalist reasoning devices like Gossen, or Mangoldt. It is therefore of a major interest to know if these accusations can be justified or not, with the help of documents. Emil Kauder had begun this work and in the four-page conclusion of his *Menger and his Library* had said no. Still, a more lengthy demonstration would be welcome to any reader stumbling upon this. There was the chance to test such statements.

On the contrary, philosophical influences had often been neglected and still, the books available at the Library, though their number is not huge, show distinctively a major interest, notably in the case of Aristotle and of English philosophy. The links that one should seek with German-language philosophy too can be somewhat made clear.

Examining the *Catalogue* of the Library, we could pick up samples and also make a review as general as possible (including with the use of microfilms) of the relevant items. We found them to belong just as much to philosophy as to his predecessors in economics. But this, which was what we expected, and this confirmation, of course, made us very happy; but it also raised

problems of methodology to exploit the documents. Besides, to begin with, there was a mere down-to-earth trouble in the reading of the notes scribbled almost hieroglyphically.

2. The method of study: a method that works

Two more steps further had we then to go. First, facing such a huge material, limiting the scope of the inquiry was necessary. This would go along with the testing of the hypothesis according to which philosophical literature was relevant to understand the progress of Menger's thought along scientific lines. To put it in other words, one of the hypotheses was that Menger used concepts taken from philosophers to check statements made by economists upon the methodology of their work. Conversely, economic results were dependent on the method that had led to them. But at this point, philosophical ideas could not dictate scientific results.

Secondly, there was a much more down-to-earth preoccupation. The troubles with the manuscripts were numerous: neither guessing what Menger had scribbled was always easy, to say the least; nor, comparing his comments to the sections on which they bore, though Menger had always indicated clearly where it was referred, was obvious.

Given my many failures at the start, I sometimes began to feel discouragement; not often had perseverance been so necessary. Still, I found encouragement in the fact that a task similar to the one I set myself had already been partly undertaken earlier on - to be precise almost some forty years earlier. Invited as guest Professor by the University of Hitotsubashi for the academic year, Emil Kauder used a lot of the documents he had pointed out to the economists' attention as soon as 1959. He was the first to make a thorough inquiry on the Menger Collection at the Center for Historical Social Science Literature. Hitotsubashi University then asked him to undertake the first exhaustive transcription of Menger's marginal notes on his own copy of the *Grundsätze der Volkswirtschaftslehre* (the copy is catalogued as Mon 2142 in the Collection).

The result of Kauder's toil was a typographed 292-page volume. This work is all the more remarkable as Menger's own son had renounced to undertake the same, in his time, on the documents he still owned after the bulk of the Collection has taken the road to Japan. Considering the amount of time and the obstacles to face: putting into order a mountain of writings of every kind, notes, corrections, thoughts put down in haste not only in book margins but on flying papers then dispersed, etc.

Carl Menger himself who seemed to have thought of editing a second version of his major work during his life-time had given up. Could his son do better? Kauder writes: "It is quite clear why he did not pay attention to his notes (il s'agit de Carl Menger). Some small essays contained in the fragment are only partly completed, the accumulation of annotations creates confusion, and the handwriting is illegible. Even an experienced print-setter would have encountered great difficulties to produce a clean copy".

Therefore the notes Menger left on the margins of his copy of the first version are the only workable documents that we really enjoy. They are all the more valuable and Kauder's transcription of them all, too. Entitled *Carl Mengers Zusätze zu "Grundsätze der Volkswirtschaftslehre"*, it was given to the care of the Hitotsubashi University Library, which put into a book format, in 1961. Emil Kauder transcribed Menger's annotations on yet another book from his the Collection.

This time, it was on one of the most famous economics textbooks of his time, the *Grundsätze der Volkswirtschaftslehre* by Karl-Heinrich Rau that Menger had put down his thoughts. He owned the seventh edition, published in Leipzig and Heidelberg in 1863 (Comp 266 in the Collection). It seems that Kauder was willing to undertake this work too.

Upon consultation, Kauder was right and his work was worthwhile. As Professor Yuzo Yamada writes in his introduction to Kauder's transcription, Menger's annotations on the textbook, even considered for themselves, are almost a first draft of his masterwork. The title itself of the textbook and of Menger's 1871 book shows an obvious inspiration; but it is also the only one. Menger's appraisal is the most critical one could imagine of. Not polemic as with the Historical School works on which his remarks display his despise, but really critical in that he ponders almost all of Rau's arguments to end up rejecting them and establishing new statements.

