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ELI HECKSHER AS A PORTRAIT MAKER

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Eli Heckscher was not only author of extensive investigations into economic history. He was also skillful in depicting phenomena in small format in encyclopædias, journals and newspapers. This article presents Heckscher as portrait maker of economic scholars. In these portraits—what he emphasized, what he praised, what he criticized—one can discern the stance of the portrait maker himself. Overall, his portraits are permeated by admiration of sharp theoretical analyses and massive economic historical investigations. He admires the founding fathers of political economy, Adam Smith and David Ricardo, stresses continuity in the development of economic thought, praises humble innovators like David Davidson, Knut Wicksell and Alfred Marshall and denounces (what he perceives as) pretentious innovators like Gustav Cassel and John Maynard Keynes. He is critical towards economists who attempt to break out of the classical and neoclassical tradition, especially representatives of the German historical school, and what he judges to be a new type of mercantilism, represented by Bertil Ohlin and Keynes. At the same time he appreciates voluminous and solid investigations into economic history, even if performed without theoretical beacons, by scholars like William Cunningham, William Ashley, John Clapham, Marc Bloch, Richard Ehrenberg and Werner Sombart.

Introduction

Eli Heckscher was one of the most important economists in Sweden during the first half of the 20th century¹ and by far the most important economic historian. He was immensely productive. There are 1,148 entries in his bibliography between 1897 and 1949 (*Eli Heckschers bibliografi 1897-1949* [1950]). Some writings are thick as phone books, e.g. *Mercantilism* (1935) and *Sveriges ekonomiska historia från Gustav Vasa* (Sweden's economic history from Gustav Vasa, 1936, 1950). However, Heckscher was also skillful in depicting phenomena in small format in encyclopædias, journals and newspapers. The purpose of this article is to present a picture of Heckscher as portrait maker of economic scholars. For half a century he drew many short and some long portraits of earlier and contemporary economists and economic historians. In these portraits—what he emphasized, what he praised, what he criticized—one can discern the stance of the portrait maker himself.²

In this article we will look at some 30 economists and economic historians through Heckscher's eyes. The choice falls on reasonably well-known names; a few less known names in the borderland to other social sciences could have been presented. Many of these portraits are found in encyclopædias. Between 1904 and 1907 Heckscher worked for *Nordisk Familjebok*³ and produced almost a hundred entries from A to E of which about twenty dealt with economists and economic historians. In later editions of *Nordisk Familjebok* (1924b; 1936) he wrote entries on John

¹ The most important Swedish economists alongside Heckscher during this period were David Davidson, Knut Wicksell, Gustav Cassel, Bertil Ohlin and Gunnar Myrdal.

² One can of course find characteristics of economists and economic historians in Heckscher's more voluminous works. Here, however, we confine ourselves to articles on people which can be identified in the Heckscher bibliography. Heckscher's relations to (mainly Swedish) economists, economic historians and historians are extensively depicted in Hasselberg (2007).

³ Available at the internet: <http://runeberg.org/nf/>

Maynard Keynes. From about 1920 Heckscher's portraits mainly consist of articles in connection with birthdays and deaths published in *Dagens Nyheter* or *Historisk Tidskrift*. Anders Berch and David Davidson were treated in comprehensive articles in *Lychnos* and *Ekonomisk Tidskrift*.

We will skim through Heckscher's characterizations of all these individuals. The order of presentation will firstly be according to nationality (Sweden, Britain, France, Germany, the United States), secondly according to year of birth, and, thirdly, economists will appear before economic historians.⁴

Let us now begin with a glance at the background against which Heckscher's portraits can be seen.⁵ Heckscher always stressed the continuity between classical and neoclassical theory in the economic mainstream and criticized heterodox schools, not least the German historical school. In an article on "the fathers of economics" Adam Smith and David Ricardo, Heckscher (1923) elaborates on this theme:

In fact, it is almost inexplicable to what extent economics always have to turn back to its original doctrines: it is questionable whether many sciences already in their youth have been able to bring about most of what they in all subsequently have achieved. [--] The major new contribution was made by the so called marginal utility theoreticians almost fifty years ago; however, on closer inspection the new elements in their treatment turned out to be less than what had been assumed and the incorporation of their results made by the still alive great British economist

⁴ An article on Arthur Montgomery (1889-1976) which according to Heckscher's bibliography was published in *Ekonomien* 1940 has not been found and an obituary over Harald Westergaard (1853-1936) has not been used since it does not fit into the national categories and contains nothing remarkable.

