

# Ricardo's travels into several remote nations

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It is always fascinating to see how the writings and ideas of authors – be they philosophers or scientists – are progressively taken into account, discussed, accepted or rejected in their own countries according to various historical intellectual circumstances. It is even more interesting to study how these writings and ideas cross borders and spread across nations and through time, being discussed, rejected or accepted anew in totally different environments to those prevailing in their home countries.

Yet this kind of inquiry, at least in the history of economic thought, is still in its infancy. While some one-off studies have been published in the past, large-scale research on the reception and dissemination of specific authors or doctrines is rare<sup>1</sup> and certainly needs to be developed. Not only does it shed new light on the works in question, but it is also a powerful aid to understanding the theories and contexts with which they often came into conflict.

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<sup>1</sup> See for example Delmas, Demals and Steiner 1995 on the international dissemination of Physiocracy; Tribe 2002 on the reception of the works of Adam Smith, and Kurz, Nishizawa and Tribe 2011 on more specific topics. For some general reflections on the international diffusion of economic thought, see Cardoso 2003 and the appended bibliography.

It highlights the fact that the history of economic thought is not only the logical analysis of certain corpuses, or the rigorous restatement of theoretical approaches, but also an account of the non-linear developments of concepts, ideas and policies according to the different national realities.

The present book is an attempt to go in this direction and to study the reception and dissemination of the works of David Ricardo in various European countries (French-speaking and German-speaking countries, Italy, Portugal, Spain and Russia) and in Japan, the discourse being even wider if we take into account the role of some Latin American countries (Brazil, Argentina, Mexico) in the case of Portugal and Spain. The chapters collected here were presented at a conference organised in Kyoto by the Ricardo Society Japan in March 2012<sup>2</sup> – “The reception and diffusion of Ricardo: an international comparison” – and rewritten for this publication.

## 1 The nature of the project

Two centuries after the publication of Ricardo's major works, and while so much has been written on the different elements of Ricardo's doctrine, it is high time that we had a precise idea of their effective reception. The case of Great Britain has been investigated while studying the important theoretical developments and controversies that took place there during the 19th century. But Britain attracted almost all the attention of scholars, and other countries have been largely neglected. Moreover, students of the history of economic thought were gradually taught a strange success story – the result of decades of retrospective illusions. As an example of such an account, let us refer to the introduction Paul Beauregard wrote in 1888 for the first – and unique – abridged edition of the French translation of Ricardo's *Principles of Political Economy and Taxation*.<sup>3</sup> After reassessing the main points of Ricardo's theory of value and distribution, he remarks:

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<sup>3</sup> For the history of the French translations of the works of Ricardo, see Chapter 1 below. In general, for extensive developments of the topics alluded to in this introduction, please see each relevant chapter of this book.

When the book was published in 1817 it was prodigiously successful. It was an event and it seemed that the science of economics was disclosed for the first time. Of course there was some resistance: Malthus had reservations and our J.-B. Say vigorously fought some of Ricardo's doctrines. But critiques remained few and went almost unnoticed amidst general applause . . . J. Mill and, after him, the main economists in England declared they were Ricardo's disciples. The doctrine became *orthodox* and they were tempted to despise those who dared oppose. This was no transient success: the work is still a classic and one can say that, from 1817 until today, the history of an important part of political economy has been the very history of Ricardo's book. (Beauregard 1889: xx–xxi)

Of course, this statement echoes the celebrated passage of the *Confessions of an English Opium-Eater* – quoted by Beauregard – where Thomas De Quincey describes how deeply he was impressed when he read Ricardo's *Principles* in 1818. But Beauregard generalised this reaction, making it appear to be the general opinion not only in Britain but implicitly also in France and Europe. Of course, he admitted, the interest in Ricardo's writings faded away over time because economists realised that some predictions, or rather alleged predictions – especially the evolution of the distribution of income between rent, profits and wages – had not been fulfilled, and also because, after the publication of *Das Kapital* by Karl Marx, Ricardo became the “prisoner” of the socialists. But in the end, this qualification sounds minor and does not weaken the overall impression of the immediate success of Ricardo's approach and its triumphant march through most of the 19th century. Beauregard's account may be highly sketchy, it was nevertheless shared afterwards in various forms by many scholars.

However, the studies collected in the present book tell an entirely different story. The reception of Ricardo, at least in continental Europe – the case of Japan being more specific – had nothing of this triumphant march, and the success, if any, was not immediate. Why this was so depended of course on the peculiar intellectual and political situation of each country. Our purpose is therefore to outline a much more exact picture of what actually happened.

