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# Marx's Conception of Classical Political Economy: An Evaluation\*

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It is well known that Marx introduced the concept of 'classical political economy' into the language of the science and that subsequently he only spasmodically developed it in other writings, particularly in *Capital*. It is likewise generally appreciated that Keynes intentionally perpetrated a "solecism" on Marx's definition when he defined classical economics for his own purposes, and that both before and since Keynes, the terminology has been interpreted in a variety of ways.<sup>1</sup> Discussion of Sraffa's work as a "rehabilitation of classical political economy" has brought interest in the precise meaning of the term back on to the agenda. This paper makes a contribution to this kind of project by examining in more detail Marx's position on classical political economy, which in many respects has not received the attention it deserves. This applies particularly to his remark on the importance of distinguishing the French and British version of classical political economy. A substantial part of the paper is therefore devoted to a comparative evaluation of Marx's comments on Petty and Boisguillebert, Ricardo and Sismondi, with particular emphasis on the earlier pair and on the French side of the comparison.

The argument is divided into three sections. The first looks at Marx's general characterisation of classical political economy and examines his reasons for dividing it off from earlier monetary and mercantile economics and the later "vulgar economy". The second examines the rationale for

\* This paper is based on a small section of a much earlier paper originally inspired by a reading of Sraffa's Appendix D and dealing with images of classical political economy in general and a number of other matters. Revision and elaboration of the argument presented here was helped substantially by the perceptive comments of referees of this journal and by assistance from Melanie Beresford, Bruce McFarlane and Allan Oakley.

<sup>1</sup> K. MARX, *A Contribution to the Critique of Political Economy*, London, Lawrence and Wishart, 1969, p. 52; J. M. KEYNES, *General Theory of Employment, Interest and Money*, London, Macmillan, 1957, p. 3 note.

Marx's separation of classical political economy on national lines between distinct British and French variants. The final section draws a number of conclusions, including suggestions for further research work on the nature and conception of classical political economy.

#### I. MARX'S GENERAL CONCEPTION OF CLASSICAL POLITICAL ECONOMY

Significantly, because it associates the terminology with fetishistic tendencies, Marx's discussion of the meaning of classical political economy invariably occurs in the context of the concept of commodities. In the first of these discussions,<sup>2</sup> no precise meaning of classical political economy is given, except that its decisive outcome is described as "an analysis of the aspects of the commodity into two forms of labour – use value is reduced to concrete labour or purposive productive activity, exchange value to labour time or homogeneous social labour". In addition, its existence is chronologically defined "as beginning with William Petty in Britain and Boisguillebert in France, and ending with Ricardo in Britain and Sismondi in France."<sup>3</sup> In the context of the development of political economy, Marx therefore drew attention to the French and British versions of the phenomenon which earlier, in the *Grundrisse*<sup>4</sup> were described as in «antithesis», a view further developed in the *Contribution to the Critique*.<sup>5</sup> In the analogous chapter of *Capital*, emphasis on the national distinction is dropped and there Marx defined classical political economy, "once and for all", as:

that economy, which since the time of W. Petty has investigated the real relations of production in bourgeois society, in contradistinction to vulgar economy, which deals with appearances only; ruminates without ceasing on the materials long since provided by scientific economy, and there seeks plausible explanations of the most obtrusive phenomena, for bourgeois daily use, but for the rest, confines itself to systematising in a pedantic way, and proclaiming for everlasting truths, the trite ideas held by the self-conplacent bourgeoisie with regard to their own world, to them the best of all possible worlds.<sup>6</sup>

Apart from dropping any explicit references to French economists (earlier in the long footnote from which this quotation is taken, only Smith and Ricardo are mentioned as the "best representatives" of the school) another difference between Marx's 1867 treatment of classical political economy and that of 1859 may be noted. In 1859, Marx tended to concentrate on

<sup>2</sup> K. MARX, *A Contribution to the Critique*, p. 52.

<sup>3</sup> Ibid. p. 52 note.

<sup>4</sup> K. MARX, *Grundrisse*, London, Allen Lane, 1973, p. 883.

<sup>5</sup> K. MARX, *Contribution to the Critique*, pp. 52-5, 60-1.

<sup>6</sup> K. MARX, *Capital*, Volume I, Moscow, Foreign Language Publishing House, 1959, p. 81 note.

contrasting the beginnings of classical political economy with the views of the monetary and mercantile schools, while in *Capital* it is the contrast with subsequent vulgar political economy that is emphasised.

Further systematic discussion of Marx's conception of classical political economy requires a number of things. First, a discussion of the ramifications of the general meaning Marx seems to have attached to the concept. Secondly, some examination of the vulgar economy from which he differentiated it and likewise of the monetary and mercantile systems from which he saw classical political economy as originating. These aspects are discussed in the remainder of this section, the third aspect, explaining why he distinguished a British and French political economy,<sup>7</sup> is discussed in the subsequent section. However, it should be clearly grasped that these issues are very much interrelated and all arose in the context of the completion of Marx's theoretical critique of political economy at the end of the 1850s. Furthermore, few of these matters were fully elaborated in Marx's writings and frequently have to be inferred from his texts in order to get a clear understanding of his meaning of classical political economy.

What then are the essential features of Marx's conception of classical political economy? First of all, Marx ascribed to its representatives the quality of attempting to explain the inner workings of the system rather than its outward forms. Thus classical political economy investigated the real relations of production and not its outward appearances, the phenomena selected by the vulgar economists for analysis with apologetic intent and by writers from the earlier monetary and mercantile systems.<sup>8</sup> Marx saw classical political economy therefore from a methodological perspective, because the feature which distinguishes the classical political economists from both their predecessors of the monetary and mercantile system and their vulgar economist successors is the approach they take to the subject. According to Marx, nowhere are these differences in approach more clearly illustrated than in the analysis of the commodity. This, after all, is a concept "abounding in metaphysical subtleties and theological niceties"<sup>9</sup> though its "fetishistic" manifestations are also visible in the vulgar economists' treatment of revenue and its sources.