This should result in an altogether different approach to the whole field and, as a matter of fact, it did so much so, that Menger felt the urge to change the title itself of his own work on his author's copy. There, one can read, in Menger's handwriting the correction of the 1871 title: *Grundsätze der Volkswirtschaftslehre* into *Allgemeine theoretische Wirtschaftslehre*. The change of title symbolizes and sums up the process of transformation of Menger's thought. The contents were already a world away from Rau's writings when Menger realized that he could not keep such an old denomination and the old-fashioned attitude towards economics that it conveyed.

From one paradigm to another, the substitution could not be clearer. Emil Kauder was very conscious of that momentum and that is undoubtedly why he considered Menger's notes on Rau's book worthy of the same painful decyphering work he had already once achieved. This time, the result was: *Carl Mengers erster Entwurf zu seinem Hauptwerk " Grundsätze " geschrieben als Anmerkungen zu den " Grundsätzen der Volkswirtschaftslehre " von Karl Heinrich Rau*. Kauder's work was completed the same year, the dactylographed copy being available a bit later, in 1963. It was another 35 years before it became a main tool of our study.

Still, as major as these two transcriptions are, they cannot but give a faint idea of the whole of the Collection. As a matter of fact, it is a real exploration work that the scholar who enters it has to face. A majority of the other books of the Collection, a lot of them fitting our purpose and possibly rightfully entering within the scope of our work, bear marginal notes or some marks of a kind or another. In some cases, the book annotated is secondary, but it does not mean the notes are. In some others, they are more scattered and sometimes eventually become really sparse. Although, the work already achieved by Kauder was impressive, we had to find our own way between the neatly ordered but deseperating endless bookshelves and lists of titles.

Moreover, in this jungle of manuscript annotations looking like so many scribblings most of the time, we had now to do the whole transcription work. We then began one of the longest part of the work at the Library. We made an almost complete transcription of Menger's notes to Aristotle's *Nicomachean Ethics* (in the Collection: Philos 1), as well as of a philosophy textbook by Ueberweg (Philos 26) Menger used so much he almost turned it into dust.

But I must confess it would have been beyond my strength to transcribe all of the annotations that were left on the other books I used to understand Menger's thoughts about his predecessors, philosophers and economists altogether. Besides, it would probably be useless for not all of them

are relevant. Consequently, it is in the process of a thorough reading that the choice was made to give advantage to such or such part of Menger's comments on John Stuart Mill, Hermann Gossen, Lorenz von Stein, and others. We give a complete list of the volumes we thoroughly searched at the end of this essay. Of course, we consulted many more but we concluded to discard the others when it came to a minute examination.

For those that received all of our attention, they allowed us to follow in detail the prospects Menger had in mind and the will he displayed to make his predecessors' results his or to fight and discard them. Never Menger does appear neutral in his comments - rather the neutral parts in what one can read is where no notes are left, that is where interest is low. Menger takes position - for or against, and summons the arguments as for a battle. His fighting spirit is impressive even where it was only for himself as, after all, others than the collector were not supposed to reach so much inside his thoughts (4).

What were our criteria when processing this material then? As we already said, philosophical and economical sources appeared of major interest from the beginning, and as a matter of fact, they bore most of the annotations. For example, travel literature which makes a good part of the whole Library, and which concerns every corner of the world, is not annotated at all. These are reports from experiences of travels, encounters, etc. and they can be reflected upon, but not really discussed as they display the facts that were. Still, one guesses from the mere number of such items that Menger was fond of knowing what other cultures and societies were and how they evolved. This can be traced into his theoretical writings where, especially in manuscript notes, he often presents the reader with anthropological data one can almost unmistakably refer to these books of travellers to the four corners of the world.

Inside the philosophical and the economic sections of the Collection, we proceeded with an almost complete general review, and then we chose from what seemed to have attracted his attention most. There, we also gave some advantage to major authors, upon the assumption, not always true, but how to do otherwise, that they would be more relevant to a scholar's mind. With Menger, it is not always the case, for he showed a very liberal mind for his time and his position as a high civil servant of the Austro-Hungarian Empire.

