









By Robert L. Heilbroner

THE WORLDLY PHILOSOPHERS

THE LIMITS OF AMERICAN CAPITALISM

UNDERSTANDING MACROECONOMICS

A PRIMER ON GOVERNMENT SPENDING  
(with Peter L. Bernstein)

THE GREAT ASCENT

THE MAKING OF ECONOMIC SOCIETY

THE FUTURE AS HISTORY

~~THE QUEST FOR WEALTH~~

# The Worldly Philosophers

*The Lives, Times, and Ideas of  
the Great Economic Thinkers*

ROBERT L. HEILBRONER



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NEW YORK

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TO  
ADOLPH LOWE  
WITH DEEPEST RESPECT  
AND TO  
JOAN  
WITH DEEPEST LOVE



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## PREFACE TO THE THIRD REVISED EDITION

*This is the third time I have revised The Worldly Philosophers—which is to say, the third time I have read the book cover to cover since I wrote it. Each reading has come as a surprise, partly pleasurable and partly not. It is very satisfying when I find that I still agree with myself over the years. It is not when I don't.*

*Some of these disagreements are simply the fruit of new knowledge about the past—knowledge that rarely changes the main outlines of our conception of economic thought and history, but that requires alterations in detail and emphasis. These are scattered here and there throughout the book and will be unnoticeable except to the eye of an expert.*

*More important are the disagreements when the book turns to the interpretation of the present or the prognosis for the future. In the sections on imperialism, Marxism, the population problem, and current American problems, I have been forced to throw out paragraphs, and even pages, to give voice to an increasing disquietude I have felt since the last edition was published. The central theme of this book is, after all, the evolution of capitalism, and whereas I am, if anything, more sanguine about the long-term evolutionary possibilities for America, I am also much more concerned about the chances for short-run miscalculation and tragedy. All this is, however, in the background of the book; the purpose of these pages remains, as before, to propound the views of the Worldly Philosophers and not my own.*

*Finally, I should like to thank the many readers, especially students and instructors, who have been kind enough to write to me, instead of making the usual exclamation marks in the margins of their books, when they objected to my prose, or caught me out in some fact, or quarreled with my interpretation of ideas. I have repaired a lot of prose, have altered some facts, and have at least thought hard about the ideas in question, even if I have not always changed them. In my Acknowledgments I have said that this book owes its existence in large part to my teachers. I am happy that I can now number so many readers and students among those teachers.*

ROBERT L. HEILBRONER

March 1967

# I

## Introduction

**T**HIS is a book about a handful of men with a curious claim to fame. By all the rules of schoolboy history books, they were nonentities: they commanded no armies, sent no men to their deaths, ruled no empires, took little part in history-making decisions. A few of them achieved renown, but none was ever a national hero; a few were roundly abused, but none was ever quite a national villain. Yet what they did was more decisive for history than many acts of statesmen who basked in brighter glory, often more profoundly disturbing than the shuttling of armies back and forth across frontiers, more powerful for good and bad than the edicts of kings and legislatures. It was this: they shaped and swayed men's minds.

And because he who enlists a man's mind wields a power even greater than the sword or the scepter, these men shaped and swayed the world. Few of them ever lifted a finger in action; they worked, in the main, as scholars—quietly, inconspicuously, and without much regard for what the world had to say about them. But they left in their train shattered empires and exploded continents, they buttressed and undermined political regimes, they set class against class and even nation against nation—not because they plotted mischief, but because of the extraordinary power of their ideas.

Who were these men? We know them as the Great Economists. But what is strange is how little we know about them. One would think that in a world torn by economic problems, a world that

constantly worries about economic affairs and talks of economic issues, the great economists would be as familiar as the great philosophers or statesmen. Instead they are only shadowy figures of the past, and the matters they so passionately debated are regarded with a kind of distant awe. Economics, it is said, is undeniably important, but it is cold and difficult, and best left to those who are at home in abstruse realms of thought.

Nothing could be further from the truth. A man who thinks that economics is only a matter for professors forgets that this is the science that has sent men to the barricades. A man who has looked into an economics textbook and concluded that economics is boring is like a man who has read a primer on logistics and decided that the study of warfare must be dull.

No, the great economists pursued an inquiry as exciting—and as dangerous—as any the world has ever known. The ideas they dealt with, unlike the ideas of the great philosophers, did not make little difference to our daily working lives; the experiments they urged could not, unlike the scientists', be carried out in the isolation of a laboratory. The notions of the great economists were world-shaking, and their mistakes nothing short of calamitous.

"The ideas of economists and political philosophers," wrote Lord Keynes, himself a great economist, "both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas."

To be sure, not all the economists were such titans. Thousands of them wrote texts, some of them monuments of dullness, and explored minutiae with all the zeal of medieval scholars. If economics today has little glamour, if its sense of great adventure is often lacking, it has no one to blame but its own practitioners. For the Great Economists were no mere intellectual fusspots. They took the whole world as their subject, and portrayed that world in a dozen bold attitudes: angry, desperate, hopeful. The

evolution of their heretical opinions into common sense, and their exposure of common sense as superstition, constitute nothing less than the gradual construction of the architecture of contemporary life.

An odder group of men—one less apparently destined to remake the world—could scarcely be imagined.