In both the *Critique* and the first volume of *Capital*, Marx's analysis

<sup>7</sup> Marx confined this national dimension for antagonisms in political economy to that between the British and the French, adding that it was duplicated "by the Italians in their two schools, one at Naples and the other at Milan" (K. MARX, *Contribution to the Critique*, p. 55 note). Marx therefore did not distinguish a separate "romance school" of political economy. Although he did not explicitly say so, he appears to have associated Milanese economics with the French tradition and Neapolitan economics with the English school. His extensive knowledge of Italian economic writings, especially those of Beccaria and Verri (Milanese school) and Galiani and Genovesi (Neapolitan school) came from his close study of their work included in the Custodi collection.

<sup>8</sup> K. MARX, *Contribution to the Critique*, pp. 35, 54, 157-61 and cf. *Grundrisse*, pp. 103, 227-8.

<sup>9</sup> MARX, *Capital*, Volume 1, p. 71.

of commodities emphasises explanations of exchange in terms of production to demonstrate that exchange relations are not relations between things but the reflection of relations between producers, that is, human labours. The market appearances of exchange relations, Marx argued, can only be understood if the underlying social relations of production are clearly grasped. Classical political economy, and in particular, David Ricardo, are praised for understanding the point that exchange can only be explained through an analysis of production; the earlier economists of the monetary system did not get so far, and vulgar economy regressed into mystification and once again analysed only the appearances of market relations in exchange and in the trinity formula of revenue and its sources. However, Marx<sup>10</sup> criticised classical political economy, even its greatest representatives, Smith and Ricardo, for failing to examine exchange relationships as social production relationships *in their entirety*, that is, they failed to grasp the “specific historical character” of their contemporary social environment which coloured the specific form the relationship takes. In short, the degree of penetration beyond the visible form of economic relationships or the degree of abstraction encountered in the analysis provides the basic distinguishing feature between the various schools of political economy identified by Marx.<sup>11</sup>

The process of abstraction as a methodological dimension which Marx associated with classical political economy needs some further elaboration. In the *Grundrisse*<sup>12</sup> such abstraction is identified with the development of general categories such as labour, division of labour, wage labour, capital, money, wealth and landed property. Emphasis on such categories and their use in theoretical formulations further distinguishes the classical economists from the representatives of the monetary and mercantile schools. The “monetary economists” tended to emphasise the “appearances” of monetary values as against exchange values rooted in production; accumulation of wealth through circulation and trade rather than through agriculture or manufacturing; and they saw profit arising through sales (profit upon alienation) rather than within the process of production. The formulation of general categories is of course essential for the development of political arithmetic, the reason Marx saw this as “the first form in which political economy is treated as a separate science” and it explains, as elucidated in the second part of this paper, why he selected Petty and Boisguillebert as the respective founders of British and French classical political economy. It may also be noted that the *Grundrisse*'s methodological introduction depicts Smith and Ricardo as developing the abstractions of

<sup>10</sup> Ibid. p. 81 note.

<sup>11</sup> Marx specifically commented on this in letters written to Engels, 16 August, 1867, January 1868, in *Marx-Engels Selected Correspondence*, Moscow, Foreign Language Publishing House, n.d., pp. 230-1, 238-9.

<sup>12</sup> K. MARX, *Grundrisse*, pp. 100-08, esp. p. 103.

classical political economy with regard to labour and production from the work of previous writers such as the Physiocrats and early pioneers who transcended the former monetary and mercantile systems.<sup>13</sup> Reverting to the starting points identified by Marx, the life spans both of Petty (1623-87) and Boisguillebert (1645-1715) and more significantly, the publication of their first important economic work, in 1662 and 1695 respectively, indicate that for Marx the evolution of classical political economy was, in its early stages, a lengthy process.

The first discussion of what became the concept of vulgar economy also occurs in the *Grundrisse* in the fragment on Bastiat and Carey, probably written by Marx during July 1857. This discusses a number of post-Ricardo developments in political economy as either "eclectic syncretistic compendia" or "deeper elaboration of certain topics" or "tendentious exaggerations of the classical tendencies". As a major exception to these types of post-Ricardian developments, Marx noted the work of Bastiat and Carey which explicitly sought "to attack the antagonisms" between social classes found by the classical economists in production relations by replacing them with the alternative vision of universal harmony between the classes. In this text, it may be noted, terminology has not yet been finalised for these phenomena in the development of political economy. Classical and modern political economy are treated as if they were synonyms, and the term 'vulgar economy' has not yet come into use.<sup>14</sup>

In fact the concept of vulgar economy does not make its first appearance until Marx prepared the manuscripts of the theories of surplus value. At this stage of the development of his economics education, he needed to tackle explicitly the problem of surplus value as seen by earlier economic writers in its more specific forms of profit and rent. The term vulgar economists is then used to distinguish certain economic writers from the classical economists because they analyse the form and sources of revenue in their most fetishistic form, with land depicted as the source of rent, capital as the source of profit and labour as the source of wages, that is, totally in terms of surface appearances and without any attempt as in the classical writers "to grasp the inner connections of the phenomena".<sup>15</sup> This material on revenue and its sources was first written in October/November 1862 and some of it was used for volume III of *Capital*<sup>16</sup> as Marx had originally intended at the end of the 1860s. It may be noted that elsewhere

<sup>13</sup> Ibid. pp. 103-05.

