1  Peregrinations of an Economist and the Choice of His Route

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I would be tempted to date my birth certificate as an economist ‘Vienna, 1934’, when I arrived there as a Rockefeller fellow accompanied by my young wife. But that would be ungrateful to my first French masters.

At the University of Lyons, René Gonnard conferred on the Chair for the History of Economic Doctrines an exceptional lustre, combining a personal approach with an acute analysis of his predecessors. In addition to this homage, I owe him a debt of undying gratitude. Words are powerless to describe a young man’s feelings when his intellectual ambitions and capacity are brought out by a mentor who treats him as his son.

Etienne Antonelli took an interest, which was exceptional in those days in France, in Léon Walras’ mathematical economics and its sociological setting. He foreshadowed the confrontation between pure economics and socioeconomics which is still proving fruitful.

Thanks to one of the first French mathematicians to be deeply interested in relativity, M. Eyrault, I had the privilege of teaching in an Institute for Financial Science which he directed.

Long before I worked in the French capital (1937–8), I was exchanging views with a great master, Albert Aftalion, who was to become my friend.

I therefore rapidly obtained a grounding in the abstract and rigorous aspects of general theory and was therefore prepared for the refined casuistry of the Viennese.

PEREGRINATIONS AND ACQUISITIONS

There was an ardent pursuit of research in the seminars of Ludwig von Mises whom a certain ostracism kept at a distance from the University.
These meetings, sponsored by the Chamber of Commerce, were thronged by an international audience, attracted by his books and gripped by his lectures. Madame Berger Lieser, an incomparable promoter, organised subtle discussion on the famous foundations of interest, production capital and financial capital, and on the relations between interest rates and wage rates. Philosophers, historians, epistemologists and senior civil servants subjected the constructions of the famous Viennese to a vigilant criticism. Friedrich von Hayek, Joseph Schumpeter, Gottfried von Haberler and Fritz Machlup were already in other countries. Together with von Mises, one could meet R. von Strigl and, on the opposite side, Oskar Morgenstern, who was already fascinated by higher mathematics, closely concerned with economic forecasting (Wirtschaftsprognose) and dubious as regards marginal utility and the general interpretation derived from it. With all respect to his memory, I would venture to suggest that Hans Mayer, with his blond Jove-like beard, whose lectures were greatly appreciated and who was mad keen on hunting chamois from peak to peak, was perhaps as an economist content with less elevated pursuits.

As to the complex and profound personality of Othmar Spann, it would call for a lengthy study which, as it happens, has been vigorously carried out by Vallarché. Spann, a sociologist and philosopher, was far removed, thanks to his Universalismus, from the prevailing intellectualist positivism. His ardent temperament impelled him to make a thorough study of the relations between social formations and economics. He never succumbed to the temptations of national socialism which was then beginning to ravage the German world. Catholic by upbringing and having drunk at the wellsprings of the old idealistic and romantic Germany, he belonged to a different spiritual universe. Violently attacked by the Viennese liberals, he deserved sympathetic attention which he did not always receive, and he suffered from this isolation. When they invaded Vienna, the national socialists threw him into a concentration camp, where he suffered terribly and almost lost his sight. His memory and his work deserve respect.

Any genuine economic thinking is bound to tackle the equilibrium of interdependence. The Viennese School constructed its theory in a spirit which in many ways was contrary to that of the Lausanne School. It made a distinction, not without justification and using its own analytical instruments, between a halt in the flow of goods and the decisions of economic agents which by their interaction adjust