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## John Harold Clapham (1873–1946)

Martin Daunton

### 1 Introduction

In 1928, the University of Cambridge established a Professorship of Economic History—and it was clear that there was only one credible holder of the new post: John Clapham, who had been teaching the subject at Cambridge for the previous 20 years, and had recently published the first volume of *An Economic History of Modern Britain*. The new Professor was formally assigned to the Faculty of History, but was also an ex officio member of the Board of the Faculty of Economics, a dual identity that well suited Clapham's intellectual formation as a protégé of Lord Acton, the Regius Professor of Modern History, and of Alfred Marshall.

Clapham came from a business background in Lancashire which clearly informed his writings in economic history, with their close attention to the details of industrial organisation and social conditions. His father left the family farm in Yorkshire and served an apprenticeship with a jeweller in Bradford, before moving to Manchester as a salesman, where he rose to be the head of a firm of silversmiths and jewellers. His mother was the daughter of a smallware manufacturer in Manchester (Trevelyan 1949: 22). The family lived in Broughton, a suburb of Salford, before moving to the neighbouring

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town of Prestwich. Broughton was markedly different from the descriptions of the town's deprivations in Engels's *The Condition of the Working Class in England* or Robert Roberts's memories of 'the classic slum' (Roberts 1971). It was a more salubrious area, developed by the local landowner as a suburb with large villas and terraces for professional and merchant families, including Greeks from the Ottoman Empire who built a large Orthodox church.<sup>1</sup> The Claphams were more prosaically Wesleyan Methodists, and Michael Postan—the second holder of the Professorship of Economic History—commented that Clapham 'absorbed to the full the sober Nonconformist spirit of his paternal household' and inherited from his father 'the intellectual and moral virtues of the Victorian middle class at their best—a head which was shrewd and cool, an outlook which was wholly unsentimental and a rule of life disciplined to the point of being hard' (Postan 1946: 56). It was certainly a background which provided insight into the development of the industrial economy that was to be Clapham's main scholarly achievement: close to Manchester and the cotton trade, and to the cosmopolitan merchants and professional classes who created a commercial, industrial society in the north of England.

In 1887, Clapham was sent to the Leys School in Cambridge, a Wesleyan establishment set up in 1875 to provide a public school education for the sons of affluent Methodists. Clapham was a successful sportsman, coming second in the public schools' quarter mile and playing cricket. A fellow historian, G.N. Clark, remembered him as 'tall, strongly built and energetic' (Clark 1946: 340)—and he remained an active mountaineer, climbing in the Alps or Lake District every summer for 40 years and being elected vice-president of the Alpine Club. He took part in debating and in the literary society at school, where he was also a star pupil in history. His father's leisure activity was reading the works of Lecky, Buckle, and Freeman, and Clapham was inspired by the history master at the Leys, G.E. Green, who had graduated from Cambridge with a First in history in 1885. Clapham was excused ordinary routine lessons and placed under Green's guidance. In 1892, he won a history exhibition to King's College, Cambridge, graduating with a First in 1895.<sup>2</sup>

During his history degree, Clapham was taught economic history by William Cunningham, to whom he paid tribute in his Inaugural Lecture in 1929 as one of the two outstanding economic historians of his time (Clapham 1929: 7). Cunningham was appointed an examiner in the new History Tripos

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<sup>1</sup> On Broughton, see Farrer and Brownbill (1911: 217–222) and Trevelyan (1949: 22).

<sup>2</sup> See the recollections of A.C. Pigou (1949: 17–19), with whom Clapham often climbed, and his school contemporary H.C. Gutteridge (1949: 12–13); see also Postan (1946: 56) and Clark (1946: 340).

in 1878, with responsibility for lecturing in economic history, a duty that led to the publication of his textbook on *The Growth of English Industry and Commerce* in 1882. He was appointed a University Lecturer in the subject in 1884. Clapham also attended Marshall's lectures and classes, who recorded on his registration card that he 'shows force', and remarked that he was the best 'Historical man' he had taught (see Groenewegen 1995: 327, and Marshall to Browning, 21 November 1895, quoted in Whitaker 1996a: 138). Clapham stayed on to read economics in Part II of the Moral Sciences Tripos; a separate Economics Tripos did not start until 1903. As we shall see, Marshall and Cunningham disagreed about the methodology of economics, over the role of induction and deduction, of theory and fact, with Clapham taking a more consensual and emollient line.

At this stage, the route to an academic career was through a dissertation to secure election to a college Fellowship. In 1896, Clapham secured the Lightfoot Scholarship in Ecclesiastical History, and started work on his Fellowship dissertation on the causes of the war of 1792. The dissertation won the Prince Consort Prize awarded for the best dissertation involving original historical research by members of the University who were not more than four years from admission to their first Cambridge degree. It also secured him a Fellowship of King's College. The dissertation dealt with the first war between revolutionary France and Europe, and was a study in conventional diplomatic and high political history. He thanked Acton in the Preface to the book—and it was Acton who suggested that his next project deal with the French Revolution. His study of *The Abbé Sieyès: An Essay in the Politics of the French Revolution* was published in 1912. However, neither study explained political events and ideas in terms of economic conditions; they provided an essentially political narrative. But Clapham was also encouraged, by Marshall, to redirect his energies to economic history which marked a significant change in his intellectual direction.<sup>3</sup>

Clapham was teaching economic history in the History Tripos, as well as assisting Marshall in his teaching responsibilities for the general course in economics—a considerable burden caused by the refusal of Foxwell to assist which left Marshall 'the whole of the drudgery side of economic teaching' (Marshall to Foxwell, 14 May 1901, quoted in Whitaker 1996a: 319; italics in original). Marshall turned to Clapham for support. In November 1897, Marshall wrote to Acton that Clapham was 'looking over the papers done by my "general" class; and I see much of him. I think he is a splendid

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<sup>3</sup>The dissertation was expanded and revised as *The Causes of the War of 1792* (Clapham 1899); see also Clark (1946: 341, 346).

fellow'. Marshall had clear plans for Clapham to fill a serious lacuna in economic history:

I feel that the absence of any tolerable account of the economic development of England during the last century and a half is a disgrace to the land, and a grievous hindrance to the right understanding of the economic problems of our time...but till recently the man for the work has not yet appeared. But now I think the man is in sight. Clapham has more analytic faculty than any thorough historian whom I have ever taught: his future work is I think still uncertain: a little force would I think turn him this way or that. If you could turn him towards XVIII or XIX century economic history, economists would ever be grateful to you (Marshall to Acton, 13 November 1897, quoted in Whitaker 1996a: 206).

The 'little force' set the direction for Clapham's future career. He acknowledged in his Inaugural Lecture that Marshall pointed him in the direction of economic history: 'I hesitated then, for Acton's power was on me, as I hope it still is. But Marshall has prevailed' (Clapham 1929: 8–9).

By 1901, Marshall was concerned that Clapham's assistance—invaluable though it was—had created a problem for 'it raised a wall of division between me and my class: I did not get inside their minds', and in any case, Clapham's 'turn of mind has always been dominantly historical'. Marshall hoped that he had the solution in A.C. Pigou (Marshall to Foxwell, 14 May 1901, quoted in Whitaker 1996a: 320).<sup>4</sup> This concern over the future provision of teaching was linked to Marshall's desire to create a new Economics Tripos—a proposal that was dividing historians and economists. In 1902, Clapham took the Chair of Economics at Yorkshire College, soon to be the University of Leeds. According to G.M. Trevelyan, the appointment was possibly the result of Marshall's influence, and was a solution to the problems caused by the lack of career opportunities in history at Cambridge and doubtless a means of creating an opening for Pigou (Trevelyan 1949: 23).