For example, pamphlets against the Catholic Church or in favor of minorities within the Empire can be found in the Library. Kauder detects Menger might have been irreligious. He had troubles at the Imperial Court, that can be proven. Still, we got hold of nothing that could frankly ascertain his dislike of the authorities. Cautiousness? It is true that he does not hesitate to show his distrust of faith when it comes to religion interfering with science (as his criticism against the Historical School shows up in the last lines of the *Untersuchungen*). A Library says much about his owner, especially when he is such a passionate bibliophile as Menger was. Still, one cannot read all the thoughts of a man in his possessions...

Last, but not least, in terms of efficiency and time spent, microfilms were of much help. Whereas we could get some copies of the extracts most useful to us, to be used again when writing the chapters of our dissertation once back home at night, it was also the possibility to review a lot of books in a short time. Of course, there, as well as in the manual search, many things must have escaped our attention, and anyway, one could spend much more than a year and a

half searching Menger's Collection. Still, we may hope we have dug out the most of the material that was helpful to answer the questions we wanted to ask Menger, one century after he could have answered them in person. These questions that we have written above in this article should have gotten their answers until another scholar comes to the Library to check our work. Until then, let us now give some of the results we have reached.

3. Some results of the study: philosophy and economics, their relationships

Even if the short space here at our disposal does not allow an exhaustive report on the results of the research undertaken at the Center and followed for one year and a half, it is still possible to give the reader an idea thereof. Let us try then to do so.

First and foremost, Menger's method was at stake when analyzing not only what his ideas were, but how he got to them. Does not he himself write: "Die erkenntnis-theoretischen Untersuchungen auf dem Gebiete der Politischen Oekonomie sind, zumal in Deutschland, bisher noch keineswegs zu einer eigentlichen Methodik dieser Wissenschaft vorgedrungen"; for the opening lines of his *Untersuchungen über die Methode der Socialwissenschaften und der politischen Oekonomie insbesondere?*

To Menger's mind, although it is not a *natural* science, like physics, economics can reach the status of an *exact* science. It is only the prejudice of the German economists that have prevented it from going this way and getting results worthy of recognition by other sciences. On this matter, the French and English Classics are not free from criticisms. They do not have true concepts of economic terms, like "value" (in *Grundsätze*), and they often behave for the sake of other interests than those of science, like Bastiat: "Bastiat ist ein Advocat" (5). It is because they have failed to shape a real science that German professors gave into wrong views. On the contrary, what economics needs is to be exact, and in order to achieve that, to remain *pure*. Freed from mistaken practises and from blind headed paths, it will escape its ancillary position (to political interests, to class interests) and become a science like the others.

Said like that, such a purpose might remind us of Kant's own goal for philosophy in his second preface to his *Kritik der reinen Vernunft*. This link had been made by the Japanese scholars, Professors Sugimura and Yamada (6) and though Emil Kauder tends to temper their enthusiasm, it seems to us that if it is true that Menger is definitely not a Kantian, his objectives are not so different from Kant's own ones, as far as economics is concerned. Given that Menger writes elsewhere: "Kant sieht in National-oekonomie keine reine Vernunft"; they might have been induced to think so. On the other hand, Kauder might here be paradoxically victim of his acquaintance with his homeland anti-German spirit and exaggerate himself the differences between the philosopher's and the economist's ultimate goals as well as quest for a *pure* practise of sciences.

Still, our study gets to a result close to Kauder's own when it comes to the importance of what he calls an "Aristotelian background" to Menger's works. It is only too bad that Kauder could not really prove his claim, besides reminding economists that the famous "scale of welfare goals" that Menger exposed in his *Grundsätze* could be read almost in the text in the *Nicomachean Ethics*. But, as a matter of fact, the link reaches much further, and our own study on the copy

owned by Menger and listed as Philos 1 in the Collection, should show it, even in the few words we can only afford here.

Two major subjects attracted Menger's attention in Aristotle's *Ethics*: the question of justice (Book V) divided, as one knows, into distributive justice and corrective (or commutative) justice. Menger's notes bear mostly on the themes of rightful non-forced exchange and the analysis of the reciprocity process on the one hand, and on the notion of " friendship ", or rather on the relationships between unequal friends, like a benefactor, or creditor, and a debtor (Books VIII and XIX).

