

Malthus and the Utilitarians

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an attempt to arrest the decline in the resources of the fund. From the point of view of the insurance principle, the contribution rate revision of September, 1959, was eminently reasonable, and the purpose of this paper would be misconstrued were it regarded as a criticism of those responsible for administering the fund, for whom the solvency of the fund is a legitimate objective.

The purpose of this paper is to emphasize that the break-even level of unemployment is more than simply the level at which contributions equal benefits. It is also the level of unemployment at which the fund begins to have an expansionary effect (neglecting any difference between the neutral and the break-even level). The break-even level should be, therefore, the level of unemployment at which it is felt that a net expansionary effect is in order, that is, the maximum tolerable level of unemployment. Thus, the break-even level of unemployment is, or should be, a decision in the field of economic policy, and not one to be determined on insurance principles, compelling as these principles may be to the administrators of the fund. An unemployment insurance system that withdraws from the economy more purchasing power than it puts in when unemployment is in the neighbourhood of 6 per cent, as was the case in 1960, is exerting a contractionary effect on the economy at levels of unemployment where expansion, not contraction, should be the objective of government policy.

It may be concluded that the economic effectiveness of unemployment insurance may be adversely affected by changes in contribution or benefit rates, particularly when a continuing high level of unemployment has brought the assets of an unemployment insurance fund down to what is considered a "dangerously low level." Under such conditions, to maintain the financial soundness of the fund by increasing contribution rates (or decreasing benefit rates) serves badly the interest of economic stability. Methods of maintaining the fund that are more in keeping with the over-all economic situation deserve more consideration than they have evidently received.

MALTHUS AND THE UTILITARIANS

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It is somewhat ironic that the Malthusian population theory became one of the keystones of the set of doctrines known as "classical economics," developed and set forth uncompromisingly by the Benthamite Utilitarians. Malthus was personally associated with the Utilitarians through his friend David Ricardo, but was by no means a Utilitarian himself. He differed sharply with them not only on questions of social policy, but also in philosophic orientation, social class bias, economic theory, and analytic methodology. Yet the Utilitarians remained more "Malthusian" than Malthus as the latter's opinions shifted with the passing years. John Stuart Mill maintained a much more stringent population theory in his *Principles of Political Economy* in 1848 than Malthus had in the posthumous second edition of his work of the same name in 1836.

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Even more remarkable than the Utilitarians' wholehearted acceptance of the doctrine of an intellectual outsider was the *uncritical* nature of that acceptance by men who were above all social logicians. Ricardo took exception to a proposition along the fringes of the theory,¹ and Francis Place did not like certain Malthusian characterizations of the working class, but the questioning of the fundamental idea itself was left to horrified sentimentalists, quibblers over the famous "ratios," and the blustering indignation of men like William Cobbett. The population theory eventually received from Nassau Senior the kind of cold analytical dissection that one might have expected it to receive from the Utilitarians. And this dissection found the Malthusian doctrine very much lacking. Why the Utilitarians acted so out of character in this instance is a question to which we shall return at the end of the paper.

It has been said that the Malthusian theory was not really wrong, but that favourable historical developments postponed its operation in the West while it continued in undiminished force in some underdeveloped countries.² Malthus has even been credited with a "watertight logic"³—which would be remarkable in an empiricist so given to attacking theorists.⁴ But neither of these defences of Malthus will stand up. Why they will not will become apparent after consideration of (1) the general scheme of Malthus' values, in contrast to those of his Utilitarian disciples; (2) Malthus' doctrine as an answer to contemporary utopians and radicals; and (3) the metamorphoses through which the theory went, not only in the editions of the *Essay on Population* itself but pre-eminently in Malthus' final work, the *Principles of Political Economy*.