At Leeds, Clapham turned to a study of the local worsted and woollen industries, somewhat in the style of Marshall's concern for industrial districts. The book appeared in 1907, and rested, in the words of Clark, on a 'vivid imagination of the physical facts' and a careful use of statistics. Clark pointed out that the book was not historical but could only have been written by a

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<sup>4</sup> See also Marshall to Neville Keynes, 4 March 1900, in which he commented that Pigou was the 'ideal man' but not yet ready. Foxwell was not impressed: he [Pigou] was 'least qualified to deal with a general class as he is such a prig' (quoted in Koot 1987: 132).

historian with an orderly mind (Clark 1946: 344). In 1905 Clapham married Mary Margaret Green, the daughter of a surgeon from Ross in Herefordshire, who was working in Leeds for the Yorkshire Ladies' Council of Education; they had one son and three daughters. Clapham remained in touch with Marshall during his time in Leeds. He signed the paper in support of the new Economics Tripos, despite his criticism of its excessively theoretical nature. He also offered support to the free trade manifesto in 1903 (Groenewegen 2012: 70–71).

The stay in Leeds was professionally and personally successful, but Clapham was relieved to return to Cambridge in 1908 as a Fellow of King's, succeeding Browning as Assistant Tutor in history and, from 1913, as Tutor. Clapham took responsibility for the lectures in economic history which he delivered from 1908 to 1935, covering the entire period from prehistory to the present (Trevelyan 1949: 24). According to Clark, these lectures were highly regarded for their 'complete mastery in delivery and presentation'. They formed the basis of Clapham's *Concise Economic History of Britain from the Earliest Times to 1750* (Clark 1959: 20).<sup>5</sup> Marshall welcomed Clapham's return, and thought that he was well suited to the task of lecturing in economic history (Groenewegen 2012: 70). When Marshall retired in 1908, he supported Pigou's appointment to the Professorship of Economics, but he also argued that if a second chair were created, he would back Clapham as intellectually superior to Foxwell. Marshall expressed his 'eager admiration' for Clapham, and 'would always go to him as counsellor of the first weight in any difficult matter of judgement. I think his achieved work is of a very high order, full of individuality and strength' (Marshall to Neville Keynes, 13 December 1908, quoted in Whitaker 1996b: 214–215). Marshall's support for Clapham is indicative of his willingness to accept a more historical approach to economics than Cunningham would admit.

In 1916, Clapham joined the Board of Trade, and served as a member of the Cabinet Committee on Priorities, for which he was appointed CBE (Commander of the Order of the British Empire) in 1918. This experience of economic policy led him to resume his interests in economic history, and to write his first major book on the subject: *The Economic Development of France and Germany* (Clapham 1921). He also embarked on the project which Marshall had proposed in 1897: an economic history of modern Britain from

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<sup>5</sup>The book was published posthumously: its origin is explained by John Saltmarsh in the Preface to Clapham (1949). Clapham did not complete the second volume, which was undertaken by W.H.B. Court and appeared in 1954.

1820 to 1914. This study appeared in three volumes, starting with *The Early Railway Age, 1820–1850* in 1926 which was dedicated to the memory of Marshall, ‘who told me, 25 years ago, that it was my business to write something of the sort’, and to Cunningham who taught him economic history. As Clapham said in his Inaugural Lecture, the foundation of the Professorship of Economic History was a memorial to both men (Clapham 1929: 9). The second volume, *Free Trade and Steel, 1850–1886*, appeared in 1932; and the final volume, *Machines and National Rivalries (1887–1914) with an Epilogue (1914–1929)*, in 1938. The first volume was welcomed by *The Times* for offering ‘a picture of normal society in a past age in the same fullness of detail as we can picture our own age ... It is the beginning of what we have never had before, a history of the English *people*’ (quoted on the jacket of *Machines and National Rivalries*; italics in original).

In 1928, Clapham was appointed to the newly created Professorship of Economic History at Cambridge, which he held until his retirement in 1938. He became a Fellow of the British Academy in 1928, and served as President from 1940 until his death in 1946. He was vice-provost of King’s College between 1933 and 1943, and held a number of public and charitable appointments. He chaired the Cambridge Employment Committee and Refugee Committee, and served on the panel to consider conscientious objectors. He was a leading member of the Society for the Protection of Science and Learning which assisted refugee scholars from Nazi Europe (Trevelyan 1949: 25). At the time of his death, he was chair of the Committee on the Provision of Social and Economic Research (Clapham Committee); he saw its report in draft, and its recommendations were adopted with the creation of an Inter-Departmental Committee on Social and Economic Research in October 1946 ‘to survey and advise upon research work in government departments’, suggesting ways in which material could be used for research in government and beyond. During the war, his academic work continued. The absence of colleagues on war service meant that Clapham taught throughout the war, and the death of Eileen Power in 1940 meant that he was solely responsible for editing the first volume of the *Cambridge Economic History of Europe* which appeared in 1941; he was well advanced with editing a second volume at the time of his death. In 1944, his two-volume history of the Bank of England up to 1914 appeared, marking the two hundred and fiftieth anniversary of its charter. It was the only book for which he carried out archival research. Clark pointed out that Clapham ‘always disparaged his own work in comparison with work based on unprinted records’, but that he showed an ability to use such sources to write the history of an institution for which he was well suited

to be the historian—‘solid, undemonstrative, unique’. Postan thought it the ‘perhaps the best of his books’ (Clark 1946: 349; Postan 1946: 58).<sup>6</sup>

Arguably, Clapham’s most significant achievement was in providing the first detailed overview of British economic history since the Industrial Revolution—but it was not entirely what he wanted. As he explained to Clark in 1930, ‘I decided to shift into economic history for 20 years—if I were allowed—and to begin at 50 to build up some sort of history on its economic frame’. He feared that by the time he completed his account of the economic development of modern Britain, he would not have the ‘years, learning and vigour’ for the wider task (Clapham to Clark, 9 February 1930, quoted in Clark 1946: 343). Some of his sense of disappointment is apparent in the Introduction to the *Concise Economic History*: ‘Of all varieties of history the economic is the most fundamental. Not the most important: foundations exist to carry better things’ (Clapham 1949: xvii). This comment must not be taken to suggest that Clapham was a historical materialist. He assumed that economic and political history could be written as separate narratives without any causal superiority; he never made any general reflections on the connection between economics and politics.

Clapham remained a serious and somewhat forbidding product of his Wesleyan upbringing. He remained a committed Christian throughout his life, retaining an interest in biblical scholarship, and gradually moving from Methodism to Anglicanism (Clark 1946: 339). A fellow undergraduate saw him as somewhat apart from the world of King’s:

He was not the man to throw up the old lightheartedly and plunge without restraint into a more highly coloured world. I imagined him fighting a strong defensive fight for each old position and, when it was finally abandoned, taking resolute care that all that was good in the old one was retained. Such a progress would be quiet, a little dour, and very self-contained (Giblin 1949: 15).

He had a reputation for being kind and just, but also for being somewhat stiff which prevented him from forming easy relations. His general demeanour was ‘professorial’, ‘rather formal and perhaps a little important. He did not cultivate airs and graces; he was never effusive in praise or complaints, and he sometimes expressed disapproval or disagreement with uncompromising bluntness’ (Clark 1946: 351). Postan did see a mellowing in older age when Clapham became more tolerant, ‘kindlier and freer’. His forbidding and dour

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<sup>6</sup> For more on the Inter-Departmental Committee on Social and Economic Research, see The National Archive: RG25. Available at: <http://discovery.nationalarchives.gov.uk/details/r/C13350>.

manner was linked to a sense of moral responsibility and engagement in charitable activities which was expressed in his work for refugees from Germany, and support for gradual reforms to create a fairer society. Postan felt that 'his attitude to most things was essentially rationalist, positivist and matter-of-fact. In politics he was essentially a Liberal, but his politics had nothing of the latter-day radicalism in it'. Indeed, Clark saw him as attached to 'old standards of morality and patriotism that might be called conservative and conventional', disliking speculation and distancing himself from 'the more surprising intellectual adventures' of other Fellows of King's (Postan 1946: 56, 58; Clark 1946: 345).

