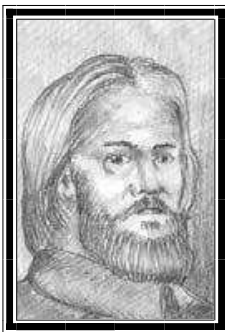


Task

1. Why was Karl Marx one of the history's contradictory personalities?
2. What were his early years of life?
3. How did Karl Marx study at Bonn University?
4. At Berlin University he became more serious, didn't he?
5. How did the friendship between K. Marx and F. Engels influence their ideas?
6. Describe K. Marx activity at the Communist League.
7. What work has become ideological basis of the Communist League?
8. What ideas did the Communist Manifesto emphasize (describe in details)?
9. What was the attitude of the government officials towards his activity?
10. How did he earn his living in London?
11. What works did he write in the last period of his life?
12. Explain the meaning of the emphasized words and expressions.
13. Discuss the text together with your groupmates.

3.7. Marie Esprit Leon Walras (1834 -1910)



In the preface of the fourth edition of his **Elements of Pure Economics**, Leon Walras wrote: "...those economists who do not know any mathematics... will always have to face the alternative either of **steering** clear of this discipline... or of **tackling** [its] problems without the necessary equipment, thus producing not only very bad pure economics but also very bad mathematics."

The **cantankerous** Lausanne professor understood all too well the importance of mathematics to economic model building. He also understood what it meant to lack mathematical skills, for their absence had disabled his professional growth for the first half of his life.

Marie Esprit Leon Walras was born December 16, 1834 in Evreux, France. Although his father, Auguste, had written several books on political economy, he had never been accepted as a member of France's select group of government economists. He settled for a rather low-level bureaucratic job as a school administrator but was determined to share his love for economics with his son.

A VARIETY OF CAREERS

In 1854, Walras applied to the Ecole Polytechnique, where he hoped to study engineering. His application was denied; his mathematical background, which included the equivalent of high school algebra and analytical geometry, was con-

sidered too weak. He applied and was turned down a second time before deciding to try his luck at the Ecolde mines. There he was allowed to study engineering but quickly became disillusioned with it. He **altered** his career goals, hoping to find success as a novelist. While two of his works were published, he recognized that he would probably never win **acclaim** in literary circles, so, in 1858, he sat out to find a regular job. Walras's employment history for the next twelve years was **irregular** at best. He tried his hand first at journalism and later at clerical work. By 1863 it became **imperative** that he find **steady** employment when his companion, Celestine Ferbach, gave birth to twin daughters. Soon thereafter Walras was hired as manager of a bank, a position he enjoyed. Leon Say, grandson of classical economist Jean Baptiste Say, worked at the bank as well.

In addition to their jobs at the bank, Walras and Say worked together for two years editing **La travail**, a magazine for which they wrote articles on economic topics. Walras also wrote on economics for other newspapers and journals. In 1870, the Academy of Lausanne in Switzerland founded a chair of economics in its school of law. Walras was offered the position because several faculty members had seen his work and were impressed.

THEORY OF GENERAL EQUILIBRIUM

The position at Lausanne offered Walras the opportunity to focus his attention solely on the field he had enjoyed for so long. With the help of colleagues who were better mathematicians than he, Walras began exploring the application of mathematical model of general equilibrium. The results of this study were published in his **Elements of Pure Economics** in 1874. Walras examined the economy as a system of supply and demand equations for all goods. **Each good had a demand function that depended on several factors:** preferences, income, the price of the good, and the prices of other goods. His system was thus one of general equilibrium, in which everything depends on everything else, and all the supply and demand equations are solved **simultaneously**.

Many economists today regard Walras as one of the greatest economic theorists ever. However, his work was little appreciated in his day. When he presented a simplified version of his model to colleagues at a Paris meeting in 1873, it was greeted with **hostility**. There were a few who appreciated his work, but it was far too analytical to appeal to the average professor. Hence, he had few friends even among his colleagues at Lausanne. The financial trouble that had **plagued** him before he came to Lausanne continued to wear on him. Celestine was stricken by a fatal illness early in 1872. Walras's income didn't even begin to cover the expenses incurred as a result of her illness. To supplement his income, he took on consulting work and wrote a regular column for the **Gazette de Lausanne**. In