

demand curve for an input in cases where the final product is sold by a monopolist, who might also acquire cooperating inputs monopsonistically. The question of when areas under a derived demand curve can be given a welfare interpretation, analogous to consumer surplus for a final demand curve, has been broached by Wisecarver (1974).

The concept of derived demand finds its main application in discussions of labour-market questions, and Marshall's tools still play a significant part in the teaching and writing in that area.

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See also **acceleration principle; Marshall, Alfred.**

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Destutt De Tracy, Antoine Louis Claude (1754–1836)

French philosopher and economist, Tracy was born into a noble family of the *ancien régime* at Paris on 20 July 1754 and died in the same city on 10 March 1836. His life spanned the most tumultuous period of French history, from the twilight of the Old Regime to the dawn of capitalism, romanticism and socialism. One of the last *philosophes*, Tracy began as an 18th-century classical metaphysician, preoccupied with the sensationalist doctrine of Locke and Condillac, and ended up, in the words of Auguste Comte, as the philosopher 'who had come closest to the positive state'. In the interim he knelt at the feet of Voltaire; served alongside Lafayette in the Royal Cavalry, and as deputy to the French Estates General and the Constituent Assembly; was imprisoned during the

Reign of Terror; released after Thermidor (escaping the guillotine by a mere two days); subsequently helped to establish his country's first successful national programme of public education; led the opposition to Napoleon from his seat in the French Senate; regained his title under the Bourbon Restoration; counted among his associates the likes of Mirabeau, Condorcet, Cabanis, DuPont de Nemours, Jefferson, Franklin, Lavoisier, Ricardo and Mill; and retained his early sympathies for liberty throughout.

Long before it took on its pejorative sense at the hands of Marx, Tracy coined the term 'ideology' (by which he meant the science of ideas) to describe his philosophy, which embraced and intertwined psychological, moral, economic and social phenomena, but which gave primacy to economics because he thought that the purpose of society was to satisfy man's material needs and multiply his enjoyments. Tracy rejected the Physiocratic notion of value, substituting a labour theory that Ricardo subsequently endorsed in his *Principles*. Like Say, he denied Smith's distinction between productive and unproductive labour. But unlike Smith or Say, he reduced all wealth, including land, to labour. On numerous other topics (that is, wages, profits, rents, exchange, price variations, international trade) he was far less thorough and rigorous than either Smith or Say, but his exposition of the capitalization theory of taxation was superior to the rest. In the final analysis, his *Traité* was not properly a treatise on political economy so much as a part of a general study of the human will. Yet the resulting lack of depth did not impair his remarkable ability to allure great minds. Ricardo found him 'a very agreeable old gentleman', and Jefferson was influenced to the point of including 'ideology' among the ten projected departments in his plan for the University of Virginia.

Along with Say, Destutt de Tracy was one of the earliest members of the French liberal school. Patrician, philosopher and patriot, caught in the grips of major social and economic upheaval, he denounced the interests of his own class (the *rentiers*) and became the spokesman of a nascent capitalism in which he had neither role nor vested interest.

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