In the next three sections, I will explore some of the implications of Clapham's intellectual and personal formation by addressing three themes. First, what were his attitudes to economics, and above all his relationship with Marshall and the emergence of a more theoretical approach to economics? Second, what was his approach to economic history? Third, what were his attitudes to politics and policy, shaped by his economics, his study of economic history, and his personal values?

## 2 Clapham and Economics

What was Clapham's attitude to economics and above all to the work of Marshall which was strongly criticised by Cambridge historical economists? Clapham commented in his Inaugural Lecture that Marshall 'was a greater economic historian than he let the world know. He had discarded as irrelevant to his main purposes more historical knowledge than many men acquire' (Clapham 1929: 8). This assessment was more generous than that of Cunningham, who severely castigated Marshall's outline of economic history in the *Principles*. One view is that Clapham was a 'minor Marshallian' who was willing to be critical when necessary and to provide assistance in modest ways. For example, Marshall thanked Clapham for checking his historical reflections in *Industry and Trade* (Groenewegen 2012: 79–80; Marshall 1919: Preface). Alon Kadish is right to say that Clapham cannot be called a disciple of Marshall, but he did provide economists with a factual account of recent economic history in a less partisan manner than Cunningham (Kadish 1994: 225).

How, then, did Clapham fit into the debates that were dividing Cambridge at the start of his academic career, between the historical economists—above all Foxwell and Cunningham—and the more theoretical approach of Marshall and Pigou? Clapham shared some of the concerns of the historical economists



for historical specificity, without going so far as them in their strident hostility, and without entirely accepting their condemnation of individualism and laissez-faire economics. He shared many of Marshall's assumptions about a liberal, free trade economy that could deliver benefits to most people, while retaining a sceptical attitude towards the economists' assumptions of *homo economicus* and their generalising theories. Whereas Foxwell and Cunningham mounted a vigorous challenge to inductive theory which they feared would destroy historical economics, Clapham was not so partisan. He did query theoretical economics in 1922, but had accepted by 1929 that historical economics was no longer viable. He simply turned away from any formal engagement with economics, retreating into a form of economic history that did not challenge the prevalent assumptions of neoclassical economics. The ideological war between historical economics and theory gave way to mutual indifference between economic history and neoclassical economics.

Although Marshall is often seen as the creator of theoretical neoclassical economics, he was sympathetic to the German Historical School (Hodgson 2005). He studied in Germany with members of the School and continued to value their work. He was aware of the need to consider historical specificity. In his Inaugural Lecture of 1885, in his *Principles* of 1890, and in his essay on 'The Older Generation of Economists and the New' of 1897, Marshall made the point that economics differed from the constant and unchanging laws of physics, and could not be applied without modification as society changed: 'Though economic analysis and general reasoning are of wide application... every change in social conditions is likely to require a new development of economic doctrine' (Marshall 1949: 30–31). Marshall quoted Gustav Schmoller with approval: 'Induction and deduction are both needed for scientific thought as the left and the right foot are both needed for walking' (ibid.: 24, and see also Marshall 1890: 72–77). Marshall argued that

[e]ach study supplements the other: there is no rivalry or opposition between them; every genuine student of economics sometimes uses the inductive method and sometimes the analytical, and nearly always both of them together. There is a difference in proportion between different students; as one may eat more solid food and another drink more fluid: but everyone must both eat and drink under pain of starving or dying of thirst (Marshall 1897: 133).

Deduction should rely on short chains of reasoning so that it did not escape from reality; equally, induction should not rely on facts to speak for themselves, without appreciating the implicit theories and assumptions that led to their selection:

When...it is said that a certain event in history teaches us this or that, an element of deductive reasoning is introduced, which is more likely to be fallacious the more persistently it is ignored. For the argument selects a few out of the group of conditions, which were present, when the event happened, and tacitly, if not unconsciously, assumes that the rest are irrelevant. The assumption may be justifiable: but it often turns out to be otherwise (Marshall 1925: 166).

Although Marshall spent his own intellectual energies developing ideas that were of wide application, he saw the need to understand through induction how society (and economic ideas) changed over time. His comments on the teaching of economics at the London School of Economics (LSE) brought out his approach. He told the Director—W.A.S. Hewins, himself a historical economist—that he ‘holds Economics to be an organic whole, and has as little respect for pure theory...as for that crude collection and interpretation of facts without the aid of high analysis which sometimes claims to be part of economic history’ (Marshall to Hewins, 12 October 1899, quoted in Whitaker 1996a: 256). Pure theory was no more than ‘elegant toying’ and he urged an approach to economics as ‘the application of powerful analytical methods to unravelling the actions of economic and social causes, to assigning each its part, to tracing mutual interactions and modifications; and above all to laying bare the hidden *causas causantes*’ (Marshall to Hewins, 29 May 1900, quoted in *ibid.*: 280).

Despite these nods to the historical method, Marshall’s instinct was for theoretical, neoclassical models which combined Ricardo with later economists. The historical economists in Cambridge were fiercely critical. We have seen that Foxwell was a constant irritant to Marshall over teaching, in part because of their intellectual disagreements (see the chapter on Foxwell in this volume). Cunningham similarly rejected the cosmopolitan liberalism of Marshall. Foxwell summed Cunningham up as ‘a great National Economist, the modern representative of an old English tradition, unfortunately interrupted by the atomism and premature cosmopolitanism of the *laissez faire* age’ (Foxwell quoted in Koot 1987: 135). He looked to the restoration of an organic society based on the state. Like Foxwell, Cunningham rejected Ricardo’s abstractions and the reduction of human motives to *homo economicus*. Free trade was the epitome of everything he detested: individualism, cosmopolitanism, materialism, and *laissez-faire*. In *Growth of English Industry and Commerce*, especially the later editions, Cunningham portrayed the Tudor period as a time when church and state came together to create a ‘national consciousness’. He was guarded in his

interpretation of mercantilism which led to war and selfish interests, but he saw it as a means of securing national power. He was critical of the replacement of Tudor regulation of wages and prices by competitive individualism and laissez-faire, and he saw that free trade was just another selfish policy for industrialists to sell British goods to foreign markets. He welcomed the return in his own day of a policy of ‘national husbandry’ (Koot 1987: 136–142, 150–153).<sup>7</sup>

Cunningham was combative, once declaring in a sermon that the joys of Heaven would not be complete without the pleasure of conflict (Maloney 1976: 441). Not surprisingly, he created discord over the teaching of economics, for he did not accept the balance between deduction and induction proposed by Marshall. In his opinion, facts had primacy, and economics was an empirical science. He challenged Marshall with *Political Economy Treated as an Empirical Science: A Syllabus of Lectures* in 1887 and again in ‘The Perversion of Economic History’ in 1892. In his view, the role of theory was to produce taxonomies:

Instead of aspiring to be a sort of pure physics of society which assuming a single force—the individual desire for wealth—states the laws of the operation of this force in the supply and demand of different articles of value, political economy might for the present be content to *observe* and *classify* and *describe* and *name* as other sciences have been ... No real advance can come from the statement of laws of phenomena which only hold good when a considerable number of cases are excluded as abnormal; if political economy is to rank with other empirical sciences one must try to classify the widely varied phenomena of industrial life...as an empirical science in its classificatory age (Cunningham quoted in Hodgson 2005: 339; italics in original).