<sup>14</sup> Ibid. pp. 883-4.

<sup>15</sup> K. MARX, *Theories of Surplus Value*, Part III, London, Lawrence and Wishart, 1972, p. 453; cf. Marx to Engels, 27 June 1867, Marx to Kugelmann, 11 July 1868, in *Marx-Engels Selected Correspondence*, pp. 230, 250-1.

<sup>16</sup> See K. MARX, *Capital*, Volume 3, Moscow, Foreign Languages Publishing House, 1959, Part VII chapter 48, esp. pp. 794-8. This was of course not published till 1894. Marx's original intentions on his treatment of these subjects are given in his letter to Kugelmann, 11 July 1868, referred to in note 15 above.

in the *Theories of Surplus Value* references to vulgar economists by Marx himself are few and far between. Examples are the reference to “pedants, prigs and vulgarisers” in the context of Roscher and to McCulloch’s “vulgarisation of Ricardo” which makes him “lower than Say”.<sup>17</sup> In short, the notion of vulgar economics was apparently first rigorously worked out by Marx in the context of his historical analysis of surplus value and revenue and its sources and thus initially applied to economists who accepted the trinity formula of distribution, incidentally including writers on occasion who were, strictly speaking, contemporaries of Ricardo.

In the section on Bastiat and Carey in the *Grundrisse*, Marx saw vulgar economy as having its own gradations and developments, a topic to which he returned briefly in the famous ‘Afterword’ to the second German edition of *Capital*, dated January 1873. In this, John Stuart Mill is classed, as earlier in the *Grundrisse*, as the best representative of that “shallow syncretism” seeking to “reconcile the irreconcilable interests of labour and capital” from which in turn sprang that group of professors of political economy who, proud “of the professorial dignity of their science”, attempt to achieve a similar objective. Other professors, Marx argued, prefer marching under “the banner of Bastiat, the most superficial and therefore the most adequate representative of the apologetic vulgar economy.”<sup>18</sup> More importantly for the purpose of this paper, the Afterword sheds light on the demise of classical political economy, there precisely dated by Marx at 1830, a dating over which subsequently vigorous debates have been fought.<sup>19</sup>

At first sight, 1830 seems to have little to do with the respective lifetimes of the final representatives of the classical school, David Ricardo (1772-1823) and Sismondi (1773-1841). It clearly relates far more strongly to the completion of their major theoretical systems during the second half of the second decade of the nineteenth century. A decade of intensive debate followed in the 1820s during which Ricardo’s theory of value and distribution was both clarified and vulgarised<sup>20</sup> and at the end of which political economy abandoned all serious attempts to analyse the real relations of production in bourgeois society. Marx’s political explanation in terms of a quickening pace of the class struggle in France and England after 1830 is well known, but in the

<sup>17</sup> K. MARX, *Theories of Surplus Value*, Part II, Moscow, Progress Publishers, 1968, p. 124; *Theories of Surplus Value*, Part III, p. 182.

<sup>18</sup> K. MARX, Afterword to the second German edition of *Capital*, Volume 1, included in the edition used, pp. 15-16.

<sup>19</sup> See for example, R. L. MEEK, ‘The Decline of Ricardian Economics in England’ in *Economics and Ideology and other Essays*, London, Chapman and Hall, 1967, pp. 51-74; M. H. DOBB, *Theories of Value and Distribution since Adam Smith*, Cambridge, Cambridge University Press, 1973, chapter 4; T. W. HUTCHESON, *On Revolution and Progress in Economic Knowledge*, Cambridge, Cambridge University Press, 1978, chapter 9.

<sup>20</sup> For a detailed examination of these debates see GIANCARLO DE VIVO, *Ricardo and his Critics*, Modena, Università degli studi di Modena, 1984.

context of this examination of his concept of classical political economy, aspects of his reasoning require further elaboration.

For Marx, scientific political economy had to include analysis of the class antagonisms inherent in the social relations of production. This implied that when actual class struggle was "latent and manifests itself only in isolated and sporadic phenomena" political economy could remain a science because then its essential features of analysing class antagonisms, revealing essentials of the wage system and the nature of surplus value, was not too damaging as a potential "weapon of attack on bourgeois economy." This in itself placed a limit on the internal development of classical political economy, visible in its failure to analyse surplus value as such (instead of its special forms of rent, interest and profit) and its inability to apply the dual nature of value (use value and exchange value) to the commodity, 'labour', by failing to discover the concept of "labour power" as the relevant commodity form applicable to capitalist society. Although an unintentional failure, such a shortcoming was inherent in classical political economy because it was incapable of seeing the value/surplus value relations it was analysing in its specific historical context. Vulgar political economy, on the other hand, sometimes ignored these essential features of classical theory by its use of supply and demand as substitute for value analysis and its explanations of profits and rent in terms of the direct productivity of capital and land. Other successors to classical political economy sought to eliminate class antagonisms altogether either by postulating the existence of universal social harmony (Bastiat) or by conscious attempts at reconciling the differing interests of social classes through methods like profit sharing in the manner of John Stuart Mill. These considerations from the Afterword to the second German edition of *Capital* reinforce both the classificatory nature of Marx's concept and its methodological intent by focussing on value and distribution as the scientific core of classical political economy. It also draws attention to what Marx saw as the basic weakness of classical political economy: its essentially ahistorical nature which prevented it from fully appreciating the real social relations of capitalist society as a specific historical social form.