1. MALTHUSIAN PHILOSOPHY AND UTILITARIAN PHILOSOPHY

Malthus was of course religious, while the Utilitarians were agnostics who made the welfare of man the standard of right and wrong. This, however, was not a source of practical differences, for Malthus pictured the ordinances of God as directed towards maximizing human happiness. The standard of right and wrong was the same in both cases, although the ultimate sanction for the standard was different. But Malthus' religious orientation made an important difference in the role of the population principle in his general scheme of things, and in the way he looked upon possible solutions of the problem. For the Utilitarians the population problem was *just* a problem, and one to be solved as directly as possible. For Malthus it was more than

¹*The Works and Correspondence of David Ricardo*, ed. P. Sraffa (Cambridge, 1957), II, 109–11; VII, 201.

²D. C. Somervell, *English Thought in the Nineteenth Century* (London, 1954), 35; Graham Wallas, *The Life of Francis Place* (New York, 1951), 167; Eric Roll, *A History of Economic Thought* (London, 1954), 197, etc., etc.

³Kenneth E. Boulding, "Foreword," in Thomas Robert Malthus, *Population: The First Essay* (Ann Arbor, 1959 [originally London, 1798]), x.

⁴Malthus, "Introduction," *Principles of Political Economy* (2nd ed., New York, 1950 [originally London, 1836]); Malthus to Ricardo, Oct. 26, 1820, *Works and Correspondence of David Ricardo*, VIII, 286. But cf. *Essay on Population*, 2nd ed., (Everyman ed.), II, 245.

just a problem, and the (remote) prospect of its solution was not regarded as an unmixed blessing.

Malthus and the Utilitarians were agreed as to the efficient cause of the population problem, but with Malthus there was also a final cause—the value of adversity as a spur to exertion, in which the meaning of life is deepened.⁵ It was part of “the gracious designs of Providence” that the population tends to outstrip food supply, and while this has produced “much partial evil” it has also produced “a great overbalance of good.” Evil “seems to be necessary to create exertion and exertion seems evidently necessary to create mind.”⁶ That freedom from pressing necessity readily degenerates into indolence is a recurrent theme throughout Malthus’ writings, from the first *Essay* of 1798 to his posthumous *Principles* of 1836. Ricardo gave him the characteristic Utilitarianism injunction to restrict himself to analysis of means and not to attempt to substitute his judgment of the value of the ends for the judgment of the individuals directly concerned⁷—but it made no impression.

Because the population problem was not *simply* a problem, Malthus could not support so-called “neo-Malthusian” birth control solutions such as those proposed by the Utilitarians Francis Place and John Stuart Mill. He was opposed not only on grounds of the (presumably moral) repugnance of “artificial and unnatural modes of checking population” but, more significantly, because of “the tendency to remove a necessary stimulus to industry.”⁸ The effects of population pressure were to be mitigated, or at least struggled against in order to ennoble the struggler,⁹ but they were not to be done away with:

If it were possible for each married couple to limit by a wish the number of their children, there is certainly reason to fear that the indolence of the human race would be very greatly increased, and that neither the population of individual countries, nor of the whole world, would ever reach its natural and proper extent.¹⁰

There were methodological as well as value-judgment differences. Malthus was a dedicated empiricist, in sharp contrast to the abstract-deductive approach of the Utilitarians. He harked back to Burke in his hatred of “geometrical” reasoning—and also, as will be seen, in his significant instance of backsliding on this point.

II. MALTHUSIANISM AS AN ANSWER TO RADICALISM AND UTOPIANISM

Condorcet, William Godwin, and later radical and utopian writers recognized the truism that population could not exceed the means of subsistence. Where they differed from Malthus was not on the proposition that food *limits* population (which was Malthus’ rock and refuge under critical fire),

⁵“Want has not unfrequently given wings to the imagination of the poet, pointed the flowing periods of the historian, and added acuteness to the researches of the philosopher . . .” Malthus, *Population: The First Essay*, 125.

⁶*Ibid.*, 126.

⁷*The Works and Correspondence of David Ricardo*, II, 338.

⁸Malthus quoted in Francis Place, *Illustrations and Proofs of the Principle of Population*, ed. N. E. Himes (London, 1933), Appendix A, 286.

⁹Malthus, *Population: The First Essay*, 138–9.

