

Malthus–Ricardo Debate

The debate between Malthus and Ricardo is documented by a bulky correspondence that lasted over 12 years, and luckily enough is preserved to a remarkable extent, as well as by direct or indirect echoes in published works by both. Keynes believed it to be ‘the most famous literary correspondence in the whole development of Political Economy’ ([1933] 1972: 90) and indeed he was the first to make it the subject of some discussion, followed by a few others (Pancoast, 1943), even if systematic discussion may be said to have begun in the 1970s (Porta, 1978; Dorfman, 1989; Cremaschi and Dascal, 1996, 1998a, 1998b; Dascal and Cremaschi, 1999).

The controversy’s development

Malthus and Ricardo first met in June 1811, at a time when Malthus already was the famous author of the *Essay on Population*, while Ricardo had just started publishing on topics of monetary policy in the *Morning Chronicle*. All we know is that they met in London, where Malthus used to come regularly from Haileybury College. After 1814, when Ricardo began to spend half of the year on his estate at Gatcombe Park, Malthus visited there just three times, but Ricardo apparently spent a number of weekends with the Malthuses at Haileybury, and also, after the Political Economy Club was founded, they started meeting regularly at its monthly dinners (Henderson, 1997: 286–336).

A correspondence between them began that lasted until Ricardo’s death. In the first two letters both expressed the wish to settle ‘by an amicable discussion in private’ (Malthus to Ricardo, 18 June 1811, *Works*, VI: 21) those that appeared to be ‘the very few objections’ that prevented them ‘from being precisely of the same opinion’ (Ricardo to Malthus, 18 June 1811, *ibid.*: 23–4). Correspondence became more frequent between 1817 and 1820 after Ricardo’s *Principles*. Malthus responded in his own *Principles* (1820) while trying to avoid giving the work ‘a too controversial air’ (Malthus to Ricardo, 3 December 1817, *Works*, VII: 215). Ricardo in turn responded with his *Notes on Malthus*. After this phase the flow of letters slowed down, but it is as well to note that they enjoyed rather frequent occasions to meet, among others the Political Economy Club monthly dinners. In the third edition of the *Principles* Ricardo introduced important qualifications to his own value theory, mostly reacting to Malthus’s objections. In 1823 there was again an intensified flow of letters concentrating on the issue of the ‘measure of value’.

The controversy ended without any real ‘closure’, for it was brought to a sudden end by Ricardo’s death in 1823. In the very last letter Ricardo wrote, as if he had some premonition, an epitaph to the whole controversy: ‘Like other disputants after much discussion we each retain our own opinions. These discussions however never influence our friendship’ (Ricardo to Malthus, 31 August 1823, *Works*, IX: 382). Yet, there was an aftermath in Malthus’s later publications, where he kept on defending his own approach vis-à-vis the so-called ‘New School’, the alleged Ricardo-Mill-McCulloch orthodoxy.

Positive contents

Henderson (1997: 509) singled out three ‘rounds’: the first around the *Grounds* and the *Essay on Profits*, the second around the two volumes of *Principles*, the third around the theme of the measure of value. A more detailed

subdivision may be into nine rounds. Such rounds or cycles may be identified in terms of their main topics, and accordingly at least two of them may be thought to be overlapping:

1. On the influence of the currency upon foreign exchanges, the possibility of a 'general glut' and the nature and function of effective demand (June 1811–February 1812).
2. The Corn Laws and rent and profit, that is, the prospective effect of the proposed corn duties upon economic classes and upon their respective incomes (August 1813–January 1815).
3. On rent (February 1815–April 1815).
4. On the growth of wealth, multi-causality, temporary and permanent effects (April 1815–January 1817).
5. On the relationship of wages and profits or the wage-fund doctrine (1817–1820).
6. On the determinants of value, its distinction from wealth, and its relationship to exchange value (1817–1820).
7. On language and definitions, theory and practice, and the 'value-free' character of political economy (May 1820–November 1820).
8. On the determinants of value in a pre-capitalist economy and on machinery (1821).
9. On the possibility of an invariable measure of value and on various proposals for the best measure, either gold or a mean between corn and labour (April 1823–August 1823).