But the introduction of the whole exposé by Aristotle starts from the question of the Good, and the identification of the most important of them. And, as one knows(7), this is the good that holds for the whole community and therefore, it is *politics*. But ethics are its introduction, and as economics, dealing with interhuman relationships has to do with ethics at some point (about justice which is between individuals what *virtue* is inside one individual (8)), Menger rightfully felt how Aristotle's concepts could help his purpose of refounding economics radically.

The practical purpose is common ground to both thinkers. Menger wants to elaborate a theory, but it should be useful *later* to mankind and the organization of its life. Therefore, avoiding any interference between politics and economics, the latter should yet be the introductory science to the former. When Aristotle thus defines the role of the politician as separate but as being educated by science, Menger agrees and underlines (in German translation) : " So muß der Staatsman offenbar eine Einsicht in das Wesen der menschlichen Seele haben " (9).

A true science of economics counts with the psychology of the agents, and elaborates its theorems far from them. In turn, it will have consequences on these agents - just as, according to Aristotle, the truly virtuous man will always give an ear to the theory of the Good, not with a mere intellectual interest but with the intention of following it (10)-, but theory should not be constructed with that thought in the back of the mind. Let us quote Kauder here once more, for what he said about the *Grundsätze* proves the point of the link he felt but did not really explain: " In the Hitotsubashi manuscript Menger unfolds his ideas about the autonomy of theory, the relation between morals and social progress, he also takes his stand in the controversies of the Classical school. As these discussions cannot be found anywhere else ... ".

What about a purely economic problem then and, for instance, these disputes of the Classical School Kauder evokes? We already said, and it is well-known, that Menger's work was first to demolish the method used till then by the German Historical School of Economics. But, for all that, he did not necessarily agree with the Classics that historicists fought in such a wrong manner. Even those who were not, like Bastiat, " *Advocaten* " had to be thoroughly discussed. Sure, it is with the masters of Anglo-Saxon economics that one had to learn his way into science, but they also failed it more than once.

Let us take the example of the exchange of correspondence between David Ricardo, and his French colleague and opponent, Jean-Baptiste Say. Menger owned a copy of the posthumous edition of Say's letters and articles (11) And he pointed out, in the French text, many parts that seemed relevant to him. So much so that a cross-examination shows the same reappeared in the margins of the author's copy of the 1871 *Grundsätze der Volkswirtschaftslehre*. To get a first

idea of Menger's treatment of his predecessors, is not looking at how he examined their disputes the best way?

Now, among the many disputes between Ricardo and Say, let us take the simplest for here, the one which is related to Say's well-known "supply law". Its shortest formula is given by Say in the first of his five open letters to Malthus published in 1820. It says: "J'avance que ce sont les produits qui ouvrent un écoulement aux produits" (12) Menger underlines. It must be noted too that, as far as Menger is concerned, that is a reverse line of reasoning to the one he is used to exposing in his own works, which always start with the consumer's point of view. Let us also remind the reader that this "supply law" faces two major obstacles we sum up quickly here:

- on the one hand, it excludes the possibility of overproduction crisis: it is hard to believe!
- on the other hand, it neglects the second phase of the exchange process and takes for granted that there is always enough demand

Moreover, what is there implied is the reality of an underlying auto-adjusting process that says more or less: men sell... only to buy more. The mechanism can create doubts at this point, but it has been called a "law" by his author. Ricardo is hard to convince and opposes definite arguments to Say. This is not the place to present them in detail. Letters just say that they revolve around what we have just exposed and around other assumptions particular to Ricardo's theory of value, which Say criticizes massively in his turn.

This is a dispute on the basis of the common ground between Classical thinkers (like labor-value theory, etc.), a ground which Menger does not share any more. Still, Menger is able, not only to see clearly the arguments (it is his field!), but to take position, starting from a standpoint that is authorized by Say's approach, although the two are different. As a matter of fact, the "supply law" can be interpreted through some kind of individual need, which is closer to Menger's view than the usual labor-value and costs of production line of reasoning which he opposes. Menger can take side, and to the scholar who observes this decision-making process, it unveils Menger's underlying concepts and method. Of course, the problem *per se* is not altogether solved, but this is the way to learn about Menger's foundational work from his Library itself.