⁵ A reader proficient in the Swedish language may consult a condensed exposition of Heckscher's views on the meaning and history of economics in Heckscher and Knoellinger (1945).

Marshall preserved surprisingly much of the old in new formulas. The younger so called historical school, with the recently deceased Schmoller in the lead, denounced the old theory in total, but it soon became clear that it had nothing to put in its place [...]. [---] Regarding economics, it is almost wonderful that so huge transformations [of reality] have been able to demonstrate so few weaknesses in the theory which is already more than a hundred years old.

In an obituary over Alfred Marshall a year later, Heckscher (1924a) complained that economists were expected to produce solutions to all kinds of problems: “Economics has turned into a science of fashion, and economists have to pay the price by producing things suitable for needs of the moment. They are expected to issue statements in all burning economic issues and to put forward cures for all society’s economic ailments.” Heckscher’s complaint however stands out as something of a paradox in view of his own engagement in the debates of his time, not least as writer of leading and debate articles in *Dagens Nyheter*.

Swedes

In a lecture, Heckscher (1942) gave his view of Anders Berch (1711-1774) and the first steps of economic science in Sweden. Berch had gotten the first professorship in economics in the country and had to relate to law and science, which exerted strong influence upon economic thinking through Carl von Linné. Heckscher (1942, 45) develops the following picture:

Berch was more than any other Swedish 18th century economic writer the typical professor, the academic teacher, with all the merits and faults of such a person: well-read, knowledgeable, scrupulous and industrious, a systematist, with all his strength as such, but no distinctive personality and not very original in either form or content.

Berch’s *Inledning til Almänna Hushållningen* (Introduction to general house-keeping, 1747) was the first and for a long time the only Swedish

textbook in economics and it thus made a decisive imprint on academic teachings within the discipline. Through this book, German cameralism—a version of mercantilism and a kind of planned economy doctrine—was introduced in Sweden. However, Berch differed from the Germans in one respect:

While German cameralists almost altogether saw this [the purpose of regulation] in the interest of the prince, the good for the *individual* was always Berch's objective, which could however not be met without strict regulation. [...] Berch thus looked upon regulation from the perspective of the individual and not the state. (Ibid., 49)

According to Heckscher (1942, 49), Berch never succeeded in grasping economic life as a whole, which was not to be expected since this view was established by Adam Smith several decades later, and Berch dismissed the idea that “economic equilibrium could be created by the free play of forces.” This kind of thinking lacked dynamics and thereby also logic. Berch and other mercantilists departed from “a static mode for the world as a whole” and did not understand that “the changes which constituted their very program for their own country were incompatible with the regulation they advocated” (ibid., 56). Heckscher's (1942, 59) final words on Berch are:

As theoretician Berch was extraordinarily weak, much weaker than many of the writers of the time and particularly inferior to his successor, P.N. Christiernin. Berch's presentation of price formation and exchange rates, especially in his lectures, represents a mess of contradictions and futilities [...]. [---] The significance of his teachings, and, far beyond his death, his textbook for many generations of prospective officials, was probably an important cause behind the fact that mercantilism prevailed for a long time in Sweden; its position was not permanently deranged before the midst of the 19th century.

In a review of a biography of Anders Chydenius (1729-1803), written by librarian Georg Schaumann, Heckscher criticized Schaumann's attempt

to associate Chydenius with socialist ideas. Heckscher (1910, 245-247) underlines “Chydenius’ consistent hostility towards any kind of collective housekeeping” and states that “it is difficult to find a more pervading *individualism*.” “That such an outlook can be denoted as related to the socialist one demonstrates how far this expression has come from its original meaning; Chydenius is throughout positioned at the anti-pole of socialism.” For Heckscher it was obvious that liberals would be able to invoke Chydenius’ authority for almost any measures.

However, Chydenius was, according to Heckscher (1910, 248-249), no economic thinker. He suffered from the same kind of lack of holistic view as Berch. “He does not seem to have possessed a measured economic system—a notion of the connections and interactions of different economic forces.” Chydenius’ talent consisted of “an astounding ability to clearly discern one single principle—‘freedom’ in a liberal sense—and carry it through in all areas.” Chydenius did however not, in Heckscher’s view, exert any lasting influence on the development of economic ideas in Sweden.