Each cycle starts with discussion of one topic, mostly a policy issue, and tends to follow a recurrent pattern of intensification in the frequency of the letters exchanged and in the number of topics discussed in the various phases (Dascal and Cremaschi, 1999). Although each is typically under the aegis of one point of positive doctrine, most of the time the discussion of positive claims trespasses into that of methodological topics.

Methodological themes

It is noteworthy that a number of methodological divergences show up over and over again and are invoked in order to support individual positive claims. It is worth noting also that allegiance to one methodological claim by either Malthus or Ricardo does not imply that he will consistently have recourse to the same claim in the following. Nevertheless, there are at least some family resemblances among the methodological claims advanced by each, although occasionally the same claim is used for opposite purposes. What cannot be found is a ready-made methodology that each of them could have learned beforehand and applied consistently in the discussion. The methodological issues discussed may be summarized as follows:

The definition of political economy

For Ricardo, it is the science of the 'laws' regulating distribution, for Malthus, the science of the 'causes' of the growth of wealth. Presumably, Malthus wants to be true to Adam Smith, a choice that is probably associated with the Scottish-Cantabrigian methodology he had been taught (Cremaschi, 2010). Ricardo probably had in mind an idea of laws as opposed to causes deriving from the Priestly-Hartley-Belsham methodological tradition, as means for expressing relations between phenomena, provided that the true essence of things and ultimate causes are unknowable.

Mono-causality vs multi-causality

Malthus stresses the importance of multiple interacting causes as well as of temporary causes, as contrasted with permanent ones; Ricardo contends that there is generally one prevailing cause and other causes may be ignored since permanent causes constantly at work will sooner or later bring about permanent states, the only ones for which we may try to account. He writes:

There are so many combinations –, so many operating causes in Political Economy, that there is a great danger in appealing to experience in favor of a particular doctrine, unless we are sure that all the causes of variation are seen and their effects duly estimated. (Ricardo to Malthus, 7 October 1815, *Works*, VI: 295)

And he later adds:

one great cause of our difference in opinion. . . is that you have always in your mind the immediate and temporary effects of particular changes – whereas I put these immediate and temporary effects quite aside, and fix my whole attention on the permanent state of things which will result from them. (Ricardo to Malthus, 24 January 1817, *Works*, VII: 120)

The distinction between questions of fact and questions of principle

Ricardo sees economic science as the construction of abstract models depicting ideal or permanent states, the ‘strong cases’; Malthus believes in a semi-historical character of the science of political economy, since the phenomena it explains are located within processes, and disequilibrium is the rule, not an exception.

Simplicity in theories

Malthus insists on the need to keep complexity in mind. He believes he has detected in Ricardo the same flaw that Adam Smith and Dugald Stewart used to reproach to Cartesianism, namely a ‘desire to simplify’. He writes:

[A] desire to simplify, which has often led away the most scientific men, has induced you to ascribe to one cause phenomena that properly belong to two, and not to give sufficient weight to the facts which. . . appear to make against your doctrine. (Malthus to Ricardo, 23 February 1812, *Works*, VI: 82)

Ricardo favours instead simplification, abstraction and mono-causality in the name of an alleged impossibility to know all the causes at work behind phenomena.

Vagueness or precision of language

Each of them occasionally blames the other for inconsistency in his use of terminology. Presumably both appeal to shared standards of linguistic propriety and yet, whereas Ricardo constantly presumes proper use of language to be tantamount to precision and univocity, Malthus always presumes that propriety is tantamount to explicit definitions and conformity to the usage of ‘the best educated part’ of society.

The controversy’s impact on Ricardo’s work

A few tentative conclusions on the role the debate played in Ricardo’s development may be the following.