## 2. A DISTINCT BRITISH AND FRENCH CLASSICAL POLITICAL ECONOMY

The distinction between the British and French representatives of classical political economy at its start and its close is an aspect in clarifying Marx's notion which it is less easy to summarise. This partly arises from the asymmetrical treatment accorded to the four writers involved. Ricardo, it is well known, received voluminous comment from Marx. Marx likewise devoted considerable space to Petty's pioneering contributions to classical political economy. In sharp contrast, the French side is only sparsely dis-



cussed, so that much of the difference Marx saw between these two national schools of classical political economy has to be inferred from the text. This requires a detailed examination of Marx's observations, first on Petty and Boisguillebert, then on Sismondi relative to Ricardo, before some inferences based on this examination of their different characteristics can be drawn.

The better to appreciate Marx's views on the economics of Petty and Boisguillebert, some background on the times and the extent of his studies of their works is provided. Marx appears to have studied Boisguillebert before he read Petty, probably in Paris during 1844 or 1845,<sup>21</sup> using the text of his work in Daire's edition of financier's writings of the eighteenth century which was published in 1843. There is evidence that Marx's reading included Boisguillebert's more important economic work, as can be seen from the considerable extracts of *Détail de la France* (1695), *Traité de la Nature, Culture, Commerce et Intérêts des Grains* and *Dissertation de la Nature des Richesses, de l'Argent et des Tributs* both of which written in 1704, which Marx made in his so-called Paris notebooks.<sup>22</sup> The first reference to Boisguillebert in Marx's writings appeared as early as 1847.<sup>23</sup> Petty's work was apparently first studied during Marx's famous 1845 visit to Manchester. Early references to Petty's writings in Marx's work tended to be general. During the 1850s Marx appears to have studied Petty's writings in more detail. In his *Contribution to the Critique*, Marx cited Petty's *Treatise of Taxes and Contributions* of 1662, his *Political Arithmetick* (published in 1690, but written well before) and the *Essay on the Multiplication of Mankind* of 1686.<sup>24</sup> At that time, Marx complained that Petty's writings had become "bibliographical curiosities" in need of a collected edition, but he was in fact able to study most of them in the Reading Room of the British Museum.<sup>25</sup> Notebook XXII of *Theories of Surplus Value* shows that careful study of Petty's writings had been completed by May 1863 and

<sup>21</sup> MANDEL (*The Formation of the Economic Thought of Karl Marx*, London, New Left Books, 1971, p. 27 note 2) describes these notebooks as part of Marx's Parisian reading notes, but gives no date for when he made them. OAKLEY (*Marx's Critique of Political Economy*, London, Routledge and Kegan Paul, 1984, p. 28) does likewise and dates them at 1844. Nicolaus (in his notes to K. MARX, *Grundrisse*, p. 233 n. 10) states that Marx's notes on Boisguillebert are in unnumbered excerpt books compiled in June/July 1845 included in K. MARX and F. ENGELS, *Historisch-Kritische Gesamtausgabe*, Berlin, Dietz Verlag, 1932, Part I, Volume 3, pp. 563-83. Although they are there described as 'Parisian notebooks', notebook IV is explicitly stated to have been written by Marx in Brussels in June 1845, so that, if the Boisguillebert excerpts were made at the time indicated by Nicolaus, Marx initially studied the writings of the originators of classical political economy at around the same time.

<sup>22</sup> K. MARX and F. ENGELS, *Historisch-Kritische Gesamtausgabe*, Part I, Volume 3, pp. 563-83.

<sup>23</sup> K. MARX, *The Poverty of Philosophy*, Moscow, Foreign Languages Publishing House, n.d., p. 74.

<sup>24</sup> See ALLAN OAKLEY, *Marx's Critique of Political Economy*, p. 72. Early writings mentioning Petty include K. MARX and F. ENGELS, *The German Ideology*, Moscow, Progress Publishers, 1964, p. 211 note; K. MARX, *The Poverty of Philosophy*, p. 187.

<sup>25</sup> K. MARX, *Contribution to the Critique*, pp. 53-54.

its list of authorities and that of the first volume of *Capital* only add *Quantaluncunque Concerning Money* and *The Political Anatomy of Ireland* to the work of Petty with which Marx was familiar.

The nature of Marx's citations of Petty shows why he saw him as the founder of classical political economy. Marx praised Petty's treatment of the division of labour as "being on a grander scale than Smith's", because it not only included manufacturing examples from watchmaking, but also examined the scope for division of labour in large cities and even in nations. Marx also noted Petty's pioneering quantitative work as an important scientific contribution. Although he also claimed that Petty did not clearly grasp "the special social form in which labour constitutes the source of exchange value" – a charge Marx in fact applied to all the classical economists – he recognised as major contributions Petty's identification of labour as the source of material value and concrete labour as the source of use value.<sup>26</sup>

In the subsequent *Theories of Surplus Value*, Petty is given an important historical section to himself. In it, Marx identified Petty's contributions to the concept of productive and unproductive labour, his distinction between "natural price", "political price" and "true price current" and his determination of comparative natural price, or value, by quantities of labour, his correct identification of the value of labour in terms of subsistence and his attempts to analyse surplus value as surplus labour within the two forms of rent and usury, of which the first is seen by Petty as the dominant surplus form.<sup>27</sup> In addition, Marx argued that Petty's treatment of differential rent was superior to that by Smith and credits him with a better understanding of the relationship between improvements, rent and the interests of landlords as a class.<sup>28</sup> Marx's treatment of Petty concludes with some fragmented, but nevertheless highly significant, comments. These praise Petty's views of total production, his discussion of the "par", the rate of interest and the problem of raising the value of money (on the last of which Marx compares him favourably with Locke and North) and on the association between capital and the productive powers of labour.<sup>29</sup> The passage from Petty's *Treatise of Taxes and Contributions* which Marx cites to support his interpretation that Petty had a total view of production is one of the passages from Petty's work that demonstrates his place as a leading pioneer in formulating the surplus approach to economics. In this passage, Petty identified surplus labour as that portion of the labour force not required to produce subsistence, an abstraction of importance when it is recalled that Petty's work also embodied notions of a sub-

<sup>26</sup> Ibid. pp. 52-4.