¹⁰Malthus quoted in Place, *Illustrations and Proofs*, 287.

but on the proposition that food *regulates* population.¹¹ The crucial issue between them was precisely whether man would regulate his own numbers, and thereby avoid the evils of population pressure against the means of subsistence. In the utopias of Condorcet and Godwin it was obvious that he would. To Malthus it was equally certain that he would not. But when the second edition of the *Essay on Population* conceded the possibility of "moral restraint,"¹² Malthus in effect "capitulated, while still claiming victory."¹³ Actually it was a small setback, for Malthus could not have believed that moral restraint would be very potent in restraining population growth if he could accept it while rejecting "artificial" birth control because of the latter's *efficacy*¹⁴ as well as because of its being "unnatural."

In the second edition of his *Essay* Malthus gave his empiricism full fling with masses of statistical data, historical research, and personal observations—all of which was perfectly futile. He documented the existence of poverty and suffering in many times and places. But this had never been at issue. Malthus showed no awareness of the distinction between facts with a topical connection and facts with an analytic relevance. His data in no way discriminated between his theory and the theories of those diametrically opposed to him. The ubiquity of poverty was consistent with his population principle, but it was equally consistent with Godwin's view that hunger was caused by "the injurious exclusions of human institution."¹⁵ Malthus' empiricism boiled down to insistent pointing to the existence of the problem as if that somehow proved his particular theory of its causation.

Despite the ponderous tone of generality and inexorability in which the population principle was first set forth, Malthus used it from the beginning as a theory of the behaviour pattern of the poor only. Even in the first *Essay* "foresight" was a "preventive check" to population growth,¹⁶ while the positive check was "confined chiefly, though perhaps not solely, to the lowest orders of society."¹⁷ While the theory was couched in terms of a population problem arising from human nature in general, it acknowledged from the outset that the well-to-do, particularly those on the lower fringes who feared to fall into the mass of the poor,¹⁸ had already overcome this general human weakness, so that the dogmatism with which the theory was held implied a belief in the persistence of *differential* behaviour patterns in this regard, rather than simply the continuance of human nature in general.

¹¹The speed of an automobile is limited by the power of its engine, but presumably it is regulated by the judgment of the driver.

¹²Moral restraint was defined as "the restraint from marriage which is not followed by irregular gratifications . . ." Malthus, *The Principle of Population* (2nd ed., London, 1933), I, 14.

¹³George J. Stigler, "The Ricardian Theory of Value and Distribution," *Journal of Political Economy*, June, 1952, 191.

¹⁴"Indeed I should always particularly reprobate any artificial and unnatural modes of checking population, both on account of their immorality and their tendency to remove a necessary stimulus to industry." Malthus quoted in Place, *Illustrations and Proofs*, 286.

¹⁵"Men are born into the world in every country where the cultivation of the earth is practised, with the natural faculty in each man of producing more food than he can consume, a faculty which cannot be controlled but by the injurious exclusions of human institution." William Godwin, *Enquiry Concerning Population* (London, 1820), VI, chap. iv, 554.

¹⁶*Population: The First Essay*, 22.

¹⁷*Ibid.*, 25.

¹⁸*Ibid.*, 22-3.

The pivotal assumption of the Malthusian theory as an explanation of the observed phenomenon of poverty was that increased food supply to the poor would lead to increase of their numbers, thereby defeating all meliorative efforts, except in the unlikely event of their adoption of "moral restraint." As Nassau Senior saw, this was a proposition which led to definite consequences which could be tested empirically. The question was whether increased food supply led to higher standards of living or to increased population at substantially the same standard of living. Malthus' theory led to the latter conclusion; history showed the former.¹⁹ Malthus was wrong.

Senior saw that there was no real need for the endless controversies that raged over the Malthusian postulate of a "tendency"—in the sense of potentiality—of population increase to outstrip the increase of food. The question was the historical tendency—"using the word tendency to express likelihood or probability"²⁰—of the unequal potentialities to come into actual collision. Condorcet had mentioned these potentialities before Malthus, and had acknowledged their collision as an abstract possibility, but Malthus went far beyond this: ". . . the period when the number of men surpass their means of subsistence has long since arrived . . . has existed ever since we have had any histories of mankind, does exist at present, and will for ever continue to exist . . ." ²¹ It was this assumption that marked the crucial step beyond Condorcet to Malthusianism. Malthus was not guilty of the triviality with which he is defended, that population might become a problem somewhere, somehow, sometime. He had a definite theory as to the result of (workers') human nature under given conditions (increasing food supply), and this theory proved wrong. Not postponed, but wrong. The conditions were fulfilled and the result did not follow.