Knut Wicksell (1851-1926) was portrayed in *Dagens Nyheter* in connection with his 70th birthday in 1921 and his death five years later. Heckscher (1921) argued that the foundation of economic thought had been so firmly established at the end of the 18th and the beginning of the 19th century “that the many attempts to construct some ‘new’ economics had seldom demonstrated anything more than the dilettantism of those who made the attempts.” Wicksell had been one of the greatest admirers of classical political economy. “He was [...] unselfish and unpretentious in a way that kept him altogether away from the tendency to appear as creator of something new and pioneering, when he just built on a foundation which had been laid during a century of thought and research” (Heckscher 1926). Wicksell’s significance lay not in quest for originality but in the “ruthless consistency with which he followed through from the theoretical points of departure”:

The combination of simplicity in general philosophical orientation with the ability and ruthless will to follow thoughts to their most unexpected consequences made him a theoretical *system builder* of unusual dimensions, and if one should characterize his scientific contribution in one word, this seems to me to be the right one. (Ibid.)

Wicksell had become perhaps the most consistent theoretician of the Austrian school. At the same time his greatest contribution lay within the field of monetary and business cycle theories, where he had had “nothing to learn from the ‘Austrians’.” What Heckscher was aiming at is Wicksell’s theory on the relations between interest, money and business cycles. “He has completed the ‘classical’ doctrine, the quantity theory of money, but advanced farther than the founders had managed to do; and as far as I can understand this is the contribution for which he above all will be remembered.” (Heckscher 1921)

During the last session of the Swedish Economic Society in 1926, Heckscher gave a commemorative speech on Wicksell and stated that he was “the greatest economist Sweden has had, and yet we have had several of great importance” (Nationalekonomiska föreningen 1926, 86).

In one of his portraits of David Davidson, Heckscher (1951, 146, 149) touched upon Wicksell, who, in spite of his radical posture, “was unwavering in his knowledge of the theoreticians within economic science” and “with eagerness defended them against distortions and misinter-pretations which, according to Wicksell, particularly socialists had subjected them to.” Wicksell was, in the eyes of Heckscher, “a far more creative theoretician than Davidson, but his thinking was more prone to derail.”

David Davidson (1854-1942) was the foremost object of Heckscher’s desire to draw portraits. In an article on the occasion of Davidson’s 65th birthday Heckscher (1919) concluded that his old teacher more than other

economists had “stayed away from discussions before a large audience.”⁶ At the same time he was “one of the greatest critics within his science, not only in our country but in the whole world.” “Precisely within economics, where dilettantism and uncritical cocksureness flourish outside and inside the walls, the importance of a scholar, who detects every laxness in reasoning and shallowness in understanding, is almost priceless.” Heckscher also noted, as many others have done, the kinship in “spiritual orientation” between Davidson and Ricardo.

In the biographic encyclopædia *Svenska män och kvinnor* (Swedish men and women) Heckscher (1944, 212) asserts that Davidson’s dissertation *Bidrag till läran om de ekonomiska lagarna för kapitalbildningen* (Contribution to the doctrine on economic laws of capital formation) from 1878 was “the very point of departure for a proper economic science in Sweden.” Davidson himself is characterized as being “totally disposed as analyst, not synthesist.” Heckscher (1944, 212-13) continues:

D:s most distinctive traits as scientist were his acumen and incorruptible logic. He proceeded with an ability to think in abstract terms, which has had few counterparts in economic literature. Logical mistakes—otherwise very common also among eminent economic theoreticians—were almost completely absent with him, and he was to a corresponding degree rough in his criticism of colleagues, who did not keep their thoughts as clear; in the many polemics, in which he was involved, he almost always represented the correct position. [---] In all his works his complete independence of political and personal considerations stood out; Sweden has never had a more independent and incorruptibly honest scientist.

⁶ Davidson was not even fond of appearances before small audiences. He was not popular as teacher; even Heckscher did not appreciate him as teacher to begin with.

In an extensive memorial published in *Ekonomisk Tidskrift*, Heckscher (1951, 128)⁷ came back to Davidson's acumen and ability to follow through long windings without making mistakes. "This is a quality which often has been seen a Jewish trait," declared Heckscher (1951, 129), himself of Jewish ancestry, and drew a parallel to Ricardo, also a Jew. Davidson was always anxious to refer to his predecessors: "Davidson again and again immersed himself in writings of the classics, especially Ricardo's, and was rarely content if he could not show that his idea was already there or could be derived therefrom" (ibid., 144).