<sup>27</sup> K. MARX, *Theories of Surplus Value*, Part I, pp. 342-3, 345-6, 346, 346-50, cf. pp. 175-7.

<sup>28</sup> Ibid. p. 350; cf. *Theories of Surplus Value*, Part II, p. 112 and K. MARX, *Poverty of Philosophy*, p. 187.

<sup>29</sup> K. MARX, *Theories of Surplus Value*, Part I, pp. 350-3.

sistence wage, surplus value and surplus product. This considerably heightens his significance as a founder of classical political economy.<sup>30</sup>

Marx's references to Petty in *Capital* reiterate some of these points,<sup>31</sup> but the more substantive remarks now appear in the chapters on money. Petty's *Quantalumcunque Concerning Money* is praised for its awareness of the foolishness of coin debasement, a sign for Marx of Petty's liberation from the views of the monetary school of political economy. Because Petty argued that a nation may have too much as well as too little money, Marx further notes that Petty's concern with real phenomena does not cause him to forget the prime necessity of money for the operations of modern society. Marx was particularly impressed by Petty's analysis of velocity of circulation in terms of income payment periods (for example, weekly wages and quarterly rents) and his use of these data to estimate the sum of money required in a particular country.<sup>32</sup> These references to Petty's monetary views take on special significance in the light of his earlier comments in the *Contribution to the Critique*<sup>33</sup> to the effect that differentiation between the British and French representatives of the originators of political economy partly rested on their differing attitudes to money.

Most of Marx's references to Boisguillebert were made at the end of the 1850s. His two solitary references in *Capital* are concerned with hoarding while the single reference in *Theories of Surplus Value* mentions him only as a precursor of the Physiocrats.<sup>34</sup> In his earlier writings,<sup>35</sup> Marx correctly identified Boisguillebert's antagonism to money as a key feature in his analysis of the causes of French distress in the last decades of the seventeenth century. The potential disruption to consumption from hoarding is a major reason for such antagonism, as Marx also correctly perceived. In addition, Boisguillebert viewed hoarding as an unnatural practice because the natural function of money and of the precious metals is to act as a medium of exchange in circulating the products which alone constitute real wealth. Although Marx was aware that for Boisguillebert proportionality between prices and cost of production was a requirement for economic balance, he did not depict this part of the argument as an essential feature of Boisguillebert's explanation of crises of underconsumption. Marx presented this underconsumptionist thesis largely in his published work as a sign of Boisguillebert's antagonism to money and the "black art of finance" and therefore seems not to have fully appreciated its wider

<sup>30</sup> For a detailed discussion of this, see A. ASPROMOURGOS, 'Political Economy and the Social Division Labour', *Scottish Journal of Political Economy*, 33, February 1986, pp. 28-45.

<sup>31</sup> K. MARX, *Capital*, Volume 1, pp. 91 note, 172, 313, 617 especially.

<sup>32</sup> K. MARX, *Capital*, Volume 1, pp. 101, 145, 123, 141 respectively.

<sup>33</sup> K. MARX, *Contribution to the Critique*, pp. 54-5.

<sup>34</sup> K. MARX, *Capital*, Volume 1, pp. 130, 140 note; *Theories of Surplus Value*, Part I, p. 50.

<sup>35</sup> K. MARX, *Contribution to the Critique*, pp. 54-5, cf. 125, 146; K. MARX, *Grundrisse*, pp. 198-9, 233; K. MARX, *Poverty of Philosophy*, p. 99.

significance, something perhaps explained by the fact that Marx apparently never re-read Boisguillebert's work in sharp contrast to his careful re-reading of Petty's.<sup>36</sup>

When compared with Petty, Boisguillebert shares a healthy liberation from the monetary concerns of the previous school of political economy but for quite different reasons based as they were on underconsumptionist fears which are absent from the Englishman's work. In further contrast to Petty, Boisguillebert stressed the material aspects of wealth in terms of their use value, as indicated by his identification of wealth with the necessities, conveniences and everything which gives pleasure to the senses, as Marx cites in evidence for this opinion. Likewise, although Boisguillebert saw labour time as the measure of value of commodities, its relationship with exchange value is confused and confounded with the market appearances of supply and demand, in contrast to Petty's performance on the subject of value. On the personal level, Marx ranks Boisguillebert above Petty. "But whereas Petty was just a frivolous, grasping, unprincipled adventurer, Boisguillebert (sic!), although he was one of the intendants of Louis XIV, stood up for the interests of the oppressed classes with both great intellectual force and courage."<sup>37</sup> Marx in fact suggested that comparative studies of the characters of Petty and Boisguillebert, Sismondi and Ricardo, would help to explain "the origins of these national contrasts that exist between British and French political economy". At the personal level, similar comparisons can be made between Smith and the Physiocrats (particularly, Turgot) and between Ricardo and Sismondi, on the ground that the British representatives of classical political economy were basically concerned with "ruthless" analysis of the realities of the economic situation, while the French also attempted to do something about it, no matter what the cost in personal preferment. Thus "Ricardo's political economy ruthlessly draws its final conclusions,... while Sismondi ends by expressing doubts in political economy itself."<sup>38</sup>