The solution to the problems discussed between Ricardo and Say under the scrutiny of their successor, as well as to those of justice as Menger finds them in Aristotle's *Ethics*, we cannot give here. It is to be found, with the comments that teach us Menger's positions, for the latter, in Books V and IX of Menger's copy of the *Nicomachean Ethics*, and for the former, in Ricardo's and Say's works he thoroughly read. But it is also in other parts of his library: philosophy textbooks that taught him about the intellectual world Greek thinkers, and others shaped the Western thought; economic *Principles* by English and German authors whose systems he reflected and discarded (for example, Mill's as well as Roscher's).

Now, if one were to ask it is understandable for an economist to discuss Ricardo's theory of the rent, or Mill's statements about labor-value, but how come Aristotle's analysis of the nature of friendship could work in the same process, we would first answer, with Descartes, that the light of the mind can be applied to all intellectual matters equally (13). But it would let one think that the subjects are just different, whereas, in fact, they are deeply linked: is not friendship the art of keeping balance through exchange between friends, especially when speaking of "useful"

friendship - as opposed by Aristotle to a “ virtuous ” one (like with kinship) or to a “ pleasant ” one (that is a glamorous one). And Aristotle means so, dealing in fact with a problem that requires in its practise the same process to be found as in the question of justice (Book V), that is: to insure rightful relationships in exchanges (including material ones): “ Recht im Verkerher der Menschen ” (14).

This leads us to the last point of a review that could only scratch the surface of the work that could be accomplished at the Hitotsubashi Center searching the Carl Menger Collection. As a last word on the subject, and considering our findings which, if neither revolutionary nor altogether new, yet, shed a clearer light on the foundations of Marginalist economics, we cannot but agree with Professor § Kauder statement: “ the fragment offers new insights in the way of Menger § process of thinking and working ”. This, in turn, allows to get a broader view not only on Menger § thought, but on the whole Austrian economics it gave birth to, and besides the whole economic modern world in whose shaping it played such a major role.

Starting from the comprehension of Menger § method, an economist trying to see clear in what he is doing, an economist who is conscious of the philosophical question raised by his science, or conversely, a philosopher to whom worldly matters do matter should be able, with the necessary limitations, but with a real effort, to become conscious of his own field and of the world it opens to the human mind. Opening the mind of its readers is exactly what the Carl Menger Library achieves, and it is surely its readers 'best reward.

Conclusion: learning at the Library

There are many memories the shortness of such an article cannot allow me to share with the reader (stories of little things that brightened a sometimes dull and bleak scholarly life, like small services, sincere joyful smiles, or this small bottle of *Ume-Shu* received there once with some *Ume-Boshi*). Still, there is a particular memory I have not mentioned yet and I want to as I reach the conclusion. Maybe I do feel compelled to narrate it because it made such an impression on me. It is the story of my first encounter with the Library itself.

The first time I was introduced to the Center for Historical Social Science Literature was a Wednesday, the afternoon of which day there was no Japanese lessons at the University of Tokyo. I had received a recommandation from Professor Shiokawa to meet one of his former students, Professor Kanno, who had newly entered Hitotsubashi Faculty. Though not a specialist of Menger, he of course knew the Center and offered very kindly to make the presentations. I met with him again a couple of times when I began to come regularly to the Center, Japanese lessons becoming more scarce (not that my level had improved much...)(15)

The Center is a smaller building, next to but separate from the Main Library, and as such it has its own specific staff. I explained them I would need to use the Carl Menger Collection a lot for a long period and I asked information about how to consult the *Catalogue*, the files, etc. I was happy to learn that the whole collection was microfilmed, which would make work easier sometimes and allow me to get some copies. I have since got much more information about the

opportunities one enjoys at the Center, but it was enough for a first contact.

Next, I wanted to see the Collection itself. The facilities being non-circulating and the books being brought only on request, this meant to enter the stacks usually closed to the public. The library staff at the Center was a bit surprised of my request, though apparently pleased with my keen interest, and eventually accepted. Putting on slippers, I followed my guide.

The stacks are on the second floor and getting out of the stairs, here it was. The room or the bookshelves were nothing particular. But the whole Collection was there, the 19100 volumes and the author's handwritten notes. Of course, these are only one-century old books and not even rarities *per se*. Scholars are used to much older stuff, and for example, even at the Center itself, there is a copy of the Magna Carta made in about 1300.