Cunningham objected to the assumption of neoclassical economics that ‘economic principles have mathematical character of being true for all times and places alike’. He rejected the idea

[t]hat the same motives have been at work in all ages, and have produced similar results, and that, therefore, it is possible to formulate economic laws which describe the action of economic causes at all times and in all places ... If this assumption were sound, it would seem to follow that these economic laws could

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<sup>7</sup>Cunningham’s views on the economic history of England were developed in the later editions of *The Growth of English Industry and Commerce*. The second edition covered *The Growth of English Industry and Commerce in the Early and Medieval Ages* (1890), and there were two volumes on the modern period, *The Mercantile System* (1890) and *Laissez Faire* (1892).

be most conveniently studied in the present, under our own eyes, as it were; but that when once recognised and stated, they serve to explain the past ... If we already understand the *principles* which explain industrial and commercial affairs, all that we need do is to look to history for illustrations of what we already comprehend clearly (Cunningham 1892: 493; italics in original).

In Cunningham's view, 'economic doctrine about the actual world we live in is all built up as a branch of empirical knowledge; it has no universality' (ibid. and Cunningham quoted in Hodgson 2005: 340). There was 'no royal road by which we may get to comprehend the evolution of social structure and of economic conceptions', yet economists with no experience in weighing historical evidence, and on the basis of a few badly chosen books, 'will decide the most difficult problems off hand, or sketch you the history of the world with easy confidence'—a jibe directed against Marshall's outline of economic history in the *Principles* (Cunningham 1892: 491–492). One example of error was Marshall's use of Ricardo's theory of rent to explain the determination of rent in all ages, regardless of actual evidence.<sup>8</sup> Cunningham was also critical of scholars such as Thorold Rogers who collected facts, but then misinterpreted them by too easily assuming the pursuit of self-interest by economic man, and the isolation of economic phenomena from other considerations (Cunningham 1892: 498). Economics had to involve the wider context and move beyond individualistic, atomistic, rational 'economic man' to appreciate economic action through membership of collectivities, and above all the nation. Cunningham rejected what he called 'Cosmopolitan Economic Science' and argued instead for a political economy that proceeded through understanding 'the particular needs and ambitions of a particular polity, and can only indicate the means to procure wealth-as-conceived and wealth-as-desired by that nation, not wealth in general' (Cunningham quoted in Green 2002: 58, and see the discussion of historical economics contained therein, pages 56–64 and Green 1995: 162–183).

In his response, Marshall accepted that history was necessary for economic theory and argued that the *Principles* was 'indeed occupied mainly in showing how similar causes acting on people under dissimilar conditions produce more or less divergent results'. But he also claimed that theory was needed to understand causation in history, without which economic history would be reduced to 'a mere series of facts'. People in the past might be influenced by custom and have different habits of mind, with different means to attain their

<sup>8</sup> See Cunningham (ibid.: 494) on Ricardo and more general attacks on pages 495–498. In 1889 Cunningham criticised Marshall's use of Ricardo instead of accepting descriptions of medieval or Indian economic forms as they actually were (see Cunningham quoted in Maloney 1976: 441).

ends—yet there might still be opportunity to pursue private gain. The point was to study the limits of custom and the opportunities for change, and to realise that the theory of rent imposed an upper limit on what a landowner could demand from the tenant. Negotiations between landlord and tenant over the amount of rent ‘offer unconscious illustrations of the law of rent; just as the expert cricketer fielding at slip, or the sailor bringing up his craft neatly to her buoy, does of the laws of mechanics’. The use of such concepts might assist the economic historian in knowing where to look in the past (Marshall to Foxwell, 27 March 1899, quoted in Whitaker 1996a: 251, and Marshall 1892: 508–511).<sup>9</sup>

Marshall’s conflict with Cunningham was less about hostility to the Historical School than to concerns about his extreme and naive empiricism (Hodgson 2005: 340–342). Indeed, Cunningham’s position was seen as exaggerated even by William Ashley, another leading historical economist, who realised that Marshall’s *Principles* ‘brings a message of conciliation to divergent schools, and it makes it possible for “deductive” and “historical,” “scientific” and “ethical” economists to work together in harmony’ (Ashley 1891: 489). The conflict was also about the nature of human personality: Marshall and Rogers were liberal rationalists who saw the slow working of rational calculation overcoming prejudice and custom; Cunningham was a romantic conservative who disliked individualism (Maloney 1976: 447). These points led to divergences over economy policy. Marshall was strongly committed to the gold standard and to free trade which could be seen as the triumph of the abstract principle of comparative advantage. By contrast, Cunningham argued that economics related to the particularities of time and place rather than abstract laws. Whether gold or silver, free trade or protection was desirable therefore depended on the assessment of precise circumstances, and not on the application of abstract reasoning.

In the nineteenth century, the ‘cosmopolitan ideal’ of free trade was in harmony with British national interest, because it seemed possible ‘to dump English manufactures on every other part of the globe for all time’. But circumstances changed with the rise of economic nationalism which meant that British adherence to cosmopolitan free trade was harmful (Cunningham quoted in Green 2002: 58). Tariff reform should be linked with regulation of the domestic economy. These international and domestic policies were

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<sup>9</sup>Cunningham’s riposte to Marshall appeared in the form of letters in *The Pall Mall Gazette* on 29 September 1892, and the *Academy* on 2 October 1892. However, Marshall left the matter, as he explained to Neville Keynes, and ‘shall not even suggest that Cunningham has read his history almost as hastily as he has his Ricardo and my poor little self’ (Marshall to Neville Keynes, 10 October 1892, quoted in Whitaker 1996a: 82–83).

connected, for the state was not opposed to individual interests, and was more than an aggregate of individual interests. Rather, 'the State is the embodiment of what is common to the different persons in the nation, it expresses the spirit which each shares ... We cannot represent the State as antagonistic to the individual citizens. The State is concerned with the general interest—with what is common to all' (Cunningham quoted in *ibid.*: 59). The historical economists therefore had a different reading from liberal economists of the relationship between the State and the individual, with major consequences for the understanding of Britain's future and for economic policy. Neo-mercantilist tariff reform could solve both the problem of international economic rivalries and domestic social problems by creating employment and prosperity (Green 2002: 60–61). The stakes were high, and the conflict was not merely about induction versus deduction: it was about the very future of Britain and its empire.

The disagreement reappeared in the debate over the Economics Tripos in 1903 and the teaching of economic history in the History Tripos in 1909. Cunningham had been a candidate for the Professorship of Political Economy to which Marshall was appointed in 1884, and in 1888, he resigned from his Lectureship to avoid Marshall's authority. He was elected to a Fellowship of Trinity College in 1888, which he held alongside appointments as Vicar of the University Church and Archdeacon of Ely, and Professor of Economics at King's College, London, between 1891 and 1897. However, he continued to be a troublesome presence in Cambridge. In 1903, Cunningham challenged both the claims of the new Economics Tripos and free trade ideology by offering a series of lectures on 'The Rise and Decline of the Free Trade Movement' which were advertised as 'a dispassionate survey of the main issues involved in the present controversy' for those 'who have never given special attention to fiscal questions, and who have no time for systematic reading'. Not surprisingly, the Economics Board was concerned that Cunningham was Director of Studies in economics at Trinity: the Board complained that he was in opposition to their approach, and urged the College to rely on teachers who were 'in harmony with the spirit of the Tripos' (Kadish 1994: 217–218; Hodgson 2005: 341).

Conflict resumed in 1909 when the Special Board for History and Archaeology proposed revisions to the History Tripos. As the regulations stood, students had to choose between economic history and political economy in Part I; candidates could avoid the need to take a theoretical paper, with the 'effect of encouraging the habit of accumulating facts instead of interpreting them'. In order to cure this defect, the preamble to the Report proposing the revisions said that there should be 'greater stress on the requirement of an elementary knowledge of Economic Theory in the paper on Economic

History', and the separate paper on economic theory would be dropped in Part I. The proposed new regulation stated that 'In English Economic History candidates shall be required to shew [sic] some knowledge of elementary Economic Theory in relation to History'. Clapham was a signatory (*Cambridge University Reporter*, 4 May 1909: 820–827).