The study of Ricardo's international reception first raises the question of the availability of his texts. The writings of Ricardo could of course be read in their original English versions. At the beginning of the 19th century, this was the case in Switzerland, and more precisely in Geneva, where the active group around the periodical *Bibliothèque Britannique* – then the *Bibliothèque Universelle* – paid great attention to everything that was published in Great

Britain. This was also the case with Jean-Baptiste Say in France, and some prominent Spanish and Portuguese émigrés: the best examples being those of the Portuguese intellectual Francisco Solano Constâncio, who translated Ricardo's *Principles* ... into French in 1819, and of the Spaniard Alvaro Flórez Estrada, who published his *Curso de economia política* in London in 1828. But those who could read the original versions of Ricardo's writings were in fact a tiny minority who had, moreover some direct link with England. For wider diffusion, translations were needed.

The French translations were the first available and played an important role in the reception of Ricardo's ideas in Europe. As early as 1810, the French version of the third edition of *The High Price of Bullion* was published in three instalments in a newspaper, *La Gazette Nationale ou le Moniteur Universel*. In 1817 and 1818 excerpts from the first chapter of the *Principles* were inserted, with comments, in the Genevan *Bibliothèque Universelle*, and, in 1819, the first edition of the book was published in French in Paris, with critical notes by Jean-Baptiste Say. Almost three decades later, in 1847, the translation was revised and republished, allegedly on the third edition, with many other works by Ricardo, under the title *Œuvres complètes de David Ricardo*.

Another case of early translation was the German version of the first edition of the *Principles*, published in 1821. The second edition was not translated until 1837, and the third in 1877. In the other countries studied in the present book, the first translations of the full text of the *Principles* were slower to arrive: 1856 in Italian, 1873 in Russian, 1921 in Japanese, 1932 in Spanish and 1975 in Portuguese, although excerpts were published in 1848 in Spanish and in 1938 in Portuguese. There were also other ways to come into contact with the Ricardian approach, especially through the various translations of James Mill's *Elements of political economy*, John Ramsay McCulloch's *Principles of Political Economy* and, some decades later, John Stuart Mill's *Principles of Political Economy*, which were more adapted to a large audience than Ricardo's own works.

But the dates of the translations do not tell the whole story, and their late publication in most countries, while meaningful, is far from decisive. As a matter of fact, during a significant part of the 19th century, the French language was still dominant among cultivated people on the continent, and the French editions played an important role in the reception of Ricardo's ideas. As is stated clearly in the chapters on Portugal, Spain, Italy and Russia

– but also that on Germany and Austria – the French editions circulated widely among economists in these countries.

The question of the first availability of translations inevitably raises the issue of their quality. We can easily imagine that at the beginning of the 19th century, with Smith's and Say's prose in mind, it was not easy to understand and translate Ricardo's much more precise and abstract developments. And on this point the picture is not rosy. While widely circulated and read, the French translations of some of Ricardo's works – especially the 1819–1835 editions of the *Principes de l'économie politique et de l'impôt* – proved to be approximate and even defective, and it is likely that some important aspects of Ricardo's doctrines – the theory of rent for example – were misunderstood because of this. Unfortunately, the 19th-century German translations were apparently even worse, with the same consequences. German-speaking readers had to wait until 1905 to have an accurate version of the *Principles*.

If we discard this problem of accuracy, the reception of Ricardo also depended on the intellectual and political circumstances prevailing in the different countries. Ricardo's writings did not reach their readers in a vacuum: many currents of thought already occupied the space. Cameralism, for example, was still important in Austria. The so-called “use-value school” developed in Germany, which later saw the emergence of the two German historical schools. In France, the works of Jean-Baptiste Say and his interpretation of Adam Smith were predominant and the writings of ‘outsiders’ like Jean-Charles-Léonard Simonde de Sismondi also played an important role. This means that, generally speaking, Ricardo's ideas arrived in countries where a different approach to political economy predominated, roughly based on a supply and demand framework and thus a priori hostile to his doctrines of value and income distribution, although his view on money was generally considered more sympathetically.

