JOSEPH A. SCHUMPETER

Joseph A. Schumpeter was born in 1883, the year in which John Maynard Keynes was born and Karl Marx died. In recent years there has been a veritable flood of writings on him, innumerable articles, and a large number of monographs. They include *The Life and Work of Joseph Schumpeter* by Robert Loring Allen (1991), vol. 1, Europe, and vol. 2, America; *Schumpeter: A Biography* by Richard Swedberg (1991); a collection of articles by Schumpeter, *Joseph A. Schumpeter: The Economics and Sociology of Capitalism*, edited and introduced by Swedberg (1991); *Joseph Schumpeter: Scholar, Teacher and Politician*, by Eduard März, with a foreword by James Tobin (1991); and *Joseph Alois Schumpeter: A Reference Guide* by Massimo M. Augello (1990), with a full bibliography of Schumpeter's writings and a list of about 1,900 articles, papers, and other writings on Schumpeter.

Shortly after Schumpeter's death three volumes of his writings were published in Germany, edited by his student Erich Schneider and his colleague Arthur Spiethoff. They are Aufsätze zur Ökonomischen Theorie (Essays on economic theory), 1952; Aufsätze zur Soziologie (Essays on sociology), 1953; and Dogmenhistorische und Biographische Aufsätze (History of economic doctrine and biographic essays), 1954.

Finally, I will mention three fascinating volumes by Wolfgang Stolper and Christian Seidl, an Austrian economist who was professor in Graz and is now professor in Kiel. The first book is titled *Joseph A. Schumpeter: Essays on Economic Policy (Aufsätze zur Wirtschaftspolitik)*, 1991; and the second, *Joseph A. Schumpeter: Political Speeches (Politische Reden)*, 1992. A third volume, *Aufsätze zur Tagespolitik* (Essays on Current Policy), appeared in 1993.

The titles of these books are wholly insufficient to indicate their rich content—for two reasons. First, they contain not only Schumpeter's articles and speeches but also letters, memoranda, and other items. Second, there are invaluable introductions and comments by the editors that reflect an enormous research effort.

This volume by Wolfgang Stolper has a great advantage over all the others in that the author had close personal connections with Schumpeter. He was a student of Schumpeter in Bonn and in Harvard, and his father, Gustav Stolper, and his stepmother, Toni Stolper, were close friends of Schumpeter.

Gustav Stolper had a most remarkable career. In Vienna he became editor of the influential weekly magazine *Der Österreichische Volkswirt* (The Austrian economist). In 1925 he left little Austria and went to Germany, where he started a second career. After becoming a German citizen, he was elected to the German parliament as a member for the Democratic party. He founded

the weekly magazine *Der Deutsche Volkswirt* (The German economist), which was a great success from its beginning in 1926. Schumpeter regularly contributed articles, all of which are reprinted in the volumes by Wolfgang Stolper and Seidl. When Hitler came to power in 1933, Gustav Stolper had to leave Germany and went to the United States, where he started his third career. All this time Stolper and his wife, Toni, kept close contact with Schumpeter.

Schumpeter was undoubtedly one of the greatest economists, sociologists, and social scientists of our century. Two names are mentioned as possible rivals—John Maynard Keynes and Max Weber. It can be argued that Schumpeter was superior because Keynes was not a sociologist, and Max Weber was a sociologist and an economic historian but not an economic theorist. But we should remember that Goethe said when told that people were discussing whether he or Schiller was the greatest poet: "That's foolish. People should be glad that there are two such fellows around."

Schumpeter had an unhappy life. Until World War I, however, things went well except for the early death of his father. At the age of thirty-two, when he already had two major books to his credit and was well known in Europe and the United States, he became the youngest full professor in Austrian history—at the University of Czernowitz, in the easternmost part of the Habsburg empire, where several Austrian economists started their career.

During and after World War I, one tragedy followed another. As an admirer of Britain, he was unhappy about the war, which destroyed his fatherland. In the new republic of Austria, he became minister of finance, a post in which he ultimately failed. After that he became president of a bank, which failed and left him with a large debt. Another disappointment was that he was never offered a chair at his own alma mater, the University of Vienna. Thus, Schumpeter found it necessary to accept an offer to go to uncongenial Bonn. The worst of all tragedies followed—the death of his mother, of his deeply beloved second wife, in childbirth, and of his son. No wonder the young optimist became cynical and pessimistic. Because of his close personal connections with Schumpeter, Stolper's discussions of these tragedies and their impact on his work are especially insightful. They make his book unique, compared with all the other biographies.

Schumpeter gained a lift from his third marriage to Elizabeth Boody, a fellow economist. Without her help he could hardly have established his residence in Cambridge. She had a country house they used for vacations, in which Schumpeter spent the last days of his life. Elizabeth assisted him in his research, and her own research on Japan was congenial. Finally, with the help of some of her friends, notably the late William Fellner, she edited Schumpeter's last book, the massive *History of Economic Analysis*.

This is what one competent critic had to say:

The appearance of Schumpeter's History of Economic Analysis constitutes a major event in the history of the Dogmengeschichte of our discipline. It is a book

large in its physical proportions; its text proper amounts to over 1,000 pages. It covers its subject matter from Ancient Greece to Keynes. It aims to account for every writer who made a significant contribution to the development of economic theory. Greek, classical Latin, mediaeval Latin, Italian, Spanish, Swedish, and Dutch contributions, as well as, of course, German, French, and English literature, are reported on from their original texts. Most important of all, this is a history of theory written on the grand scale by an economist who was an original, a powerful, and a versatile theorist on his own account. Schumpeter, moreover, was interested, deeply interested, in apparently the entire range of matters intellectual, was learned beyond the normal capacities of economists, could exercise with facility and with power the whole range of skills which the economic theorist employs; static analysis, dynamic analysis, historical analysis, mathematical and statistical analysis, partial- and general-equilibrium analysis, and so forth without visible end. He was able to deal familiarly with all ages and with the materials of a wide range of disciplines: physics, psychology, history, sociology, mathematics, philosophy, jurisprudence, and perhaps still others. This is a work written in the polymath manner by perhaps the last of the great polymaths.¹

The life of Schumpeter has often been compared with that of Keynes, and it has been said, rightly I believe, that Keynes was much luckier; first, unlike Schumpeter, Keynes, for well-known reasons, had no marital problems, and, second, he spent his entire life in Kings College, Cambridge, where articles and letters written or received by him, and other materials, were preserved. This enabled the Royal Economic Society to publish the magnificent thirty-volume *The Collected Writings of John Maynard Keynes*.

The publication of *The Collected Writings of Joseph Alois Schumpeter* will be a much more difficult problem, especially tracing his enormous correspondence with economists all over the world. My guess is that it would run to perhaps thirty volumes.

May I suggest that Stolper himself should take on this task. He has, after all, already done a lot of work in the present volume and in the three volumes he and Christian Seidl published. He would of course mobilize the Schumpeter Society. Perhaps a committee should be set up to help him.

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¹ See Viner (1991), 327.