Marx also saw Petty and Boisguillebert as authors who understood the social division of labour, the origin of surplus labour within production and the productiveness of labour and its expropriation through the State's

<sup>36</sup> K. MARX, *Contribution to the Critique*, p. 126 cf. p. 96; cf. his *Poverty of Philosophy*, p. 74. The 1845 Boisguillebert extracts appear to be the last that Marx made from his work and supplied the material for Boisguillebert citations in the late 1850s. For example, in his *Grundrisse*, p. 233, Marx explicitly refers to these particular extracts and some are subsequently reproduced (e.g. *Grundrisse*, p. 345). The extensive extracts from Boisguillebert's *Traité de la nature, culture, commerce et intérêt des grains* interestingly conclude with Marx's own comments in which he notes the falseness of Say's Law, the connection between overproduction and a disequilibrium between prices and production costs and conceives of such overproduction in terms of deficiencies of demand See K. MARX and F. ENGELS, *Historisch-Kritische Gesamtausgabe*, Part I, Volume 3, pp. 576-9.

<sup>37</sup> K. MARX, *Contribution to the Critique*, p. 55 note.

<sup>38</sup> K. MARX, *Contribution to the Critique*, p. 61.

taxation and forms of unproductive consumption. Finally, though this is not explicitly stated by Marx, both Petty and Boisguillebert in their respective countries pioneered abstraction and conceptualisation of the basic economic phenomena. Marx's historical analysis demonstrates this explicitly in the case of Petty, it is impossible to document such a case for Boisguillebert of whom Marx left no equivalent evaluation. However, as Spengler has recently suggested, just as in the case of Petty, Boisguillebert's economic writings are filled with concepts in embryo, "varying considerably in degree of abstractness", a matter with which a serious and sophisticated student of economic literature like Marx could not have failed to have been impressed.<sup>39</sup>

The omega of Marx's perception of classical political economy may now be examined. It is both unnecessary and impractical to examine Marx's views on Ricardo in any detail, apart from recalling Marx's praise of Ricardo as the "economist of production *par excellence*" and therefore the zenith of classical political economy. Discussion is confined to Marx's spasmodic, but nevertheless highly informative treatment of Sismondi, the French representative of classical political economy's decline. From the citations in *Capital*, it is clear that Marx had seriously studied all of Sismondi's more important economic work while the excerpts in his 1845 Brussels notebooks reveal how early he had commenced this study. Although Marx clearly had great admiration for aspects of Sismondi's economics, particularly his analysis of the circuits of capital, Marx also criticised him in this context for his failure to penetrate the material conditions of the conversion of revenue into capital.<sup>40</sup> Furthermore, in the preparation of *Theories of Surplus Value*, Marx wished to omit detailed discussion of Sismondi's work, because "a critique of his views belongs to the part of my work dealing with the real movement of capital (competition and credit) which I can only tackle after I finish this book".<sup>41</sup> At this stage Marx also explicitly recognised the need

<sup>39</sup> K. MARX, *Theories of Surplus Value*, Part I, pp. 342-55; Marx's extracts from Boisguillebert can only provide a rough guide by contrast, because they were made so early in his economic education. Furthermore, the scope of his *Theories of Surplus Value* made detailed treatment of Boisguillebert within its pages not really relevant. However, Marx did not abandon his coupling of Petty and Boisguillebert, as shown in his last excursus into the history of economic thought, the chapter he contributed to F. ENGELS, *Anti-Dübring*, Part II chapter 10, which repeats his earlier views on the rise of classical political economy. See F. ENGELS, *Anti-Dübring*, Moscow, Foreign Languages Publishing House, 1954, pp. 314, 320-3, 326. See also J. J. SPENGLER 'Boisguillebert's Economic Views *vis-à-vis* those of Contemporary Reformers', *History of Political Economy*, 16, Spring 1984, pp. 69-88, esp. p. 77 from which the quotation in the text is drawn.

<sup>40</sup> MARX, *Grundrisse*, pp. 647-8, 687-8; *Capital*, Volume 1, pp. 585-6. The list of authorities used in *Capital* includes Sismondi's major publications, that is, *Traité de la richesse commerciale*, Geneva, 1803; *Nouveaux principes d'économie politique*, second edition, Paris, Delauney, 1827; *Etudes sur l'économie politique*, Brussels, Société typographique Belge, 1837-8.

<sup>41</sup> K. MARX, *Theories of Surplus Value*, Part III p. 53, cf. *Theories of Surplus Value*, Part I, p. 402 which applies this remark to both Sismondi and Malthus.

for further work on Sismondi, something he seems to have done, judging from the wide-ranging Sismondi citation in *Capital*.<sup>42</sup>

Paradoxically, it is Marx's sporadic commentary on Sismondi in the pages of *Theories of Surplus Value*, which provides elucidation of some of the grounds he may have envisaged to justify the fundamental antagonism between French and British political economy he had postulated in the earlier *Contribution to the Critique*. These grounds can be classified into three, and they obviously need to refer not only to the case of Sismondi and Ricardo, but also that of Boisguillebert and Petty. First, in their work, the French authors in the classical tradition showed far greater proclivities towards utopian reformism than the hardheaded realism of the British school of classical political economy. Second, French political economy, particularly with respect to its representatives at the extremities, showed far greater historical awareness as compared with its British counterparts, Petty and Ricardo. Finally, French political economy contained a far greater under-consumptionist (over-production) tradition, especially in the writings of Boisguillebert and Sismondi, totally absent and in fact substantially rejected by the major representatives of the British school.