There were among them a philosopher and a madman, a parson and a stockbroker, a revolutionary and a nobleman, an aesthete, a skeptic, and a tramp. They were of every nationality, of every walk of life, of every turn of temperament. Some were brilliant, some were bores; some ingratiating, some impossible. At least three made their own fortunes, but as many could never master the elementary economics of their personal finances. Two were eminent businessmen, one was never much more than a traveling salesman, another frittered away his fortune.

Their viewpoints toward the world were as varied as their fortunes—there was never such a quarrelsome group of thinkers. One was a lifelong advocate of women's rights; another insisted that women were demonstrably inferior to men. One held that "gentlemen" were only barbarians, whereas another maintained that non-gentlemen were savages. One of them—who was very rich—urged the abolition of riches; another—quite poor—disapproved of charity. Several of them claimed that with all its shortcomings, this was the best of all possible worlds; several others devoted their lives to proving that it wasn't.

All of them wrote books, but a more varied library was never seen. One or two wrote best sellers that reached to the mud huts of Asia; others had to pay to have their obscure works published and never touched an audience beyond the most restricted circles. A few wrote in language that stirred the pulse of millions; others—no less important to the world—wrote in a prose which then, as now, fogs the brain.

It was neither their personalities, their careers, their biases, nor even their ideas which bound them together. Their common denominator was something else: a common curiosity. They were all fascinated by the world about them, by its complexity and its seeming disorder, by the cruelty which it so often masked in sanctimony and the successes of which it was so often unaware.

They were all of them absorbed in the behavior of their fellow man, first as he created material wealth, and then as he trod on the toes of his neighbor to gain a share of it.

Hence they can be called the worldly philosophers, for they sought to embrace in a scheme of philosophy the most worldly of all of man's activities—his drive for wealth. It is not, perhaps, the most elegant kind of philosophy, but there is no more intriguing or more important one. Who would think to look for Order and Design in a pauper family and a speculator breathlessly awaiting ruin, or seek Consistent Laws and Principles in a mob marching in a street and a greengrocer smiling at his customers? Yet it was the faith of the great economists that just such seemingly unrelated threads could be woven into a single tapestry, that at a sufficient distance the milling world could be seen as an orderly progression, and the tumult resolved into a chord.

A large order of faith, indeed! And yet, astonishingly enough, it turned out to be justified. For once the economists had unfolded their patterns before the eyes of their generations, the pauper and the speculator, the greengrocer and the mob were no longer incongruous actors inexplicably thrown together on a stage; but each was understood to play a role, happy or otherwise, which was essential for the advancement of the human drama itself. When the economists were done, what had been only a humdrum or a chaotic world became an ordered society with a meaningful life history of its own.

It is this search for the order and meaning of social history that lies at the heart of economics. Hence it is the central theme of this book. We are embarked not on a lecture tour of principles, but on a journey through history-shaping ideas. We will meet not only pedagogues on our way, but many paupers, many speculators both ruined and triumphant, many mobs, even here and there a grocer. We shall be going back to rediscover the roots of our own society in the welter of social patterns which the great economists discerned, and in so doing we shall come to know the great economists themselves—not merely because their personalities were often colorful but because their ideas bore the stamp of their originators.

It would be convenient if we could begin straight off with the

first of the great economists—Adam Smith himself. But Adam Smith lived at the time of the American Revolution and we must account for the perplexing fact that six thousand years of recorded history had rolled by and no *worldly* philosopher had yet come to dominate the scene. An odd fact: man had struggled with the economic problem since long before the time of the Pharaohs, and in these centuries he had produced philosophers by the score, scientists, political thinkers, historians, artists by the gross, statesmen by the hundred dozen. Why, then, were there no economists?

It will take us a chapter to find out. Until we have probed the nature of an earlier and far longer-lasting world than our own—a world in which an economist would have been not only unnecessary but impossible—we cannot set the stage on which the great economists may take their places. Our main concern will be with the handful of men who lived in the last two centuries. First, however, we must understand the world which preceded their entrance and we must watch that earlier world give birth to the modern age—the age of the economists—amid all the upheaval and agony of a major revolution.



## II

# The Economic Revolution

**S**INCE he came down from the trees, man has faced the problem of survival, not as an individual but as a member of a social group. His continued existence is testimony to the fact that he has succeeded in solving the problem; but the continued existence of want and misery, even in the richest of nations, is evidence that his solution has been, at best, a partial one.

Yet man is not to be too severely censured for his failure to achieve a paradise on earth. It is hard to wring a livelihood from the surface of this planet. It staggers the imagination to think of the endless efforts that must have been expended in the first domestication of animals, in the discovery of planting seed, in the first working of surface ores. It is only because man is a socially cooperative creature that he has succeeded in perpetuating himself at all.

But the very fact that he has had to depend on his fellow man has made the problem of survival extraordinarily difficult. Man is not an ant, conveniently equipped with an inborn pattern of social instincts. On the contrary, he seems to be stubbornly endowed with a fiercely self-centered nature. If his relatively weak physique forces him to seek cooperation, his untamed inner drives constantly threaten to disrupt his social working partnerships.

In primitive society, the struggle between aggression and cooperation is taken care of by the environment; when the specter of starvation looks a community in the face every day—as with the Eskimos or the African hunting tribes—the pure need for self-