

~~Originals~~ Originals in the Possession of Mrs. Meek

Cambridge Journal of Economics

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Professor Ronald Meek
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Dear Professor Meek,

We have received the enclosed comments on your report on the article by Krishna Bharadwaj for our Dobb memorial issue. We thought you might like to see them.

We have accepted the article subject to a series of revisions, many of which were derived from your comments. We are very grateful for the work you put in.

Best wishes.

Yours sincerely,

Ronald Pettifell
Jo Bradley
Managing Editor

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Department of Economics

26th January 1978

Ms. J. Bradley,
Managing Editor,
Cambridge Journal of Economics,
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Sidgwick Avenue,
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Dear Ms. Bradley,

Thanks for the report on my article which I find very useful - I am grateful to the referee for indicating certain possible sources of misunderstanding and over-emphasis which I shall bear in mind while revising the article.

(1) I agree that the sharp outline I present in the key section is from the vantage point of view of the current understanding and interpretations and represents Marx more than others in the classical tradition. I have presented the outline with a sharp focus, not so much to represent historical development of doctrines but as a logically sustainable theoretical structure that emerges, in sharp contrast to the later neo-classical one: I certainly do not maintain that every classical writer, consistently or overtly, adhered to this framework (e.g. now it appears more clearly that the "Law of diminishing returns" attributed to Ricardo as well as the Malthusian population doctrine are logical fifth wheels in Ricardo's theory of value and distribution). I also agree and do mention in the text that opposition to classical theory had started building up already in the early part of the 19th century, with possibly explicit ideological motives, but a fullfledged framework - as a theoretical alternative - emerged clearly in the later part.

(2) It is possible that my presentation overdoes the Marshallian bias in relation to Dobb. As I myself point out, Dobb avoided the Marshallian idiom in later writings (and the use of such an idiom in the dominant period of Marshallian orthodoxy is understandable). If I have reverted back to the question it is not so much to fault Dobb as to warn against many of the surviving misinterpretations originating, among others, in Marshall (e.g. Marshall's Appendix I on Ricardo) which have continued to be looked upon as serious drawbacks in classical theory (e.g. the assumption of a fixed rather than given wage overstressing the logical reliance on Malthusian population theory; the requirement of restrictive assumptions such as constancy of returns to scale, equal organic composition of capital etc. for prices of production and the Ricardian or Marxian propositions on distribution; the idea that diminishing returns in agriculture necessitate introduction of demand-half of the equilibrium; cf. Shove's article on Marshall, Samuelson's continuing interpretation of Ricardo and Marx). In

/continued.....

PEC Dobb brings these in, being rather on the defensive and although we know his viewpoint would have been different in recent times, many of such views not explicitly confronted by him again, continue to be referred to in the original formulations. I do appreciate that PEC has to be read in its own historical context of ideas as developed then. However PEC even today - and deservedly - remains one of the few valuable texts on classical theory, from which all of us have learnt our alphabets, so to say. If, however in raising these issues I seem to be ungenerously faulting Dobb, I would very much like to present the matter in such a way that this unintended impression is removed. This applies also partly to the fourth point: I think, the logical requirement of the determining constant being itself without value is an unnecessarily rigid requirement which has drawn the attack from the opposition of the failure of classical theory to handle simultaneity of relations.

As to the third point, true, Adam Smith is ambiguous but I would want to distinguish between the Smithian discussion of supply and demand conditions and the later supply and demand theory of value and distribution, so that in a less rigorous sense would Smith appear to be the precursor. The Jevonian "Revolution" would not appear to be such a radical departure were it not for this difference. The Vulgar elements (of supply and demand based propositions) in the Marxian sense, did continue all through the classical period (Malthus, Say, Mill). I think, we need however to distinguish theoretically between these vulgar elements and the theoretical structure that was erected by the marginalists under the same nomenclature. The later theory did not arise merely out of rendering Smith consistent. Again, Dobb would have probably agreed as to the destruction and the difference could be minor between us. If the expressions suggest a sharper difference I would watch out for such misleading expressions.

On the fifth point I would like to assure the referee that it is far from my intention to undermine Dobb's unique contribution and place in classical theory which he sustained, with competence and steadfastness, through periods which threatened to cast it into oblivion. This, first draft of my article has certain staccato appearance and I would be adding a paragraph in conclusion, making it clear that my opposition is not to Dobb but against the possible misuse of some of the doubtful formulations, 'minor' for Dobb, but which continue to be cleverly utilised to undermine the strength of the classical theory and hence need to be looked into.

Yours sincerely,

K. Bharadwaj

K. Bharadwaj.



Dear Professor Meek,

In replying to your letter of 6th, more by way of an acknowledgement, I did not touch upon the issues you had raised on the Marshall paper; partly, because I thought I would clarify some of them in a revised version which I shall certainly send you later.

However, lest it creates an impression that I have eluded over substantive questions, I am sending you my provisional and immediate reactions.

(1) As to use-value in Smith and Ricardo; yes the expressions I use are due to Marx. However the point remains: Although Ricardo accepts the notion of use-value to mean capacity to satisfy a want, it is not quite what De Quincey suggests, Mill adopts and Marshall repeats upon. The latter notion has an emphasis - especially so - on the individual's estimation of that want-satisfying power and its refused measure in price. While Ricardo might object to what you call the need-scale; he certainly has the qualitative aspect of commodities in their being use-values while De Quincey has a quantitative aspect of value. Ricardo might object to what you call the need-scale; he certainly has the qualitative aspect of commodities in their being use-values while De Quincey has a quantitative aspect of value.

(2) It is true that the interplay of supply and demand conditions in affecting Market values is acceptable to Ricardo. But Mill ~~not~~ turns it into a class of commodities with its own laws of value and the class itself is wide enough to cover a number of cases and the mechanism rigorous enough to be analysable in terms of definable functional relations ^{in terms of hypothetical quantities and prices} belonging to Marshall turns the market prices again into situations (rather than a class of commodities) but generations the mechanism of supply and demand determination.

③ ~~Ricardo~~ When he includes profit in the costs of production, Ricardo explicitly states that ^{so} ~~is~~ defined it is value. (I refer to the famous passage in Notes on Malthus / ^(p. 46) where he is arguing against Malthus's position that both market and normal values are determined by demand and supply). Profit and wage both cannot determine prices. When both are so put ^{together}, it is a definition of value. I shall try to develop this point more clearly with explicit references.

The argument is also implicit when Ricardo insists on the inverse relation between wages and profits as a logically compensating proposition, formally demonstrable.

④ The position I am taking on the status of diminishing returns and Malthusian theory, I agree, needs to be developed. Of course, there are bound to be ambivalencies since Ricardo did not himself perceive these as additional baggage. But as Sraffa points out his Essay on Profits was ready (in its major arguments) even before the Malthusian doctrine of rent appeared. In fact it is this logically sustainable reconstruction that ~~is~~ bridges, through Sraffa, Ricardo and Marx much more effectively. I agree, one need not

enforce ~~this~~ ^{this} ~~idea~~ ^{regime} on Ricardo but I believe, (and hopefully, would be able to work out) that the interpretation may not be so obtained as far as value and distribution theory of Ricardo goes. I, of course, am not referring to the "neofunctional dynamics" ^{state} ~~of~~ or the stationary ^{state} ~~of~~ bit of his development theory etc., which I think are much inferior parts in Ricardo and which unfortunately the historians of economic thought have chose to highlight.

I am sorry these are very tentative thoughts but I can provide immediately in reply - Thanks again
Yours sincerely,
Kushal Bhattacharya