First, facing the fact that two classical political economists went on disagreeing in a systematic and sustained way, some commentators have been seduced into thinking that after all they lacked a shared ground or paradigm

(Würgler, 1957). Instead, Malthus and Ricardo were typically classical economists, that is, they shared a paradigm in Kuhn's senses: a pre-comprehension of the field of social phenomena they set about studying, a body of positive claims, an exemplar of economic theorizing, a basic model of the economy (Samuelson, 1978), and a disciplinary matrix, including a set of basic metaphors. Accordingly, they may be said to share a scientific style in the sense of a general attitude of an age that allows for formulation and treatment of certain questions while ruling out questions of a different kind (Cremaschi and Dascal, 1998b). Second, even within this broad shared background, there was room for deep differences: in the choice of emphasizing either states of equilibrium or processes of social change, in the methodological claims professed, in the strategies adopted. These factors, when taken together, amount to a difference in the specific scientific 'style' practised by each. Third, a scientific controversy is a kind of affair that cannot be settled by any well-defined decision procedure for it involves, among other things, questioning the opponent's standards of problem-solving. Fourth, although scientific controversies have no decision procedure, they are not just a matter of taste or arbitrariness. To be sure, different styles lead to emphasizing opposite aspects of a shared paradigm, but the resulting emphasis cannot go as far as one likes, since it is under constraints posed by the controversy's 'demands'. Fifth, the controversy was no deplorable accident, as Ricardians believed. Take, for example, Torrens's assessment:

A few years ago, when the brilliant discoveries in chymistry began to supersede the ancient doctrine of phlogiston, controversies analogous to those which now exist amongst Political Economists, divided the professors of natural knowledge; and Dr. Priestley, like Mr. Malthus, appeared as the pertinacious champion of the theories which the facts established by himself had so largely contributed to overthrow. . . With respect to Political Economy the period of controversy is passing away, and that of unanimity rapidly approaching. Twenty years hence there will scarcely exist a doubt respecting any of its fundamental principles. (Torrens, 1821: xiii)

Almost two hundred years have elapsed since then and there is still, to say the least, scarcely any certainty respecting the fundamental principles of economic theory.

The main intellectual 'influence' on Ricardo's work came – unsurprisingly – from Malthus himself. In the third edition of the *Principles*, Ricardo changed substantially his previous claims on the determinants of relative values in a pre-capitalist economy; he also introduced drastic changes on salaries and technical innovation. In the famous chapter on machines in fact, he endorsed the claim that replacement of human labour by machinery often runs against the interests of the working class, insofar as it may raise the net revenue of a society while diminishing its gross revenue, and it is well known how Mill's and McCulloch's reactions to such changes were far from enthusiastic insofar as these were perceived as a surrender to Malthus.

The circumstances that the most weighty influence on Ricardo's work came from his main opponent and that the way this influence was exerted was obviously no kind of top-down process (from methodology to positive theory) may help in understanding better Ricardo's path of enquiry and the shaping of his own 'cast of mind'. The relevant points are that: (1) Ricardo, before his first meeting with Mill, was clearly enough something more than 'an unlettered *pater familias*' and had been exposed instead, at least to some minimal extent, to philosophical ideas neither identical with nor totally alien to those shared by either Mill or Malthus; (2) direct influence by Mill in matters of philosophy and methodology amounted to nothing or near to nothing; (3) speculations about the true Ricardian philosophy and

its influence on his work in political economy are, more than mistaken answers, answers to the wrong kind of questions; (4) what emerges from both the correspondence and printed sources proves that methodological considerations were worked out by Ricardo at some stage in his career with a view to self-clarification, as a way of spelling out what had been his own 'scientific style', and such a self-clarification was born out of a dialogue with his friend/opponent Malthus.

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See also:

Comparative Advantage; Demand and Supply; Foreign Trade; *Essay on Profits*; Limiting and Regulating Principles.

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