Another trait which Heckscher finds in Davidson is interesting against the backdrop of a hypothesis stating that the Stockholm school economists did not have the same impact as Keynes since they argued in a "casuistic" way and did not present a model which politicians could make use of. Heckscher (1951, 146) notes: "Davidson's treatment of economic problems was casuistic, not mathematical. He usually departed from a concrete case and followed its connections through all windings, his ambition was not as with the mathematician to find a general formula for the phenomena." Perhaps one could thus speculate that there was a methodological tradition stemming from Davidson which affected the younger generation of economists.

The relationships between three of the great Swedish economists at the beginning of the 20th century—Davidson, Wicksell and Heckscher—were harmonious but all three were hostile towards Gustav Cassel (1866-1945) since he, as they saw it, did not show due respect to older generations of economists. Heckscher's final verdict on Cassel was issued after the latter's death in a review of Ingrid Giöbel-Lilja's biography of Cassel.⁸

Not unexpectedly, Heckscher (1948) made a frontal assault on Cassel's claims for originality: "he apparently regarded himself as founder of the economic science which by then was already one and a half century old." In Cassel's main work, *The Theory of Social Economy* (in German 1918 and English 1932), there was "hardly recognition of any other

⁷ Also in Schumpeter (1953).

⁸ Giöbel-Lilja had been Cassel's secretary. Heckscher (1951, 143-144) repeats his views on Cassel's traits in his portrait of Davidson.

scholar besides himself; his forerunners are almost never mentioned except for when they are condemned.” Gunnar Myrdal’s (1945, 11) explanation, that Cassel had forgotten that his main conception originated from Léon Walras, was brusquely dismissed: “His forgetfulness was in that case constitutional, for as far as I know there is not one example in his flood of writings showing that he has acknowledged his debt to any other theoretician, dead or alive.” Heckscher kept hammering on the nail in Cassel’s coffin: “Cassel lacked the sense of being a link in the long chain of truth seekers, he lacked the humility of a true scientist: humility before predecessors and successors, before the task; he did not mend his ways.”

Heckscher also considered that Cassel lacked in scientific objectivity—“it is hard to find someone who has as outright made claims on scientific authority for his subjective ideas.” Nevertheless, Heckscher had some praise to bestow upon Cassel, even though it was accompanied by reservations: “He usually had a clear picture of the constitution of contexts in particular cases and was therefore seldom dependent upon carefully accomplished chains of thought or plentiful and properly treated statistical materials in order to achieve results.” If Davidson was an analyst and Wicksell a systematist, Cassel was according to Heckscher a synthesist: “He envisioned the economic system with an artist’s eye and thereby became an unusually successful synthesist.” The first sections of Cassel’s textbook could even be seen as “the most uniform summary of classical economic theory” since John Stuart Mill’s *Principles* in 1848. Cassel’s textbook had had the potential of playing a role similar to Mill’s provided that the 19th century foundation upon which Cassel had built his system had not been demolished (Heckscher apparently refers to the state interventions which characterized the world wars and the interwar era). “That this foundation has disappeared can however not be blamed on Cassel, to the contrary. Few people have as strenuously and for as long strived to save and preserve it.”

In connection with Bertil Ohlin’s (1899-1979) 50th birthday, Heckscher drew a concise portrait of his former disciple. The warm relationship between Heckscher and Ohlin had cooled off during the 1930s

battles over business cycle and planned economy policies, but now, when Heckscher was in his old age, the most painful wounds seemed to have healed. Heckscher (1949, 6) testifies about 18 year old Ohlin's appearance at the seminar of the Stockholm School of Economics, about "the astounding swiftness with which he grasped problems and followed chains of thought to their final end"; Heckscher had even been compelled to ask Ohlin to withhold his answers so that other students would have a chance to keep up with the teachings. Ohlin's further development is portrayed by Heckscher (1949, 6) in the following words: "At the beginning of the 1930s, Ohlin still remained on what is usually labelled the foundation of classical economic theory" but soon thereafter he began "to move in a new direction in economic and economic policy respects, with much stronger sympathy for state intervention than before." Ohlin's concept of framework planning meant, according to Heckscher (1949, 6), "approximately the same as what had characterized mercantilism, namely a private business life within the frame of far-reaching state interventions." Heckscher concluded his portrait with an assuring message: "As of lately, however, he seems to have, to some extent, turned back towards his earlier view [...]."