The Report provoked a discussion in Senate House which was printed in the *University Reporter*. Not surprisingly, Cunningham took exception to the Board's comments on the teaching of economic history with its imputation that the teachers were 'quite incapable of preventing men from merely cramming'. In his view, the Board's proposal to introduce an element of theory rested on 'an entirely false antithesis':

[T]here was no alleged fact that might not lead one furiously to think, and think to good purpose; to think first of all whether it was a fact, to think of its far reaching significance, and of the connexion [sic] of things physical and moral which might have brought about that occurrence. Every single fact in History could be treated in such a way as to give the opportunity for plenty of thinking, and the antithesis between fact and theory seemed to him [Cunningham] to be entirely mistaken ... There were two ways of treating Economic History, either as an attempt to follow the growth of the economic life of a people from the beginning, or by viewing it from the modern standpoint and picking out incidents in the history of the past that can be used for the illustration of modern economic theory. The Board appeared to prefer the second mode of treatment ... It really misled. Instead of the student's being encouraged when he came across an alleged fact to weigh the evidence and consider whether it was a fact or not, he felt that if the incidence was merely an illustration it did not matter whether it was a fact or not. It entirely changed the character of the study (*ibid.*: 26 May 1909: 973).

Clapham sought to reassure Cunningham that economic history was not to be studied merely to illustrate 'modern principles'. Rather, the aim of the reform 'was directed to bringing the theoretical element into close harmony with the History ... [W]hat they meant was that it should be studied as in Dr Cunningham's own works, where Theory was introduced at points where it became important' (*ibid.*: 974). The Board compromised, agreeing to drop the proposed regulation on economic history and to continue with the existing regulation that 'in the paper on English Economic History... questions involving some knowledge of Economic Theory shall be included' (*ibid.*: 1 June 1909: 1,011).

Marshall was happy to assign the understanding of historical specificity to Clapham who approached the task from the left foot of induction

without hostility to the right foot of deduction. The appointment of Pigou as Professor of Political Economy in 1908 marked a shift towards a much more theoretical approach to economics with less attention to historical specificity than Marshall—a change that was encouraged by the weakness of the Historical School in Britain compared with Germany. In the words of Geoffrey Hodgson,

None of the leading figures of the British school was able to build an alternative methodology or theory, and they remained largely entrapped by an empiricist methodology ... [T]he historical school failed to establish an enduring bridgehead in the British Isles. Gradually pushed aside in academic argument, several members of the British historical school made their way into the discipline of economic history, embraced empiricism, and abandoned economic theory to the theorists (Hodgson 2005: 343).

This interpretation applied to Clapham who moved towards a somewhat resigned coexistence with economics. He rejected the German Historical School, remarking in 1929 that ‘as economists, I believe that the German historical school have gone bankrupt’ as a result of their aim ‘to dissolve economics into history’. The problem with Schmoller’s *Principles* of 1900–1902 was that it proposed that ‘historical delineation can become economic theory’. Clapham wrote on the fly-leaf of the book: ‘He solves nothing’. He had similar doubts about Sombart’s *Modern Capitalism*, pointing out that he was ‘neither precisely historian nor precisely economist (he isolates too much for the first and narrates too much for the second)’. Sombart’s main success was historical, but he ‘has not as yet taught us very much about the contemporary functioning of capitalism’ (Clapham 1929: 26–27, 30–31). Both Schmoller and Sombart, it would seem, had forgotten the need to keep the right and left feet marching together in harmony.

Clapham’s most developed and explicit statement about economics was his article ‘Of Empty Economic Boxes’ in 1922 when he expressed doubts on the utility of modern economic theory, particularly as developed by Pigou who was more assertive about the power of deductive economics than Marshall. To Clapham, such concepts as diminishing returns and increasing returns to scale were ‘empty economic boxes’. He suggested that economists could be divided into those who studied things and those who studied concepts and had great difficulty in filling their empty boxes with complex reality. He argued that empirical research should not be controlled by theoretical categories, and implied that facts should be studied prior to theory. He complained that ‘a great deal of harm has been done through omission to make clear that the Laws of Return have never been attached to specific industries: that we do



not, for instance, this moment *know* under what conditions of returns coals or boots are being produced' (ibid.: 312; italics in original). He took hats as an example. Returns could not be defined just in terms of the industry's own output. What of inputs—coal, rabbit fur from the Australian outback, shellac, leather, or wood pulp for the hatbox? Did coal always experience diminishing returns? It might in Britain but did this apply in the USA? Rabbit fur had elusive internal and external economies; it was difficult to say what applied to wood pulp. Hence the returns in producing hats were very complex. He accepted that car production had increasing returns, but it was difficult to decide on locomotive manufacturing or—returning to his earlier work on Yorkshire—the production of combed woollen tops. Clapham's approach was through cautious, painstakingly detailed understanding of individual trades and their organisational structure, with complex and changing interconnections, all resting on uncertain statistical foundations. He saw 'grave danger to an essentially practical science such as Economics in the elaboration of hypothetical conclusions about...human welfare and taxes' (ibid.).<sup>10</sup> In this sense, he was closer to Cunningham's deductive approach, but without the rancour and without feeling that the disagreement was a matter of deep importance for the future of the discipline or country.

Keynes felt that Clapham was 'barking up the wrong tree' (Keynes quoted in Deane 2008: 799), and Pigou responded by defending the use of 'empty boxes'. Both methods could be used and more scholars should be produced in the mould of Jevons with 'the qualities required for conducting a detailed intensive study of particular industries', in addition to being 'well versed either in the more intricate parts of economic analysis or in modern statistical technique'. Until such paragons were produced, it was better for economists and historians to 'work together in combination and not...waste time quarrelling' (Pigou 1922: 465; Kadish 1994: 239–241).<sup>11</sup> In fact, the two disciplines went their own ways in peaceful coexistence or even indifference rather than the combative hostility of Cunningham or the integration of historical economics. The battle of methods was over. Clapham's tone was one of resignation: peace rested on accepting the task assigned to him by Marshall of filling empty economic boxes with empirical fact, even if the new generation of economists was less interested:

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<sup>10</sup>The debate with Pigou can be traced through Clapham (1922a), Pigou (1922), and Clapham (1922b). See also Kadish (1994: 229) and Groenewegen (2012: 77–79).

<sup>11</sup>Piero Sraffa felt that Clapham gave up too soon and had, without realising it, found a fatal error in Marshall (Sraffa 1926).

Here in Cambridge...economist and economic historian are at peace. We know our limitations. We can sit happily side by side under Adam Smith's great umbrella labelled *An Inquiry into the Nature and Causes of the Wealth of Nations*. The Professor of Political Economy will not cry out because I do not read a mathematical article (which, for the rest, I might not understand) dealing with taxation 'in a purely competitive system with no foreign trade', though, for all I know, it may throw much light on the Nature of Wealth and its taxability. I shall not resent his indifference to what I take to be the final demonstration, just completed by archaeologists and air-photographers, that the now familiar strips of the medieval open-field were unknown in Roman or Celtic Britain; although the change to the strips—being connected with an improved plough—was no doubt in its time a Cause of a Nation's Wealth (Clapham 1929: 32).

Clapham read very little economics beyond the works of Malthus, Ricardo, and other classical economists as part of his understanding of economic policy in the early nineteenth century, and of Marshall. He never read *The General Theory*, for he concluded from discussions with Keynes that it would be too difficult (Clark 1946: 348). Equally, economists showed little interest in the open fields of medieval England. They were two different disciplines, with different concerns. What, then, was Clapham's approach to economic history?

