

**THE POSTULATES OF  
ENGLISH POLITICAL  
ECONOMY**

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The Postulates of English Political Economy by Walter Bagehot

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ENGLISH POLITICAL ECONOMY

BY THE LATE

WALTER BAGEHOT

M.A. AND FELLOW OF UNIVERSITY COLLEGE, LONDON

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*STUDENT'S EDITION*

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WITH A PREFACE

BY

ALFRED MARSHALL

PROFESSOR OF POLITICAL ECONOMY, CAMBRIDGE

LONDON  
LONGMANS, GREEN, AND CO.  
1885

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## PREFACE.

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MR. BAGEHOT left behind him some materials for a book which promised to make a landmark in the history of economics, by separating the use of the older, or Ricardian, economic reasonings from their abuse, and freeing them from the discredit into which they had fallen through being often misapplied. Unfortunately, he did not complete more than the examination of two of their postulates—the transferability of labour and capital. But these he treated with so much sagacity and suggestiveness as to give us great help in dealing with the others, and I have long been anxious that what he wrote about them should be published in a cheap form, so as to have a wide circulation among students.<sup>1</sup>

<sup>1</sup> They were originally published in the *Fortnightly Review* in 1876, and are republished with some other materials for the great book, as *Economic Studies*, by the late Walter Bagehot, M.A.

He was excellently qualified for the task he undertook. He had a well-trained scientific mind, and a large experience of city life. He was an independent thinker, and perfectly free in his criticisms; but he revered the great men who had gone before him, and knew nothing of the temptation to try to raise himself by disparaging them. Though he has shown more clearly than perhaps anyone else the danger of a careless application of theory, he saw with great distinctness the need of its aid in dealing with complex economic problems. 'If you attempt to solve such problems,' he says, 'without some apparatus of method, you are as sure to fail as if you try to take a modern military fortress—a Metz or a Belfort—by common assault.'

Perhaps there never was anyone better fitted to show the real bearing of Ricardian modes of reasoning on the practical problems of life, or to bring out the fundamental unity which, in spite of minor differences, connects all the true work of the present with that of the earlier generation of economists.

and Fellow of University College, London, edited by Richard H Hutton. Longmans, 1880.



And in reading these essays we must remember that they deal almost exclusively with one side of what he had to say. Here he has explained the danger of assuming that the changes which are made quickly among modern English business men have been made quickly in other places and other times. But what he has written proves that had he lived he would have thrown much light on the question how the rapid changes of modern city life may help us to understand, by analogy and indirect inference, the slow changes of a backward people.

ALFRED MARSHALL.

CAMBRIDGE: *July* 10, 1885.



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