The population principle began as an avowed answer to the radical-utopian doctrines of Condorcet and Godwin, which blamed contemporary institutions for poverty. While the second edition of the *Essay* expanded into a more scientifically pretentious work, it never lost its essential character as an answer to radicalism. Despite its abundance of policy recommendations, its anticipated benefits lay less in the direction of solving the social problem of poverty than in the direction of solving the moral-political problem of assigning blame for that poverty:

. . . it is evident that every man in the lower classes of society who became acquainted with these truths, would be disposed to bear the distresses in which he might be involved with more patience; would feel less discontent and irritation at the government and the higher classes of society, on account of his poverty; would be on all occasions less disposed to insubordination and turbulence . . . The mere knowledge of these truths, even if they did not operate sufficiently to produce any marked change in the prudential habits of the poor with regard to marriage, would still have a most beneficial effect on their conduct in a political light . . .²²

In this context, it might be worthwhile to consider whether Malthus was the enemy of the poor that he was portrayed to be by his enemies. Certainly

¹⁹Nassau W. Senior, *Political Economy* (New York, 1938 [originally London, 1836]), 47–8.

²⁰*Ibid.*, 43.

²¹*Population: The First Essay*, 54. Substantially the same statement reappears in the second edition, II, 4–5.

²²*The Principle of Population*, 2nd ed., II, 260.

he did not wish them ill. This is demonstrated, for example, by his persistent opposition to schemes of simplified diets (such as the substitution of potatoes for wheat) for the poorer classes. Such diets, Malthus argued, would not only lower the degree of comfort involved in their customary "subsistence" level, but would eliminate the insurance of having a lower grade of food as a reserve survival measure in times of scarcity. Malthus' harsh strictures regarding the poor did not flow from antipathy, but were simply the necessary corollaries of his view of the nature of the poor. What can be questioned is the ease with which he made assumptions and deductions which had such staggering logical and historical consequences. This easy reasoning contrasts sharply with his advocacy of empiricism and his thrusts at Ricardian *a priori* reasoning. His strong empirical bent paralleled that of Burke, as did his willingness to jettison this principle when *a priori* reasoning (applied to the poor) would produce results consonant with his general social outlook. Like Burke in his *Thoughts and Details on Scarcity*, Malthus could resort to abstract-deductive reasoning worthy of James Mill. He was open to Francis Place's charge that he simply did not know the working class which he characterized so sweepingly.²³

III. CHANGES IN THE THEORY

The retreat that began with "moral restraint" in the second *Essay* ended in a rout in Malthus' *Principles of Political Economy*. Higher income among workers might lead to either of "two very different results"—increase of population or "improvements in the modes of subsistence . . ."²⁴ That wage earners might enjoy increased prosperity by deliberate foresight in restricting their numbers was not, as with Place and J. S. Mill, an earnest hope for the future, but a demonstrated fact from the past.²⁵ A country "is always liable to an increase in the quantity of the funds for the maintenance of labour faster than the increase of population."²⁶ Malthus showed no awareness, either publicly or in his correspondence, that he had completely repudiated his theory, not in the sense of adopting another theory, but in the sense of now having no theory at all. Any empirical consequence of increased prosperity was consistent with the new population principle. It was emptied of meaning as a theory, though it retained some significance as an exhortation.

Although Malthus finally conceded as an accredited fact from history what the utopians had only claimed as a prospect of the glorious future, J. S. Mill could still cling to the view, made increasingly tenuous by the course of events, that the population danger was not only clear but present. Senior's exposure of the shifting ambiguity in the Malthusian use of the word "tendency" uncovered just the sort of verbal confusion and plausible fallacy that the Benthamites ordinarily delighted in revealing, but in this case the exposure apparently made no impression on them.