### 3 Clapham as an Economic Historian

Clapham's preference was for a revival of comprehensive political economy, and he continued to refer to himself as 'a political economist and historian. I underline the word political' (Clapham 1937: 117). At the founding meeting of the Economic History Society, of which he was to become President, he urged his colleagues to 'beware of becoming a "craft guild"', and to retain their links with both history and economics (Barker 1977: 15). In reality, Clapham's links were closer to history, and he did not provide a clear statement of what a comprehensive political economy would look like. Clark commented that 'as an historian, after his sheer capacity for work, his best quality was a power of reducing large masses of detailed facts to systematic form'. He preferred to supply concrete, accurate, and well-chosen information which showed the complexity of the past, producing a 'well-regulated assemblage of facts'. As a result, he was open to criticism for failing to analyse the significance of his material and for producing books that were divided into separate compartments rather than forming a single argument. Clark felt that Clapham was capable of constructing a theoretical

argument, but that ‘a certain modesty’ limited his willingness to do so (Clark 1946: 348). As Postan remarked, Clapham was the master of the *mot juste* and the arresting sentence, but not of the fluent page or balanced volume. Postan’s general conclusion on the three volumes of the economic history of modern Britain was somewhat ambivalent but fair: ‘[Clapham] was a pioneer in the sense in which all men who colonise virgin lands are pioneers; there were beasts and even men in the field before him, but he was the first to live and to build in a civilised way’ (Postan 1946: 57).

Clapham was always a historian rather than an economist in his methodology. His obituary of Eileen Power could apply to his own approach:

[She] was not an economist. She was not trained as one. That is unimportant: Ricardo was not nor, I think, Jevons. Much more fundamental—she would have hated to spend her life with attention concentrated on one aspect of human activity, and could never have brought herself to neglect men and women for generalizations about them ... And from the other side, as she was the first to allow, even proclaim, she had not that combination of speculative and practical interest and sagacity which makes the ideal economist (Clapham 1940: 351).

He elaborated the point in 1930, when he said that economic history

is a branch of general institutional history, a study of the economic aspects of the social institutions of the past ... [T]he method of economic history differs in no way from that of history in general ... The central problems of economic theory, although they may be stated in terms of some particular historical phase, are in essence independent of history. In theoretical discussion it is necessary to isolate forces and factors in a way which history does not permit (Clapham quoted in Kadish 1994: 241).

The main methodological difference between history and economic history, in Clapham’s view, was a reliance on statistics—as he said in his Inaugural Lecture, ‘it is the obvious business of an economic historian to be a measurer above other historians’ (Clapham 1929: 34–35). Phyllis Deane captured his approach well:

What Clapham had learned from Marshall was that economics is the study of mutually interacting quantities and that it was the function of an economic historian to put the key quantitative questions to the historical record—for example, how large? how long? how often? how representative?—when spelling out the chains of cause and effect linking economic events (Deane 2008: 799).

His approach entailed producing quantitative measures to reject or moderate easy generalisations, whether it be Malthus's law of population or Marx's claims on immiseration.

Clapham's use of statistics went with an awareness of their limitations. There might be one set of figures (say, the amount of wool exported in 1273), but not another to make sense of them (the price schedule for wool). It was necessary to be aware of how representative are data, and how useful they are for determining specific questions (Clapham 1929: 34). Although Clapham used statistics to challenge the assumptions of literary evidence, his use of them was limited by scepticism about their accuracy and by his methodology. Quantification was designed 'to offer dimensions, in place of blurred masses of unspecified size' (Clapham quoted in Deane 2008: 799) rather than for formal statistical analysis to construct arguments. The American economic historian Abbott Usher complained that '[Clapham] was so conscientious in his efforts to achieve accuracy of statement that he refused to follow to their conclusions a number of important principles of empirical analysis'. Neither did he allow himself 'to be distracted from narrative by incidental efforts to persuade readers to accept his judgements' which were usually in the nature of *obiter dicta*. Usher feared that by allowing the correct record to speak for itself without argument, readers were not weaned from 'superficiality and error'. The focus on what happened meant that little attention was given to why and how it happened, and Clapham did not allow statistics to get in the way of narrative and description (Usher 1951: 149, 150, 152).

Clapham used statistics in a rather limited sense, and warned that the statistician's world was different from that of the historian. His aim was to balance the 'unreality of the generalised statistical statement' with 'scattered individual facts' to produce a sense of divergent social realities throughout Britain (Clapham 1926: viii). John Saltmarsh, a fellow economic historian at King's, pointed out that what mattered to Clapham was 'men and women, the things they made, the villages and the towns and the land in which they lived, came first, for their own sake. Explanations and theories came afterwards' (Saltmarsh quoted in King's College 1949: 8). He did not see statistics as the be-all and end-all. In his Inaugural Lecture, he pointed out:

If the economic historian has his modesties in presence of the pure economist he also has his pride. He is proud because, by definition as historian, he is one to whom the tangled variety of human life is attractive in itself; one who will study alterations in the tangle for the love of it, even when his information is such that he can never hope to pick out with assurance the forces at work, or measure exactly the changes brought about by the aggregate of them between

dates x and y. He cares for the beginnings of things as such. He likes to trace the growth of institutions which have been moulded by man's need to keep alive and man's desire for comfort and prosperity—village communities, trading companies, Christmas goose clubs—although he may not be able to number the community, or find the slate of the goose club. It pleases him to know that in such and such an age caravans took the golden road to Samarkand, and that in such another age they went no more, even if he cannot count the camels or prove—what he always suspects—that the total amount of the rose-candy spikenard and mastic conveyed was really trifling (Clapham 1929: 34–35).

In his *Concise Economic History*, Clapham set out his view of human personality that could be seen as a rejection of *homo economicus* and acceptance of the views of Cunningham: how people lived with their family, what songs they sang, what they thought looking at the sunset, what prayers they made, were more important than the nature of their tools or how they swapped with neighbours. 'Economic advance is not the same thing as human progress': a man with a motor car may have less imagination than a man at Stonehenge. But he then pulled back. Commercial and industrial life had its own morality and pleasures: '[E]conomic activity, with its tools, fields, trade, inventions and investment, is the basement of man's house'. Economic basements need not be dull, for 'A patch of earth dug level, a right stroke with a felling axe, a neat bit of welding, a locomotive brought smoothly to rest, even a tidy balance sheet or a quick calculation in forward exchange, all yield the craftman's, not to say the artist's, satisfaction' (Clapham 1949: Introduction).

In Clapham's world, there was no simple divide between *homo economicus* and a wider conception of human personality: an industrial and commercial society rested on values of integrity, hard work, and pride in a job well done. Much the same was true of Marshall who rejected the idea of economic man free of 'ethical influences' and altruistic motives. As Marshall said in the third edition of the *Principles* in 1895, his aim was to deal with a man of flesh and blood and not an abstract economic man,

a man who is largely influenced by egoistic motives in his business life to a great extent with reference to them; but who is also neither above vanity and recklessness, nor below delight in doing his work well for its own sake, or in sacrificing himself for the good of his family, his neighbours or his country; a man who is not below the love of a virtuous life for its own sake.

Similarly, the policy of free trade was complemented by the creation of an active associational life, such as goose clubs or friendly societies, liber-

ated from the monopolies of the past; it rested on small businesses that both competed with each other and developed 'constructive cooperation' in industrial districts.<sup>12</sup>

Clapham has been characterised as a 'minor Marshallian'. He was cited in the notes to Marshall's *Industry and Trade* (Marshall 1919: 62, fn. 1, 71, fn. 1, 232, fn. 2, 691, fn. 1) and in the fifth edition of the *Principles* (Marshall 1907, volume 1: 747, fn. 1, and volume 2: 732); in turn, Clapham cited *Industry and Trade* in the notes to his *The Economic Development of France and Germany, 1815–1914*, in respect of the aims of German cartels and banks (Clapham 1921: 310, fn. 1, 393, fn. 1). But there was, in the words of Peter Groenewegen, 'only a few Marshallian flourishes' (Groenewegen 2012: 70) in the book, such as changes in productive organisation; the role of cooperation in the development of European agriculture which was favoured by Marshall; and the increasing scale of manufacturing production with the emergence of cartels in Germany. Generally, the book was very cautious in coming to firm conclusions as a result of the low quality of available statistics. Like Clapham's work on the woollen and worsted industry, the book relied on a detailed analysis of the two different experiences, without any generalisation from the case studies or reference to a general theory of economic development. The start and end points defined a 'great age' between wars. The victory at Waterloo marked the end of the European wars and the unusual position of the Continent in relation to England.