Britons

The oldest British economist presented by Heckscher (1906a) in *Nordisk Familjebok* was Charles Davenant (1656-1714), "pronounced mercantilist and supporter of the balance of trade doctrine."

At the beginning of the 1920s, Heckscher noted that researchers increasingly emphasized the importance of Physiocrats and enlightenment philosophers for Adam Smith's (1723-1790) development. Smith's importance was in no way diminished by this:

What he picked up from this is almost all which has been enduring [...]. He is consequently [...] the great constructor of political economy. What he included in his discipline has more or less remained the field of economics, and [...] his way of arguing is, despite all methodological battles, the same as economists still apply and will probably never abandon. (Heckscher 1923)

The disparity between Adam Smith and the second founder of classical political economy, David Ricardo (1772-1823), is, as is well known, huge. In Heckscher's (1923) words "Ricardo is as difficult to read and obscure as Adam Smith is pleasant and clear." Ricardo was certainly "the sharpest mind so far seen within the economic discipline," but since he "quite often neglects to fully clarify his prerequisites, he is, not completely without fault of his own, the most misunderstood among economists."

In the preface to the Swedish edition of John Stuart Mill's (1806-1873) memoirs, Heckscher presented a vignette without going into Mill's merits as economist. Heckscher (1925/1961, 11) praised Mill's outstanding ability to learn which however gave many of his writings an eclectic touch through his "desire to incorporate as many contributions and thoughts from different directions as possible," contributions which he did not always manage to melt into "a whole free from contradictions." When writing about utilitarianism, the foundation of Mill's thinking, Heckscher reveals much of his own personal philosophy. Heckscher (1925/1961, 13) writes about "a flaming pathos to serve all layers of people, to lift them up spiritually and materially through their own aspiration in their own interest, instead of a refined game with revolutionary ideas in parlors or a social happiness created by intervention from above by an enlightened despotism."

John Elliot Cairnes (1823-1875), "the last great name within the older liberal British school," opposed "new anti-liberal phenomena," e.g. trade unions and protectionism. Cairnes is both praised and criticized: "All his writings are characterized by great clarity and acrimony, which however is not always accompanied by ability to grasp the deeper meaning of opponents' opinions" (Heckscher 1905a).

Before Walter Bagehot (1826-1877), editor of *The Economist* and author of *Lombard Street* (1873), a man who “in essence sided with the view of the liberal school (especially Ricardo),” Heckscher (1904a) has nothing but praise: “His writings are, even when they touch upon complex matters, characterized by a rare clarity, originality and vividness; and his style is characterized by liveliness and cheerfulness, unprecedented in economic literature.”

Alfred Marshall (1842-1924) was probably the one economist whom Heckscher, alongside his colleagues and friends Davidson and Wicksell, admired most of all. In an obituary Heckscher (1924a) wrote that Marshall was “not one of those scholars who are calling out their wisdom all over the place; he to a large extent stood for educational ideals oriented towards being active in a smaller circle of people with will and ability to penetrate problems and calmly weigh the reasons for and against.” Marshall had promoted “economic chivalry” and the feasibility of lifting the broad layers of society socially and economically. “It was a cultural personality of proportions which nobody else within economics during the latest generation has been able to display.”

As in the case of Wicksell it was Marshall’s ability to renew economics and at the same time uphold continuity which earned him Heckscher’s (1924a) admiration:

Nobody else has done as much as Marshall to end the senseless infighting between different economic “schools.” He has demonstrated to what extent different contributions to the common work are mutually consistent [...]. In this way Marshall has in reality become the great innovator of theoretical economics, at the same time as he has rehabilitated the classical theory, above all Ricardo, by showing how new and old elements can be combined.

Marshall’s weakness was his awareness of “the immense difficulties of knowledge,” which made it hard for him to put down his insights in writing. Some of his books lay waiting in proofs for twenty years and were revised over and over and many manuscripts were never published.

Francis Edgeworth (1845-1926) is sorted by Heckscher (1907a) into “the modern theoretical-mathematical alignment within economics”; he had accomplished an acute treatment of many of the most difficult problems within economics. Charles Bastable (1855-1945) is given a short presentation which mentions his free-trade position and designates his *Public Finance* (1892) as probably the best work on public finance available in English (Heckscher 1904b). Edwin Cannan (1861-1935) is characterized as “a clear and sharp theoretician, who in particular has contributed to increased knowledge about older British economists’ works and theories” and who in battles over customs sided with free-traders (Heckscher 1905b).