Being no bibliophile (but Menger was) it is not the rarity in itself I cared for, but the contents. And here was the chance to find out how were born some of the economics we still know of. The rarity was not in the books themselves but in that they conveyed, thanks to the notes that Menger had added to them, the very birth process of some important aspects of the world as we know it.

It is probably in realizing that documents that had travelled so far-away from their homeland and that had been somewhat forgotten with the years, despite some scholars stopping by, still bore relevance to our lives through the theories they had contributed to give birth to, that one can strongly feel the link between men and their thoughts through time and space.

The work on a Dissertation in Humanities is a Library work and the next stage of our own shall probably be some documents at home at the Bibliothèque Nationale de France in Paris. But such a library work may sometimes give the impression of being removed from reality. To a scholar's mind, it is on the contrary only a *detour* and, eventually, a better way to get back to it.

Bibliography (our research choice from the Menger Library) :

Here is the list of the titles we used in the course of our research. All annotated from Carl Menger's own hand, they have the value of documents of great importance to understand directly Menger's thoughts.

The number listed in between brackets after each title is its code in the Collection.

ARISTOTELES, *Werke, Schriften zur praktischen Philosophie, erstes Bändchen, Nikomachische Ethik*, uebersetzt von Dr. J. Rieckher, hrsgb. von C. N. v. Osiander, Stuttgart, 1856 (Philos 1); to which is attached: *Die Oekonomik* (ein Fragment) . As one knows, the latter is not by Aristotle himself, even if its contents are close to his thoughts and have therefore by mistake often been attributed to him. Xenophon's *Oikonomikon* is another source (see F. SUSEMIHL: *Aristotelis quae feruntur Oeconomica*, Leipzig, Teubner, 1887)

KRAUS Oscar, *Die Aristotelische Werttheorie in ihren Beziehungen zu den Lehren der modernen Psychologenschule*, separatabzug aus der Zeitschrift für die gesamte Staatswissenschaft, Verlag der Laupp'schen Buchhandlung, Tübingen, 1905 (in homage to Carl Menger, sent by the author) (Mon 1705)

KRAUS O., *Hermann Heinrich Gossen*, short biography of Gossen sent to Carl Menger by the author as a token of his most sincere and respectful feelings (Mon 1706)

KRAUS O., *Literaturbericht zur Lehre von den Bedürfnissen*, Prags (Mon 1704)

GOSSEN Hermann, *Entwicklung der Gesetze des menschlichen Verkehrs und der daraus fließenden Regeln für menschliches Handeln*, Braunschweig, Drund und Verlag von Friedrich Vieweg und Sohn, 1854 (Comp 99)

UEBERWEG Friedrich, *Grundriss der Geschichte der Philosophie der Neuzeit*, Berlin, Mittler, 1872 (Philos 26)

ROSCHER Wilhelm, *Ansichten der Volkswirtschaft aus dem geschichtlichen Standpunkte*, Leipzig und Heidelberg, 1861 (Mon 3358)

ROSCHER W., *Die Grundlagen der National ökonomie*, Stuttgart, 6 Aufl., 1866 (Comp 287 b (1))

KUDLER J. *Die Grundlehren der Volkswirtschaft, erster oder theoretischer Theil*, Wien, Braumüller und Seidel (Dr) , 1846 (Comp. 168)

STUART MILL John, *Grundsätze der politischen Oekonomie*, übersetzt von Adolf Soetbeer, Hamburg, Perthes-Besser und Mauke, 1864 (Eng 983)

RICARDO D., *Grundgesetze der Volkswirtschaft und Besteuerung*, übers. von E. Baumstark, Leipzig, 1837-38 (Eng 1246)

RICARDO D., *The Works of David Ricardo*, ed. J. R. McCulloch, London, 1846 (Eng 1247)

SMITH Adam, *The Works of Adam Smith*, ed. Dugald Stewart, London, 1811-12 (Eng 1419)

STEIN Lorenz von, *Lehrbuch der Volkswirtschaft*, Wien, 1858 (Comp 373)

HERMANN F.B., *Staatwirtschaftliche Untersuchungen*, München, 1832 (Comp 115)

KRAMÁR Karel (Dr), *Offenes Schreiben an den Herrn Geheimrat Prof. Dr. Adolf Wagner in Berlin*, separatabdruck aus der Zeitschrift " Union ", Prag, Selbstverlag, (Mon 1700)

MENGER Carl, *Lorenz von Stein*, Iena, September 1890, (Mon 2156)