Clapham agreed with Schmoller that the great social question for Europe up to 1850 was the peasant question. The revolutionary land settlement made the peasant his own master, even if he continued to farm the land as before—and the policy ran from France to emancipation in Prussia and Russia, on to Irish land legislation. By contrast, Clapham felt that the revolutionary age was less decisive in industry. Lifelong wage earners were still a minority and revolutionary legislatures were more concerned to rid industry of medieval restrictions and guilds; the problem of wage contracts hardly interested them, and they did not have the same sympathy for wage earners as for the land. But revolutionary labour policy did clear the way for industrial growth, and its unsympathetic attitude to industrial workers was made permanent in the Napoleonic Codes, which made French urban workers hostile to the law. Commerce was less affected by the revolutionary and Napoleonic reforms, meaning that after the war it could revert to something like the conditions of the late eighteenth century so that the late

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<sup>12</sup>On the ideology of free trade, see Trentmann (2008); on wider notions of personality, see Pearson (2004); on Marshall, see pp. 34–37 of Pearson (ibid.) quoting Marshall (1890: vi) and (1895: 26–27); on industrial districts, see Marshall (1919: 249, 324–325, 577–578, 582–584, 590, 605–608).

nineteenth-century merchant experienced less change than the manufacturer or peasant. Above all, the defeat of Napoleon led to a period of peace which meant that English mechanical knowledge became available. In Clapham's view, peace had never before been associated with the release of new economic forces on such a scale, and nations came together as good Europeans in economic matters more than at any time since the fall of Rome. The book on France and Germany ended in 1914, without any reflections on the closing of that 'great age' and why European nations went to war. The implication is that economic activity brought nations together, creating prosperity and peace, and war presumably had other causes (Clapham 1921: especially the Introduction and Epilogue).

In the *Economic History of Modern Britain*, Clapham paid some attention to the economists of the early nineteenth century, briefly mentioning the influence of Ricardo on debates over free trade and banking; McCulloch and Ricardo on post-war debt; and Malthus on the burden of the Poor Law and population. Even here, he paid little attention to the content of their theories, and he hardly mentioned later ideas. He certainly did not mount any critique of Ricardo. Usher justifiably complained that Clapham's account of the Bank Charter Act of 1844 in both *The Early Railway Age* and *The Bank of England* failed to grasp the competing theories of money and credit in the nineteenth century, and felt that Clapham drew too rigid a line between history and theory (Usher 1951: 151–152). A rare example is a reference to monopoly price theory in *The Early Railway Age*, merely to note that it was not used in debates over the railways in 1839–1840; Clapham passed on with the comment that the indifference to the theory of monopoly was excusable because at no time did a company 'secure monopoly revenues of even tolerable size, when reckoned in percentages'. Clapham did not provide any evidence for his claim about monopoly profits, and it is not possible to find any hypothesis that could be tested (see Groenewegen 2012: 74–75; Clapham 1926: 54, 56, 271, 312, 334–335, 349–350, 362, 497, 521; on monopoly prices, 416).

Clapham's economic history is now little read, and there is no obvious 'Clapham thesis' that has provoked and stimulated discussion. Clapham was not interested in the 'substantial analysis of historical process', and Usher caught his limitations and achievements well:

He was strategically placed to assume leadership in an empirical reaction against the mechanistic and idealistic systems of the Marxians and the ideal-type sociologists, but by temperament and background he became committed at an early date to a limited program, which he carried out with great skill and unusual literary distinction (Usher 1951: 153).

Nevertheless, Clapham did have a view of the economic development of Britain. He was a product of the free trade industrial society of the late nineteenth century, and he assumed that a market economy, with some concern for welfare, offered solutions to the problems of poverty. The final paragraph of his economic history of modern Britain up to 1914 ended in much the same tone as his economic history of France and Germany, combining literary finesse with a failure at explanation:

Thinkers and dreamers might well be discontented with the order of society or with the rate at which that order was being changed; but no honest man with a reasonably long and accurate memory, and some appropriate knowledge, could deny that it was a better order, if better only by a little, than at any time in the modern industrial age. Whether that age was itself in any profound sense good some doubted, as many have doubted since ... Of uprightness, wisdom and the clearness of the eye the economic historian as such may not profess to speak. He moves on the lower plane, the plane of commodities and comforts. Moving there, he does not hesitate to compare that time to its advantage—not only with other times in the industrial age, but with any time certainly known to him. And to those who lean towards quotation from the Book of Ecclesiastes he relies from that same discerning Book: ‘Say not thou, “What is the cause that the former days were better than these?” for thou dost not enquire wisely concerning this’ (Clapham 1938: 506–507).

Clapham’s methodology might have something in common with Cunningham but his interpretation was very different. He had a more sanguine view about *laissez-faire* or free trade economics, and the benefits of a commercial society in spreading both prosperity and stability. This turns us to a third point: Clapham’s views on politics and policy.

## 4 Clapham and Politics

Clapham accepted Marshall’s point that economic history could not be entirely separated from an interest in contemporary social problems, but wished to keep his distance from immediate political or policy aims. Clark remarked that ‘His purpose was scientific: he wanted to make available the information which economists, statesmen and general historians needed, and in the form which would be useful to them’ (Clark 1946: 348). Clapham was a free trade liberal and supporter of social reforms, but he did not use economic history for immediate political ends as did Cunningham



(in arguing for protection) or the Hammonds, Tawney, and Cole in arguing for social reform or socialism. Thus, Clapham took a balanced— or complacent—view of the economic policies of the early nineteenth century when judged by the standards of the time. There were faults of debt, taxation, commercial policy, unregulated town growth, and the Poor Law, but there was also a limit to the amount of creative legislation that could be implemented by any government, and Britain did better than other countries. He pointed out that George IV's London was insanitary but nothing like as bad as Charles X's Paris, and the French death rate in the 1820s was 50% higher. He concluded that 'the over-governed continentals of the early nineteenth century rightly gave credit to governments which knew when to hold their hand, to *laissez faire*—*laissez passer*, and to governments which had been able to preserve a good inheritance reasonably intact' (Clapham 1926: 317).

One of Clapham's few contributions to current policy debates was an article on 'Protection and the Wool Trade' in 1904, in which he criticised tariff reformers as 'amateurs in economic pathology' (Clapham 1904: 641), warning that retaliation would lead to tariff war, disorganisation of trade, and no prospect of a reduction of duties after the war (Kadish 1994: 227). But he did not adopt a dogmatic position. He was careful, rejecting overly assertive generalisations: policies should pay regard to the different contexts and circumstances of each country. In an article on the French economy in 1907, he remarked that tariffs would not create full employment—but that without them, French industries would have suffered more than they had. His book on the woollen trade took a balanced view, arguing that the case rested on comparative economic research rather than categorical assertion:

In Germany protection is associated with rising, in France with falling exports. If any fiscal moral were to be extracted from the facts it might run somewhat as follows: that at times of fiscal controversy there is a tendency to exaggerate the importance of government action, both positive and negative, and to underrate the effects of those deep working economic forces for which Acts of Parliament have but a limited and an indirect control. That this is a moral distasteful to the controversialists cannot be helped (Clapham 1907: 203–214).

The implication was that such topics should be removed from theoreticians and passed to political economists and their successors—economic historians (Kadish 1994: 228). It was not a challenge to which he was to turn.