In a supplement to *Nordisk Familjebok*, Heckscher introduced John Maynard Keynes (1883-1946). This happened after Heckscher’s appearance as market liberal and before Keynes’ appearance as state interventionist. Heckscher (1924b) unsurprisingly focused on *The Economic Consequences of the Peace* (1920), characterized by “great stylistic talent, clear economic vision and unusual command of the statistical material” and furthermore by “a strong conviction of great importance for its success.” Heckscher also notes Keynes’ ambition to “construct a monetary system on the basis of a free currency with fixed purchasing power against commodities, i.e. a replacement for the old gold standard,” an ambition Heckscher would himself be immersed in when Sweden in 1931 left the gold standard. Heckscher however finds that Keynes contributions in “purely scientific matters [...] have not been equally important.”

In the same year as Keynes’ *General Theory* was published, a new article on Keynes by Heckscher (1936) appeared in a supplement to *Nordisk Familjebok*. This article was short and critical: “Having been a faithful follower of classical economics, K. has [...] increasingly challenged its basic theorems and even associated himself with mercantilist interpretations.” Keynes had furthermore “deemed it necessary to introduce a to a large extent new terminology, which has often caused misunderstandings.”

When Keynes passed away, Heckscher (1946a) summarized his opinion of *General Theory*:

Keynes' book triggered a flow of essays and books all over the world, and it was in such harmony with prevailing political and spiritual tendencies in almost all countries that it was accepted to a much larger degree than criticized. Much probably remains to be done in the opposite direction, and I think Keynes' perception of the universality of the prerequisites on which he builds is a fundamental mistake. But his ability to put thoughts in motion, to shake people out of their habits of thought, has been extraordinary, and such a vivid, intense and brilliant writer must be of enduring importance for our whole contextual perception.

What did Heckscher mean by questioning the prerequisites of Keynes' theory? The explanation is given in an extensive article by Heckscher on "General Theory' from the standpoint of economic history" in *Ekonomisk Tidskrift* 1946. Heckscher (1946b, 181-182) states that the actual impulse of Keynes' book comes from the permanently high British unemployment between the wars "which he almost seems to have been obsessed by. Never before, it seems, has a work making claims for universality in such a one-sided manner been built on one single point of view."

Three British economic historians were portrayed by Heckscher. William Cunningham (1849-1919) was acclaimed for his path-breaking research in a discipline which had been "very alien to the pronouncedly ahistorical and restricted outlook of older British economics." According to Heckscher (1906b), nothing like Cunningham's *The Growth of English Industry and Commerce* (1882) could be found in any other country. "A huge part of British research in economic history is based on C:s impulse [...] and most of the younger researchers in the country are his disciples."

William Ashley (1860-1927) held the first professorship in economic history at Harvard—and in the world. In *Nordisk Familjebok*

it is said that he alongside Cunningham was “the very creator of British research in economic history, just as he alongside the same is its current chief representative” (Heckscher 1904c). In an obituary, Heckscher (1927) characterized Ashley—and Cunningham—as “opponents against classical economics, [...] against its tendency to look upon economic contexts as a system of universal theories, the same for all times and all nations.” Here one could detect influence from the younger German historical school and its “senior manager” Gustav von Schmoller: “Ashley to some sense remained the last adept of Schmoller, the last one who gave the impression that he could manage completely without economic theory.” Ashley had, after his return to Britain from the U S, organized the economic faculty at the University of Birmingham. When the Stockholm School of Economics was established, Ashley’s curriculum to a large extent was used as blueprint for teachings in economics. Heckscher’s appreciation of Ashley was not least founded on personal friendship and he concluded his obituary by designating Ashley as “an extraordinarily unconventional, humorous, independent and warm-hearted human being.”

When John Clapham (1873-1946) passed away, he was considered to be Britain’s leading economic historian. This position was mainly based on *An Economic History of Modern Britain* in three volumes (1926-1937). Heckscher (1946c, 179) declared that he as reader sometimes lacked economic analysis: “However, these weaknesses completely fade away in view of the unusual virtues of this work. For the first time one is on solid ground in the case of what must perhaps be designated as the most important of all economic-historical events, namely the breakthrough and maturity of industrialism in the first country where this process emerged, namely Britain.” Clapham’s exposition was “extraordinarily solid and painstaking, with conditions in different parts of the country carefully taken into account and a complete absence of hasty generalizations.” (Heckscher 1946a)⁹

Frenchmen

⁹ In the same 1946 article which dealt with Keynes.

