

# Classical and Marxian Political Economy

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# **Classical and Marxian Political Economy**

*Essays in Honour of Ronald L. Meek*

Edited by

**Ian Bradley**

*and*

**Michael Howard**

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# Ronald L. Meek

Professor Ronald L. Meek, Tyler Professor of Economics at the University of Leicester from 1963, died suddenly on 18 August 1978 at the age of 61. George Houston, Professor of Political Economy at the University of Glasgow and a close friend of Ron Meek for many years, writes:

‘In saying a few words about Ron’s life I shall inevitably be remembering him mainly as he was in Scotland. I make no apology for this; in his inaugural lecture at Leicester he claimed to be a naturalised Scot, though in fact his thirty years as a university teacher in this country were divided equally between Glasgow and Leicester.

‘Ronald Meek was born in Wellington, New Zealand in July 1917. He went to school and university in New Zealand in the 1930s, first to read law and then later to study economics before coming to Cambridge in 1946 with a Strathcona studentship to read for a Ph.D. under Piero Sraffa. In October 1948 he moved to Glasgow to take up a lectureship in the department of political economy. In 1963 he was appointed to the Tyler Chair of Economics at Leicester, an appointment which I am sure must have been partly the result of Fraser Noble’s close knowledge of Ronald’s talents as a lecturer, teacher and scholar.

‘I’ve met many Glasgow graduates from Ronald’s time and everyone placed him top of their list of lecturers in economics. He put an enormous amount of work into all his lectures — at whatever level — and was a model teacher in ways which his colleagues sometimes found it difficult to live up to. In scholarship he quickly established himself not only as an authority in his special fields but also as a splendid writer, and over the years his many books and articles on the Physiocrats, on

Malthus, Smith and Marx have made his name very familiar to fellow-scholars and students all over the world. But he was no narrow specialist. His first work was on the Maori problem and his last work, which he hadn't quite finished, was on matrix algebra.

'Ron was a humanist: he believed, in his own words, that "man can now begin, with full consciousness, to make his own history . . . All that is at issue is whether . . . *we* will make it well or ill." In New Zealand and in Britain he was for many years active in the socialist and communist movements. He was an outstanding teacher of Marxist economics and took many classes of Clydeside workers in the late 1940s and 1950s and is still remembered as a speaker and teacher of great clarity and integrity who was always able to explain ideas simply and clearly without ever covering up the difficulties and problems.

'In Leicester he widened the scope of his writings in economics, though at first he devoted a great deal of time to building up the economics department. He was largely responsible for the introduction of the B.Sc. degree course in Economics and also for the inception of the Public Sector Economics Research Centre. After giving up the headship of the department, his written output was prodigious and he published at least a book a year on a wide range of topics. Outside the university one of his most treasured interests was in the theatre (in which he had been involved in New Zealand) and I know he was very pleased to have been on the board of the Haymarket Theatre in Leicester.

'Ron was primarily an economics scholar, however, and perhaps I could mention one particular piece of scholarship which Ronald undertook while at Leicester but which kept him in close touch with us in Glasgow. It typifies his character and approach to work. The bicentenary of Adam Smith was to be marked by several publications, one of which was going to be onerous, indeed tedious to prepare. A set of student notes for Smith's lectures in Jurisprudence had become available, the text had to be deciphered, annotated, edited and matched against Cannan's version. Although joint author with David Raphael and Peter Stein, Ronald accepted the main responsibility for the volume, especially the text, and he spent

hours and hours on that text in the most meticulous checking and counter-checking. What he called his monocular vision must have made the task even more daunting for him.

‘This single-minded dedication to the task at hand was reflected in many aspects of Ron’s life. When he was about 40 – living in Glasgow – he decided to learn to play the piano, the kind of resolution many make at that sort of age but very few ever carry out. But Ron disciplined himself rigorously to so many minutes every day and with great persistence reached a competence which was no doubt less than he would have liked but much more than his more musical friends (and wife) believed possible.