MENGER C., *Untersuchungen über die Methode der Socialwissenschaften, und der politischen Oekonomie insbesondere*, Leipzig, 1883 (Mon 2150B)

KAUTZ, *Die geschichtliche Entwicklung der National-Oekonomie*, Wien, Gerold, 1860 (Comp 147 (2))

MANGOLDT, *Grundriß der Volkswirtschaftslehre: Ein Leitfadens für Vorlesungen an Hochschulen und für das Privatstudium*, Stuttgart, 1863 (Comp 202)

AUSPITZ, LIEBEN, *Zur Theorie des Preises*, Leipzig, Dunker und Humboldt, 1887 (Mon 91)

BÖHM-BAWERK, *Grundzüge der Theorie des wirtschaftlichen Güterwerts*, in Jahrbüchern für Nationalökonomie und Statistik, XIII, Jena, Gustav Fischer, 1886 (Mon 332)

ROSSI, *Cours d'économie politique*, Bruxelles, 1851-52, Paris, 1843-54 (Fr 1317-18)

ROSSI, *Mélanges d'économie politique, d'histoire et de philosophie*, Paris, 1856-57 (published posthumously), (Fr 1319)

SAY Jean-Baptiste, *Mélanges et correspondance d'économie politique*, C. Comte publisher, Paris, 1853 (Fr 1445)

Last, but not least, we would like to thank again all the Library staff who gave us the discreet but generous and continuous support without which neither this article, nor the longer dissertation work it served as material of primary importance, would have been possible. My thanks shall also stand not only for helping my work, but also for broadening the world of scholars and of all.

Notes:

1 Professor Matsunaga from the Philosophy Department, and Professor Shiokawa from the French Studies Department honored me of their trust on this occasion and I shall convey them all my gratitude here.

2 The University had a policy of acquisition illustrated by many collections. As far as German-related archives are concerned, it had got hold of the Collection of Professor Otto von Gierke just before that of Menger. Anecdotes about the latter have been reported by one of the students then in Berlin and in charge of the buying, M. Kinnosuke Ootsuka in his article 《Kâru Mengâ Bunko no Omoïde》, *Hitotsubashi Daigaku Fuzoku Toshokan Shi*, 1975, Hitotsubashi University Press, article in reprint from: *Dokusho Shunjû*, vol. 8, no. 10, 1957.

3 This is one of the main goals we have set ourselves in our doctoral dissertation.

4 There would be many stories to tell about Menger unveiling his own feelings for himself, and showing personal positions radically different from official ones he assumed in public. Some of them Emil Kauder had already pointed out, like Menger's despise for his colleague, Lorenz von Stein, towards whom he showed disgust in private, but at whose funerals he was the one to give a speech on behalf of the Faculty!

5 MENGER Carl, *Grundsätze der Volkswirtschaftslehre*, blank page facing " Vorrede "

6 Having studied the Menger Collection, they published: SUGIMURA Kôzô, " Inquiry into Menger's Methodology of Social Sciences ", *Shôgakukenyû*, 1926 and " Wirtschaftlichkeit

(Some Problems of Philosophy of Economic Thinking)”, 1935; YAMADA Yûzô, “ Carl Menger ” in *The Formation of Modern Economics*, Tokyo, 1955; though out-dated, these were very honest first trials at tackling the Collection.

7 1094b7sq. We will refer, when necessary, to the copy owned by Menger as: *Nik. Ethik* (M)
8 1130a10

9 1102a23 sq. *Nik. Ethik* (M), p. 41. Scholars 'disputes about the link between this sentence and the *De Anima* are not to be raised here. Let us only say that Menger probably understands it as echoing the psychology of the *homo economicus* upon which the Stateman must count when defining his policy, thus reaching a very *non*-Greek conception through the ideas of the most representative Greek philosopher, which is typical of him.

10 1095a8

11 SAY Jean-Baptiste, *Mélanges et Correspondance d'économie politique*, Paris, in the Collection: Fr 1445

12 *Mélanges...*, p. 159

13 DESCARTES Rene, *Regulae ad directionem ingenii*, regula 1

14 *Nik. Ethik* (M), p. 142

15 I want to express my gratitude to both of the Professors once again here. Without their generous understanding, my work would have been much more complicated.

(Ecole Normale Supérieure)