Marx commented directly on Sismondi's utopian tendencies on a number of occasions. As early as the *Communist Manifesto*, these had been discussed under the heading, 'petty-bourgeois socialism' with Sismondi identified as its leader. Although during this discussion, Marx and Engels praised Sismondi and his school for "dissecting... the conditions of modern production [by proving]... the disastrous effects of machinery and division of labour, the concentration of capital and land in a few hands, overproduction and crises... [I]n its positive aims... [this school] aspires either to restoring the old means of production and of exchange... or cramping the modern means of production and of exchange... it is both reactionary and Utopian."<sup>43</sup> Marx nowhere explicitly attributed similar utopian sentiments to Boisguillebert, but the Frenchman was clearly engaged in such speculations. Furthermore, Marx at one stage compared Boisguillebert's hostility to money with Sismondi's denunciation of industrial capital, implying an intention to attribute a utopian desire to abandon the money economy to Boisguillebert's work.<sup>44</sup> As noted earlier, such views contrast sharply with the hard-headed nature of British political economy.

The historical merits of French over British political economy are likewise rarely mentioned directly by Marx. However, Marx on at least one

<sup>42</sup> K. MARX, *Theories of Surplus Value*, Part III, p. 287; for some of these citations, see, for example, *Capital*, Volume I, pp. 155, 173, 314, 536, 567, 577, 586.

<sup>43</sup> K. MARX and F. ENGELS, *Communist Manifesto*, in *Marx-Engels Selected Works*, Moscow, Foreign Languages Publishing House, 1950, Volume I, pp. 25-61.

<sup>44</sup> K. MARX, *Contribution to the Critique*, p. 61. Good examples of utopian tendencies can be found, for example, in BOISGUILLEBERT, *Factum de la France*, 1705, especially chapters 6 and 8.

occasion<sup>45</sup> implied that history and historical knowledge are an important difference as can be inferred from the following remarks. Just before comparing him directly with Sismondi, Marx drew attention to Ricardo's lack of historical sense by stating that "apart from bourgeois society, the only social system with which Ricardo was acquainted seems to have been the 'parallelograms of Mr Owen'", while Ricardo's tendency to historical anachronisms is illustrated by the fact he allowed "primitive fisherman and hunter to calculate the value of their implements in accordance with the annuity tables used on the London stock exchange in 1817". By contrast, Sismondi<sup>46</sup> discussed a variety of historical modes of territorial exploitation from patriarchal society to feudal and to more modern times, a discussion which must have impressed Marx. Likewise, in *Theories of Surplus Value*,<sup>47</sup> Marx listed Sismondi with Richard Jones as the only economists who perceived "the *socially determined* form" of capital. If Marx's suggestion to compare the lives of these British and French economists is followed,<sup>48</sup> then this aspect of their "antagonism" is even more strikingly revealed. Boisguillebert started his career with historical writings, including a volume on Mary, Queen of Scots; Sismondi, it is well known, was not only the noted historian of the Italian Republics, he devoted the last two decades of his life to a massive 29 volume French history. Neither Petty nor Ricardo attempted any substantial historical work during their life times. However, what is probably more important in the context is the manner in which historical illustration enriched the contents of the French authors' works. Boisguillebert's *Factum de la France* included considerable historical detail on the fiscal systems of the Romans, Turks, Moguls, and Dutch, and that in use in France from the reigns of Francis I to Louis XIV.<sup>49</sup> Sismondi's *Nouveaux principes* is largely constructed on historical principles and its introduction laments the practice of "Adam Smith's modern disciples", who have lost sight of the human point of view in their abstractions and have turned the science into a purely speculative one.<sup>50</sup> This quotation from Sismondi draws attention to a difficulty in attributing this particular national characteristic over the whole of the classical period, since Smith and Sir James Steuart are strong counter-examples to an ahistorical British school of classical political economy. By contrast, their French contemporary, Quesnay, was as abstract and speculative as Ricardo and just as ahistorical, unlike *his* compatriot, Turgot. However, in so far as Marx

<sup>45</sup> K. MARX, *Contribution to the Critique*, p. 60.

<sup>46</sup> SISMONDI, *Nouveaux principes d'économie politique*, Book III.

<sup>47</sup> K. MARX, *Theories of Surplus Value*, Part III, p. 424.

<sup>48</sup> K. MARX, *Contribution to the Critique*, p. 52 note.

<sup>49</sup> See BOISGUILLEBERT, *Factum de la France*, 1705 reprinted in *Pierre de Boisguillebert ou la naissance de l'économie politique*, Paris, L'Institut National d'Etudes Démographiques, 1966, pp. 899-918.

<sup>50</sup> SISMONDI, *Nouveaux principes d'économie politique*, Volume 1, p. 55.

drew attention to these aspects of national antagonisms, he appears to have confined the argument to the extremities of classical political economy.

The strongest national difference between French and British classical political economy is their attitude to underconsumption and the possibility of deficient demand. This contrast between Sismondi's and Ricardo's political economy is very strongly drawn by Marx<sup>51</sup>, a depiction in which Sismondi is particularly praised for seeing the contradiction between the productive powers of capital and the workers' powers to consume as a specific feature of capitalist development, just as Marx also praised him for clearly seeing the major contradictions between labour and capital, for which reason Marx described Sismondi's work as "epoch making".<sup>52</sup> Likewise, Boisguillebert's analysis of underconsumption sets him apart from Petty's work which seems to portray the same optimistic faith in production for production's sake later exhibited by Ricardo. However, the national nature of the conflict on underconsumption and the possibility of general gluts can be exaggerated, though such difficulties do not arise for Marx in this context when, for example, the work of Malthus and Say is taken into account.<sup>53</sup>

Whether these are all the observations that can be made about Marx's perception of a national division in classical political economy is difficult to say, because the evidence on the subject is so fragmentary. However, his perception of the existence of such a national division in itself is an interesting one and sustainable on the facts. The distinction is however a complex one as well, particular in the context of the differences in attitudes to history and its importance, which Marx appeared to have attributed to French and British political economy. Likewise, the causes for those differences, although clearly associated with the actual state of the French and British economies and the contemporary nature of the structure of their "civil societies" are not easy to identify precisely and hence to generalise about.