Three French political economists of an older vintage were presented by Heckscher in *Nordisk Familjebok*: Richard Cantillon's (168?-1734) importance rested upon *Essai sur la nature du commerce général* (posthumously published in 1755), "an unusually scanty and sharply written deductive exposition of almost the whole economic theory" (Heckscher 1905c). The book pointed beyond the Physiocrats and anticipated many of the discoveries of the liberal British school in the 19th century. Cantillon's influence was however limited until he was paid attention by Stanley Jevons in the 1880s.

"Harmony economist" Frédéric Bastiat (1801-1850) had, with his "witty and utterly comprehensible mini-essays," caused "great devastation in the protectionist camp." Heckscher (1904d) noted that Bastiat's writings "which lacked depth, but were characterized by a rare ability, were received with delight by the liberal 'bourgeoisie' in all countries and his views were for some time almost predominant within both public opinion and science."

Arsène Dupuit (1804-1866) was praised for his "often very original essays," one of which, according to Stanley Jevons, represents the first thoughtful exposition of the marginal utility theory. Dupuit is characterized as "avid follower of free competition" (Heckscher 1907b).

Heckscher also portrayed a French economic historian: Marc Bloch (1886-1944). The two had met at a historians' conference in Oslo and Heckscher had been impressed by Bloch, whose main contribution was to launch and edit the *Annales* journal. Heckscher (1945, 267-268) was full of enthusiasm: "For heavy-footed scholars it may sometimes seem all too French [...]. However, this mattered very little compared to the outstanding overview of all countries, the originality and the flourishing intellect which characterized above all Bloch's numerous contributions [...]."

Germans

A few German economists were given pretty short and perfunctory presentations in *Nordisk Familjebok*: Johannes Conrad (1839-1915) was seen as “one of the most respected and least one-sided representatives within recent German economics” (Heckscher 1906c). Karl Bücher’s (1847-1930) fame rested upon his theory of three stages—closed household, town and national economy—and upon historical and statistical investigations of cities like Frankfurt and Basel (Heckscher 1905d). Heinrich Dietzel (1857-1935) represented “an orientation hostile towards Schmoller and the younger historical school, partly in alignment with older political economy.” Dietzel had also increasingly opposed German protectionism (Heckscher 1907c).

A couple of German economic historians are paid attention. Richard Ehrenberg’s (1857-1921) *Das zeitalter der Fugger* (1896) is said to be “one of the most important contributions to economic history so far.” Ehrenberg had attempted to clear the way for a new line of inquiry within economics, research on the organization and activities of business corporations (Heckscher 1907d).

When Werner Sombart (1863-1941) laid down his pen, Heckscher (1941) sketched his development in an obituary: Marxist orientation around the turn of the century 1900, reconciliation with those in power during WWI through the book *Händler und Helden* (1915), in which the Britons were described as a nation of peddlers in contrast to the German heroes, and a stage where it was difficult “to discern the difference between his views and those of National socialism.” Heckscher valued Sombart highly, in spite of these movements in directions which he loathed, due to the magnum opus *Der moderne Kapitalismus* (in six volumes 1916-1917, 1927). “Even after all kinds of reservations one must admit that this opus constitutes the most important contribution to research in economic history which has seen the light so far.” Sombart was indeed in German spirit “completely averse to what is called economic theory,” which often led him astray, and furthermore “not much more competent as historian,” which meant that all his facts had to be scrutinized. But his ability to evoke fruitful research questions was outstanding and he was “probably the greatest social scientist ever produced by Germany.”

Americans

A few U S economists appear in Heckscher's entries in *Nordisk Familjebok*: Henry Charles Carey (1793-1879), besides Frédéric Bastiat the most pronounced "harmony economist," is characterized as "a man who combines constructive ideas with a complete lack of education, with elementary misunderstandings and mistakes." To Carey's advantage could be said that he was very independent and that his optimism mirrored the conditions in the U S at the beginning of the 19th century. The one exception from Carey's optimism concerned his "ardent agitation for protectionism" (Heckscher 1905e). The leading figure within the American historical school, Richard Ely (1854-1953), is treated niggardly. He had, in Heckscher's (1907e) view, authored "widely read and in certain quarters acclaimed, but not very independent economic summaries."