Although the debates over tariff reform and free trade were fierce, and set Clapham's two mentors against each other, the third volume of his economic

history of modern Britain was largely silent on the issue. There were only two references: to a full-dress discussion of imperial and commercial policies in 1903–1905; and to the fact that free traders won the British general election with a ‘monstrous majority’ and ‘were content almost to complacency’ (Clapham 1938: 41, 51). He did not assess the case on each side, or set out their counterarguments, let alone subject them to any statistical scrutiny. His general conclusion was that Britain was as fully occupied as any country could have hoped to be in 1910–1913—a further example of his willingness to assert rather than analyse—but was not ‘stirring’ (ibid.: 71) as were Germany and the USA or as she herself had been in the past. Nevertheless, Clapham felt that ‘her conservatism had been shaken and that she was preparing, at her own pace, in those last years, to prove that she was not decadent, though both enemies and desponding friends often said that she was’ (ibid.).

He came to a similarly bland view on the return to the gold standard after the war, where Foxwell and Marshall took different views. He pointed out that Britain had gone back to gold after the Napoleonic Wars and did so again in 1925. He merely noted that the Committee on the Currency did not discuss other options of a devalued sovereign or managed currency as a way of avoiding the discomforts of returning to gold as a result of sterling prices being out of line. Clapham pointed out that everyone knew there would be discomforts, and critics anticipated many—a nod to his colleague Maynard Keynes’s critique of the decision. But his conclusion was even-handed. Although the case of the critics seemed to be proven when Britain came off gold in 1931, ‘it is far from certain that the ultimate distress was inherent in the original decision’. He left the matter there, without explaining why the return to gold might not have been the main reason for the economic difficulties of the late 1920s, or what share it might bear (ibid.: 538). As in the case of free trade, controversial areas of economic policy were treated briefly without engaging with the arguments on either side.

Unlike the work of many other economic historians in the late nineteenth and early twentieth centuries, Clapham’s interest in economic history did not emerge from the ‘pursuit of some external ideology’ (Kadish 1994: 223). However, there was a strong implicit ideology. His emphasis on economic forces as natural and superior to government action could lead to accusations that his work was an apologia for free-market capitalism. As Postan pointed out, Clapham had ‘an admiring appreciation of the self-adjusting action of the economic mechanism, and a horror of sudden and dramatic change’ (Postan 1946: 56). His account of the development of the British economy in the nineteenth century avoided the moral outrage at capitalism that had been expressed by Engels, Toynbee, or the Hammonds, and left-wing critics found him to

be complacent. Clark offered a defence, arguing that Clapham accepted the need for Liberal reforms designed to remove the imperfections in the market; he believed that ‘great inequalities of wealth are a danger and an evil’; he supported gradual reform to prevent casual employment and to make towns healthy, to control dangerous and unhealthy work, and to remove the worst inequalities in wealth so that ‘trade and classes will have learnt to work better together than they now do’ (Clark 1946: 347–348). These changes rested, in Clapham’s words, on the growth of Christian virtues of ‘self-restraint, self-denial, an honest attempt on the part of all classes to understand and help one another ... A Christian nation in the real sense of the word would certainly come very near to the socialist ideal’ (Clapham 1909: 101).

Clapham was aware of the criticism of his work. In the Preface to the reissue of *The Railway Age* in 1939, he noted the complaints of John Hammond that he gave a ‘happy impression’ (Clapham 1939: ix) of the period. He pointed out that he did not mean that everything was getting better, only that recent historians stressed ‘worsenings’ and ignored the ‘betterings’. He argued that excessive concentration on shadow led historians to miss patches of sunlight:

It is very easy to do this unawares. Thirty years ago I read and marked Arthur Young’s *Travels in France*, and taught from the marked passages. Five years ago I went through it again, to find that whenever Young spoke of a wretched Frenchman I had marked him, but that many of his references to happy or prosperous Frenchmen remained unmarked. Sympathy with wretchedness is the sign of a generous mind. Let us hope that the attempt to record other things, in their due proportion, does not denote an ageing heart hardened by statistics (ibid.: x).

Perhaps the most explicit expression of Clapham’s views came in the Epilogue to his economic history of modern Britain, when he reflected on the outbreak of the First World War in a way that he did not attempt in the book on France and Germany. He now asked whether industrial and capitalist civilisation, the private control of the means of production, led to war. He recognised that mercantilist belief that the volume of trade was limited could lead to tensions, but he argued that there was ‘no essential connection with capitalism ... The search for markets and the desire to retain them, with all the frictions which they may set up in a world of expanding national economies, were not vicious products of capitalist greed’ (Clapham 1938: 514). Sometimes trade might entail immorally pushing goods into reluctant markets and then demanding State support, but Clapham took a more benign view of trade that had more in common with Richard Cobden:

Merchants and manufacturers of the nineteenth century thought of themselves as lovers of Peace, which they certainly were, and of their work as a fosterer of Peace, which has not yet been proved false in spite of secondary trade wars. The charge most often brought against them then was that they loved Peace too well, for their pockets' sake, Peace without Honour ... At least, during the generations which these economic men had most power, the world for ninety-nine years was free from that 'general war' with which the statesmen of the eighteenth century had been thoroughly familiar (*ibid.*: 515).

This interpretation was close to the implications of Clapham's account of French and German economic history up to 1914. He accepted that industrialists produced 'terrible engines of war' (*ibid.*), yet he was not convinced that the arms trade had anything to do with the outbreak of war in 1914. For industrialists, war was likely to mean loss of trade, high taxes, and death in the family—that it brought high profits did not prove they wanted war, any more than the high wages secured by workers meant that they wanted war: 'Industrialists as a class were everywhere pacific; merchants and money-handlers even more so' (*ibid.*: 516). Clapham's conclusion was that the civilisation of the Victorian era was less warlike than any that came before: '[T]he individual selfishness to which it gave scope, in the ownership of property and other ways, was not more threatening to the peace of the world than that centralised, impersonal, property-controlling or property-owning state selfishness which shows signs of succeeding it for a time' (*ibid.*: 518).

It is easy to see Clapham as unquestioning of the values of the late nineteenth century in which he grew up. Yet the final words of the economic history of modern Britain showed some of the virtues of that culture. He reflected on the desire for greater equality in claims to resources—something that 'all men of good will and good sense were bound to share', with differences only of method and degree concerning what other values are to be surrendered, and what degree of equality is to be wished:

Hanging behind all thought and discussion of such matters were—or should have been—the reflections that almost the least propertied of their countrymen was already a privileged member of the human race; that the talk of a world of plenty which needed only to be organised, a way of speech then coming into fashion among social experimentalists, was not yet relevant to a world some two-thirds of whose inhabitants had not, by Western standards, decent clothing for their backs or plain food enough to eat; and that the privileged position of Britain, and indeed of the white races, though much less insecure than some pessimists maintained, was not quite certainly a part of the permanent divine order of things (*ibid.*: 554).

## 5 Conclusion

By the time of Clapham's death in 1946, economic history and economics at Cambridge had moved far beyond the methodological disputes of Cunningham and Marshall. The production of the first national income statistics by members of the Faculty of Economics eventually led to the compilation of long-run series that transformed the analysis of economic growth, using statistics for analytical purposes that had not been attempted by Clapham. By contrast, Maurice Dobb was applying Marxist theory to economic history in order to understand the transitions from feudalism to capitalism—a debate that created competing interpretations and explanations of long-run development that could not be teased out of Clapham's descriptions. Meanwhile, Clapham's successor, Michael Postan, was developing a non-Marxist approach to the medieval economy that owed more to Malthus and long-run trends in population and food, and rested on statistical analysis rather than description. The fate of most historical work is that it fades very soon, to be replaced by new approaches. Clapham's work faded even more quickly than most. But one influence has persisted: economic history has remained a compulsory element of both the History and Economics Triposes, alongside political and constitutional history, and theoretical economics.

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