‘While music was one of his joys, his main recreation was hill-walking. If he did not get on the hills, he said, he would be insufferable. For some of us who occasionally went walking with him he was pretty insufferable *on* the hills, for he could always keep going at full tilt when most of us wanted a rest. His little book on hill-walking in Arran was a model of its kind. Written in one (very rare!) wet summer in Arran with his family it reflected Ronald’s determination never to waste any time. He was restless when he wasn’t doing anything active – mentally or physically.

‘Even when he relaxed with his friends his tremendous zest for living was irrepressible. The Meeks’ flat in Glasgow was quite often the scene of meetings, parties or musical evenings which frequently ended in a sing-song that went on for hours. There was never any doubt about who was the star performer. Ronald had a phenomenal memory and could sing verse after verse of many long Scottish songs when the natives could hardly recall the choruses.

‘Ronald Meek was a man of great dignity and distinction. His contribution to economics scholarship is secure and permanent. His sensitivity, dedication and relentless capacity for work are attributes we remember with awe and affection. If we say farewell to him too early in his years, we can also acknowledge that he did far more in these years than most of us would be very glad to achieve in two life times.

‘Ron was proud to be an economist and defended his profession rationally yet passionately. Perhaps I can therefore finish with a few words that he himself spoke at the end of

his inaugural lecture at Leicester University:

Even if the object of the economist were simply to economise for its own sake, and nothing more, this would surely not be an ignoble pursuit in a world where many millions of people are still starving. Man, after all, does not live by freedom alone. But the economist does not, of course, preach affluence for its own sake. He preaches it for the sake of the good life which is impossible without the leisure which affluence brings with it. Economists, as Keynes once said, are 'the trustees not of civilisation, but of the possibility of civilisation'.

Ronald was a good trustee of that possibility.'

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# **An Introduction to Classical and Marxian Political Economy**

Ian Bradley and Michael Howard

## **1 THE HISTORY OF ECONOMIC THOUGHT**

The purpose of this introduction is to outline certain characteristics of Classical and Marxian political economy for readers who are relatively unfamiliar with this work. In doing so a major difficulty has to be faced. The interpretation of Classical and Marxian political economy, as well as of the individual economists who make up these schools, is highly controversial. No better illustration of this is provided than the various assessments which have been made of Ricardo's work on value and distribution. At one extreme, Marshall (1890, appendix 1) argued that the labour theory of value, with its implication that profit represents exploitation, was for the most part an irrelevance and Ricardo's main achievement was to abandon it. A polar opposite view is that of Marx (1862b), who maintained that Ricardo's analysis represented a significant stage in the development of a logically watertight theory of surplus value. Others, like Stigler (1958), imply that Ricardo's affinity to Marx stems from a pragmatic commitment to the labour theory, not a philosophic or even analytic orientation. On the other hand, Myrdal (1953) and Gordon (1959) reverse the basis of adherence. Mill (1848) and Marshall (1890) both considered themselves part of the Ricardian tradition. In contrast eminent historians of thought,

like Schumpeter (1954), argue that by the 1830s Ricardianism was no longer a living force. Ricardian theory, however, is not unique in this respect. A similar variety of interpretations exists regarding the work of Quesnay, Smith and Marx.

This diversity of views poses problems for any attempt to summarise the history of economic thought, but it should not be considered surprising. The economic theory of the past has to be ordered by some standards of selection, comparison and evaluation. It is in these terms that economists are grouped into schools and their work is historically judged.<sup>1</sup> Since such standards are diverse, so too are the interpretations to which they give rise.

In this introduction our standards of interpretation are the same as those which were adopted by Meek in his last general works on the history of economic thought (Meek, 1973a, 1977). These built on his earlier analyses within the Marxian interpretation of this history (Meek, 1953, 1956, 1962) and were greatly influenced by the contemporary work of Sraffa (1960) and Dobb (1973). The adoption of these standards has a degree of appropriateness beyond the dedication of this volume. Not only are these standards most useful for an understanding of the essays which follow but they also place into perspective the modern controversies in value and distribution theory.