This uncritical acceptance of Malthusianism by the Utilitarians remains an unresolved problem. They were by no means the sort of men to be unduly influenced by friendship. They were in opposition to Malthus' ideas in almost

²³*Illustrations and Proofs*, 152–5. Also William Cobbett, *Rural Rides* (Everyman ed.), I, 87.

²⁴*Principles of Political Economy*, 2nd ed., 226.

²⁵*Ibid.*, 228, 229, 231, 250.

²⁶*Ibid.*, 320.

every other field, and did not have a very high opinion of his intellectual abilities. Yet they left the analytic dissection of the Malthusian theory to Senior and the discrediting of it to history. One possible explanation may be suggested by Bertrand Russell's characterization of them as "prudent, rational, arguing carefully from premisses which were largely false to conclusions which were in harmony with the interests of the middle class."²⁷ Perhaps to say "the *outlook* of the middle class" would be fairer. But in either case, if the answer lies in this direction, it suggests that while conclusions may follow logically from premisses, premisses may follow historically from conclusions. The Malthusian premisses fitted in too well with the conclusions of the Utilitarians to be subjected to the same harsh glare of logic which they turned on the ideas and feelings of the aristocracy and the poor.

²⁷Bertrand Russell, *Freedom and Organization* (London, 1952), 93.

A NOTE ON SOME LESSER-KNOWN WORKS OF ERIK LINDAHL

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PROFESSOR Erik Lindahl died in 1960. Most of those who are familiar with his extensive writings over the period 1919 to 1959 would certainly regard him as one of the leading economists of the century.¹ Unfortunately, very few of his papers have been translated into English. In large measure because his

¹Gertrud Lindahl, his wife, and Olof Wallmén published a complete chronological bibliography in the *Ekonomisk Tidskrift*, LXII, no. 2, May, 1960, 59-74.

There has recently been occasion in Sweden for reassessing Lindahl's work over the period 1927-39, much of which is familiar to English-speaking readers. Karl-Gustav Landgren finally published his long-awaited book, *Den 'nya ekonomien' i Sverige: J. M. Keynes, E. Wigforss, B. Ohlin och utvecklingen 1927-39* (The New Economics in Sweden: J. M. Keynes *et al.* and the Developments of 1927-39; with English summary; Stockholm: Almqvist & Wiksell, 1960), which contains sections about Lindahl.

As summarized by Olof Palme (quoted in G. Lindahl, "Erik Lindahl och 30-talets sysselsättningsproblem" [Erik Lindahl and the Employment Problem of the Thirties], *Ekonomisk Tidskrift*, LXII, no. 4, Dec., 1960, 296), Landgren's major thesis is that "in Sweden it was Ernst Wigforss [the Minister of Finance who first proposed the use of expansionary fiscal policy in the early 1930's] who, while economic research was still occupied with traditional wage theory, etc., appropriated the new economics . . ." and thus "helped get the economists out of the magic spell of the antiquated theories which held them prisoners." This view of the early Stockholm School is, to say the least, rather unconventional. To prove his point, Landgren had to attempt to show that economic writings prior to 1933 displayed an exclusive preoccupation with neoclassical problems and policy correctives. His treatment of Lindahl, whom he *never* credited with accepting the new economics, much less anticipating any of it, has been described by Tor Fernholm (see reference below) as "a disservice to Swedish economics."

A special issue of the *Ekonomisk Tidskrift* (LXII, no. 3, Sept., 1960) was devoted to a discussion of Landgren's book in a series of quite critical papers by Fernholm, Wigforss, and Erik Lundberg. All three attacked Landgren's analysis of Lindahl's work. Even Wigforss, the politician, in describing an encounter with Lindahl in the early 1930's, commented (p. 185): "He confined his remarks solely to the theoretical tenability of the reasoning in my presentation but in such a way that it was difficult to believe he could have been aloof from the whole trend." In addition, the next issue contained a well-documented refutation by Mrs. Lindahl, "Erik Lindahl," of Landgren's interpretation of Lindahl.

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