<sup>51</sup> K. MARX, *Theories of Surplus Value*, Part II, pp. 117-8, 534, 649 note 142; Part III, pp. 55-6, 84, 384.

<sup>52</sup> K. MARX, *Theories of Surplus Value*, Part III, p. 259.

<sup>53</sup> Marx charged Malthus with plagiarising Sismondi on the subject and included Say with the "insipid forerunners" of vulgar economy and hence irrelevant to the classical political economy classification. Marx also charged Say with plagiarism, in this context from James Mill's analysis of his famous principle. See K. MARX, *Grundrisse*, pp. 410-13, *Contribution to the Critique*, p. 97 and *Theories of Surplus Value*, Part III, p. 53 where Marx refers to Malthus' "adaptation of Sismondi's views". During the eighteenth century, however, although some Physiocrats appear to have accepted the possibility of underconsumption from deficient demand, others like Turgot did not and presented opinions similar to those given by Adam Smith. Meek ('Physiocracy and Early Theories of Underconsumption' in R. L. MEEK, *The Economics of Physiocracy* London, Allen and Unwin, 1962, pp. 313-44) has pointed to the fact that much of the British underconsumptionist writings at the turn of the century were inspired by the French.



### 3. SOME GENERAL CONCLUSIONS

A number of observations can be made on the basis of this lengthy discussion of Marx's conception of classical political economy. His praise for the work of classical political economy derived undoubtedly from his appreciation of the classical economists' methodological contribution in fostering abstract analysis of basic economic categories and their partial grasp of the notion of the commodity and its exchange by examining this in terms of production and social relations. Marx's chronology of political economy is largely explained in this way. In his perception of classical political economy, Marx also diagnosed national differences and antagonisms between its two major schools, in France and Britain. This made him emphasise dual starting and closing points for classical political economy associated with the writings of Petty and Boisguillebert, Ricardo and Sismondi respectively. Full elaboration and explanation of the antagonism between the British and French schools of classical political economy is made difficult by the fact that Marx left little but fragmented comments on the work of Boisguillebert and Sismondi whereas Petty and Ricardo received especially detailed treatment in the manuscripts of *Theories of Surplus Value*. In the case of Boisguillebert, this lack of systematic treatment may be explained by the fact that Marx does not seem to have systematically studied his work after 1845. This type of explanation does not suffice for Sismondi whose work Marx wanted to, and eventually did, explore more fully. Section 2 of this paper has nevertheless managed to identify some of the more basic of the antagonisms, relating them to different attitudes to "utopianism" and reform, the relevance of history as well as historical awareness, and the importance of underconsumption to the understanding of economic growth and welfare. Arguably, this further clarifies aspects of Marx's conception of classical political economy as a historical stage in the development of economics from the monetary and mercantile schools of the sixteenth and seventeenth centuries to the developments in vulgar economy of the nineteenth century.

Some further observations on Marx's perspective of classical political economy are in order. The first is that Marx clearly saw himself as transcending the classical school. This is evident from his emphasis on the inherent methodological limitations of the classical school despite its obvious methodological strengths. Not for nothing did Marx apply his general critique of political economy not only to contemporary forms of "vulgar economy", he applied it as stridently to the best representatives of the classical school. From his own perspective, his work is therefore outside that of classical political economy while subsequently his work has been firmly placed within what has been described as the classical tradition. This is not only the case with conventional historical classification of economic thought, to some extent the perspective of classical economics as the surplus ap-

proach to political economy includes him firmly within that tradition. Secondly, Marx placed a definite close on the classical school in the 1820s inherent, as he saw it, in its specific limitations. This contrasts with more modern views associated with Sraffa's work, which see the classical approach as an ongoing one, in many respects more useful for solving economic problems than the essentially different marginalist approach.

The substantial difference between Marx's view of classical political economy as a historical and chronological device and that in the conventional historical literature needs more emphasis. The conventional literature views classical political economy largely as a British phenomenon, falling between the work of Smith and that of John Stuart Mill, hence roughly covering the century ending in the 1860s. Marx's chronology in the development of the science is quite different; moreover, he gives it, especially in its classical phase, a wider international perspective highlighted by his emphasis on national schools and their antagonisms, elaborated on in this paper. From a surplus approach perspective, Marx's classification of classical political economy is clearly superior, since it provides recognition of the important predecessors which include, not only the Physiocrats, but also the earlier, and significant, work of Petty, Boisguillebert and Cantillon.

The previous paragraphs suggest one further conclusion derivable from this discussion. There is an ambiguity in the notion of classical political economy which needs both further historical and analytical clarification. This paper has commenced this historical clarification by examining Marx's conception of classical political economy in more detail. It implies the need for a similar, detailed examination of the alternative conceptions existing in the literature. This examination is not only of historical interest. If Sraffa's positive contribution to economics, for example, lies partly in rehabilitating the classical approach to political economy, then it seems to be essential for both the approach and its authors to be clearly identified. The examination of Marx's conception provided here suggests that neither identification is straightforward and that, also in this respect, work remains to be done.

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