

## Foreword to the Translation of Gustav Schmoller’s Reviews of Carl Menger’s “Principles,” “Investigations,” and “Errors”

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The famous dispute on method, the *Methodenstreit*, opposed Carl Menger (1840–1921) and Gustav Schmoller (1838–1917).<sup>1</sup> Menger, the founding father of the Austrian School, is well known for his contributions to the subjective theory of value and to marginalism. Twelve years after his *Grundsätze der Volkswirtschaftslehre (Principles of Economics)* (Menger [1871] 1976), he published a sequel focusing on methodology, *Untersuchungen über die Methode der Socialwissenschaften und der Politischen Oekonomie insbesondere (Investigations into the Method of the Social Sciences with Special Reference to Economics)* (Menger [1883] 1985). He insisted on distinguishing the historical and statistical study of economic forms, theoretical economics, as well as practical fields such as economic policy and public finance, and argued that the historical study, while useful, was only complementary to theory and should not seek to replace it. Upon reading the *Investigations*, Gustav Schmoller, the leader of the emerging Younger German Historical School who had reviewed earlier Menger’s *Principles* without much enthusiasm (Schmoller 1873), found himself under attack and answered with an unfavorable, in some parts even personally insulting review (Schmoller 1883) in this *Jahrbuch*. Interestingly enough, Menger’s *Investigations* were published by the same press which – back then and today – publishes the *Jahrbuch*: Duncker & Humblot.<sup>2</sup> It is these reviews which the NOUS Network for Constitutional Economics and Social Philosophy found important to translate and is proud to present here.

While Menger’s *Investigations* were translated in 1963 on the 80<sup>th</sup> anniversary of their publication and have thus been accessible to English-speaking scholars for a long time, Schmoller’s review of the *Principles* was translated much later (Caldwell 2004,

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<sup>1</sup> For background and interpretation on the dispute, see Horn and Kolev (2020) and Kolev and Dekker (2023).

<sup>2</sup> Schmoller had even encouraged Duncker & Humblot’s owner Carl Geibel to publish the *Investigations*, and despite the heat of the dispute did not regret this recommendation, see Herold (2019), 204–9.

407–8), while his review of the *Investigations* has so far only been available in German. The latter was an important piece, though, as it prompted Menger, who was deeply hurt, to prepare his second major contribution to the Methodenstreit, composed in the style of a collection of letters to a friend under the title *Die Irrthümer des Historismus in der deutschen Nationalökonomie (The Errors of Historicism in German Economics)* (Menger [1884] 2020). To this, Schmoller never reacted in a formal review; he just sent his copy back to Menger accompanied by a disparaging letter which he reprinted in the *Jahrbuch* (Schmoller 1884). In his review of the *Investigations*, Schmoller contrasts Menger's book with Wilhelm Dilthey's *Introduction to the Human Sciences* (1883) in which he sees a promising approach. As we have argued earlier, it turns out on closer inspection that what was really at stake in the dispute is the following: 1) the demarcation lines within the sub-domains of economics, and 2) the separability of the results of economic theory from the institutional context.

A first ever translation of the *Errors* into English was an earlier part of a larger NOUS Network translation project (Horn and Kolev 2020) – a successful experiment in “crowd-translating” which we were happy to repeat with Schmoller's reviews of Menger's *Principles* and *Investigations* as well as his letter after Menger's *Errors*.

Seven NOUS Young Affiliates produced first translations of these texts by Schmoller: Maximilian Diemer, Dr. Lachezar Grudev, Dr. Christian E. W. Kremser, Dr. Daniel Nientiedt, Konstantin Peveling, Sebastian Reil, and Johannes K. Staudt. We edited their translations and finalized the editorial work. We thank the NOUS Young Affiliates for providing a missing link of a crucial chapter in the history of economics to the international academic community.

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