Edwin F. Gay (1867-1946) on the other hand was lauded by Heckscher (1947, 286-287) as "the recognized chief man within American research in economic history." This is somewhat surprising since Heckscher usually preferred economic historians who had produced thick volumes and mistrusted economists working in the spirit of the German historical school. Gay had studied under Schmoller and written a dissertation about the British enclosure movement which was not widely read and was "the last book ever published by Gay; he even published very few articles in journals." Gay had succeeded Ashley as professor of economic history at Harvard and his lasting contribution consisted in educating researchers within his favorite field, which he did with great success. "For decades one could not encounter an American economic historian or read an important contribution within the field without Gay's name popping up," Heckscher recounts and concludes "that all countries need scholars also of Gay's character and that such people can for a long time exert influence upon the development of sciences."

Heckscher's Stance

What can we say about Heckscher's stance after having been acquainted with him as a portrait maker? His portraits of economic scholars are permeated by admiration of sharp theoretical analyses and massive economic historical investigations. He admires the founding fathers of political economy, Adam Smith and David Ricardo, stresses incessantly continuity in the development of economic thinking, praises humble innovators like David Davidson, Knut Wicksell and Alfred Marshall and denounces (what he perceives as) pretentious innovators like Gustav Cassel and John Maynard Keynes. He is also critical towards economists who attempt to break out of the classical and neoclassical tradition, especially representatives of the German historical school, and what he judges to be a new type of mercantilism, represented by Bertil Ohlin and Keynes. German and U S economists are in general not favored; the former are seen as poor in theory and the latter as not very sophisticated.

Heckscher at the same time appreciates voluminous and solid investigations into economic history, even if they are undertaken without theoretical beacons, investigations by scholars like William Cunningham, William Ashley, John Clapham, Marc Bloch, Richard Ehrenberg and Werner Sombart—the less productive Edwin Gay also earns his respect—even though some of them had been disciples of Schmoller.

Heckscher's parallel appreciation of deductive reasoning (economics) and inductive investigations (history) has been a subject twisted and turned by many scholars. Arthur Montgomery (1953, 153) noted that Heckscher in his famous 1904 article on economic history (Heckscher 1904e) quoted Ashley's remark that the economic historian should bring the historical mind to economic studies and the economic interest to historical studies. Björn Hettne (1980, 56) pointed out that Heckscher in his 1907 dissertation on Swedish railways (Heckscher 1907f) started out by referring to Marshall and Cunningham, combatants in one of the most famous methodological battles of all times: "It can at least symbolic be mentioned as an early expression of the dual attitude towards economic history which Heckscher never managed to get past." Hettne (1980, 59) continues: "In principle one could thus say that Heckscher as a mature scholar always attempted to strike

a balance between economic theory and history and that he could never get over a certain dissatisfaction with the relations of these two components.” Rolf Henriksson (2006, 71, 77) takes a different stand and states that (young) Heckscher’s position “becomes crystal clear once we recognize that sharp division of labor he imposed on the two fields,” economics and economic history. “What fundamentally separate the two fields, he declared, are their tasks. While the prime task of economic history is to study and explain the evolution of economic life, the prime task of economics is to explore and explain its workings.” There are of course other characterizations—not so easily summarized—of Heckscher’s posture.¹⁰

One possible paradox in Heckscher’s stance is his view that the founding fathers of political economy, Smith and Ricardo, had “got it right” from the very beginning, at the same time as he seems to side with Ashley and Cunningham in their objections against universal theories, the same for all times and nations.

One might wonder if Heckscher’s political reorientation from social conservatism to market liberalism during the period between 1910 and 1920 (Carlson 2016) had any effect upon his “verdicts.” Any such tendency is difficult to discern, especially since Heckscher’s portraits before 1910 were all short encyclopædia entries. In Heckscher’s full-blown portraits one might and might not find brushstrokes where political values affect his verdicts. On the one hand, Heckscher’s valuation of Keynes was very different before and after *General Theory*. On the other hand, Heckscher named Sombart “probably the greatest social scientist ever produced by Germany” in spite of the latter’s Marxist and Nazi leanings. Furthermore, Heckscher often in his early entries in *Nordisk Familjebok* notes whether the economists he portrays are protectionists or free traders and one can scent that his sympathies are leaning in the latter direction; as is well known Heckscher developed into a very uncompromising free trader.

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¹⁰ See e.g. Olsson (1992) and Herlitz (2002). One of the latest pieces on Heckscher is Lundahl (2015, chap. 6).

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