The distinguishing characteristic of this interpretation is the consideration of value and distribution theory in terms of two traditions of analysis. On the one hand, there are theories of supply and demand whose principal concern has been to study the allocation of resources in the context of a price system. On the other, there is theory which has sought the basis of explanation outside supply and demand analysis and has concentrated attention on the origins, measurement and utilisation of the surplus which arises in the production activities of capitalist economic structures. Meek (1977) referred to this second body of analysis as the Ricardo—Marx—Sraffa tradition. It is not suggested that these two types of analysis developed independently or that they have been insulated from each other.<sup>2</sup> What is suggested is that the history of value and distribution theory can be meaningfully structured through this framework of interpretation and that

doing so throws light on the controversies which have occurred in this area of analysis.

## 2 THE ANALYTIC PURPOSE OF CLASSICAL AND MARXIAN POLITICAL ECONOMY

As we indicated in the previous section, the major problem which concerned Classical and Marxian political economy was the analysis of the surplus generated in the production activities of a capitalist economy. Output was divided into two components: first, that portion which was required for the reproduction of this output and, thereby, represented necessary costs of production; second, that portion which was 'disposable' in the sense that it could be consumed without affecting the reproduction capability of the system, or it could be used to expand productive capacity through accumulation.<sup>3</sup> Classical and Marxian political economy concerned itself with the origin, form, measurement and utilisation of this surplus.

Naturally enough in doing so both schools formulated concepts which appear arbitrary or ill-informed unless they are related to this problem. This is most clearly the case for the distinctions which were made between productive and unproductive labour. Such dichotomies are pervasive in Classical and Marxian political economy, though individual economists made the distinction differently depending on how they conceptualised the surplus. However, in most cases the basis of the distinction is clear and sensible. Productive labour is that labour which produces a surplus; unproductive labour is that which does not. Unproductive labour was not regarded as socially detrimental or useless. The utility-generating potential of its outputs was not at issue. Unproductive labour was simply regarded as labour which did not yield surplus.

There are other concepts and propositions which were developed by Classical and Marxian political economy to which this consideration is of less importance. In undertaking an analysis of the surplus, Classical and Marxian political economy did develop theory which could be easily separated from this analysis. This is true of the theories of value, co-ordination and accumulation which were developed. However,



in the context of the work we are concerned with, these theories were orientated towards aiding the analysis of the surplus and as such are considered from this perspective in this introduction.

The conceptualisation of the surplus did differ significantly within Classical political economy. Most renowned is the work of the Physiocrats, who confined the generation of surplus to agricultural production alone. Manufacturing and commerce were regarded as 'sterile'. The rationale for such a view can be easily appreciated from the following statement of this doctrine:

Give the cook a measure of peas, with which he is to prepare your dinner; he will put them on the table for you well cooked and well dished up, but in the same quantity as he was given, but on the other hand give the same quantity to the gardener for him to put into the ground; he will return to you, when the time has come, at least fourfold the quantity that he had been given. This is the true and only production. (Paoletti, 1722; cited in Marx, 1862a, p. 60.)

Non-agricultural labour was therefore regarded as unproductive. It could only transform the primary products of nature into more useful forms.<sup>4</sup>

The belief in the unique surplus-producing ability of agriculture was therefore justified in physical terms by the Physiocrats. However, they usually conceived of this surplus as manifesting itself in the value form of land rents.<sup>5</sup> Their reason for doing so rested on the belief that the equilibrium wage would not rise above subsistence owing to a population mechanism which Malthus was later to popularise. It also rested on the belief that, under free competition, the equilibrium price of any manufactured commodity would equal costs of production in which profits would be non-existent or, properly conceived, would represent only necessary reproduction costs (Meek, 1962, pp. 297–312, 347–8). It was therefore the landowning class who had control of 'disposable' economic resources.