In this theoretical landscape, Say's writings were central, and in particular the notes he appended to the French translation of the *Principles*. If we add the fact that, for the major part of the 19th century, Say and the French liberal economists exerted great intellectual influence abroad – through their many books and treatises but also, from the 1840s on, through the Société d'économie politique, the *Journal des économistes* and the *Dictionnaire de l'économie politique* – it is easy to understand that for a time, their specific vision of Ricardo shaped the reception of Ricardo in other countries. Other French

thinkers had also exerted some influence, to a lesser degree: Sismondi, for example, Jean-Paul Alban de Villeneuve-Bargemont and his Christian political economy, and some socialist writers. But they all held a critical attitude towards Ricardo. This does not mean that, in the different countries, one author or another did not adopt some of Ricardo's ideas. Nor does it mean that there were no Ricardians at all but they almost always had some reservations, like Pellegrino Rossi in France, Francesco Fuoco in Italy, or Karl Heinrich Rau in Germany. The case of Japan is particular, since the works of Ricardo were introduced there very late, when they were already considered part of the history of economic thought.

The history of the reception of Ricardo's writings concerns not only the geographical dissemination of his ideas, but also the positions the readers held in their own countries – were they teachers, journalists, politicians, etc.? – and, inextricably, time. In the different countries, the specific intellectual and political events during the 19th and the beginning of the 20th century played a part and most often dictated the choice of the topics which, in Ricardo's works, were to attract attention: the theory of rent, the inverse relation between wages and profits, money and banking, the theory of value and prices, etc. This is particularly true for Portugal and Spain, where the political turmoils and the sporadic emigration of intellectuals played an important role – some of them lived for many years in England or France and may have had direct knowledge of the writings published there and their authors. This is also striking for Italy where, in late 19th century, almost only the monetary doctrines of Ricardo were of interest to the majority of economists. And for all the European countries – except perhaps France – and Japan at various moments in their 19th century history, the critical attitude towards Ricardo's *Principles* was rooted in an awareness of the need to modernise their economy and to achieve important reforms for the sake of development: in these circumstances Ricardo's discourse seemed too theoretical and abstract, unable to suggest suitable policies to cope with such specific situations.

Last but not least, the consideration of time is obviously also important for understanding the Ricardo revival in the late 19th and the 20th centuries, before the important wave of studies generated by the Sraffa edition of the *Works and Correspondence of David Ricardo* – from 1951 on – and the publication of his own *Production of Commodities by Means of Commodities* in 1960. This first revival was due to Marx and the various Marxist currents of thought that followed, especially in Germany and Russia where their influence was strong.

It presented two different aspects. On the one hand, some authors – like Yuli Galaktionovich Zhukovsky, Vladimir Karpovich Dmitriev and Ladislaus von Bortkiewicz – were motivated by a genuine interest in Ricardo and published valuable analyses which may have gone unnoticed at the time but were fortunately rediscovered later on. The best example is Dmitriev's *Economic Essays* (1904), which were only brought out of oblivion by their French translation in 1968. Although intellectually important, these authors were a minority. On the other hand, as time went by and especially after the 1917 Revolution in Russia, other authors read Ricardo more through Marxian spectacles, and his theory of value and distribution was again studied in the perspective dictated by the new Bible, *Das Kapital*. Isaak Illich Rubin is certainly one of the most interesting of these authors. In a sense, Beauregard was not wrong when he wrote that they made Ricardo their prisoner – he could not have foreseen that some decades later, a strange Italian *émigré* would set Ricardo free again.

## 2 The content of the book

The studies included in this book have been approximately ordered according to the chronology of the contact the different countries had with Ricardo's works.

Chapter 1, by Alain Béraud and Gilbert Faccarello, aims to provide a first precise picture of the French reception of Ricardo's works and ideas. Limiting the study to the first three-quarters of the 19th century, it concentrates on some of the most important debates in which Ricardo's ideas were discussed. After setting the stage and describing the intellectual context of this reception, the chapter presents the various translations and editions of Ricardo's writings in the French language. It then deals with some methodological aspects of Ricardo's approach to political economy – mainly his “abstract” theoretical way of thinking – in general heavily criticised by the French authors. The following sections are devoted to more specific topics: value and wealth, rent, money and banking, and finally Say's law of markets and crises. On all these points, the reception was rather hostile and critical. On the whole, Ricardo's ideas were received in a theoretical context marked by Turgot and Say and a widely-accepted French adaptation of Adam Smith's *Wealth of Nations* in a supply and demand framework. This does not mean that Ricardo was not influential in France, but his legacy was fragmented, and some economists

only retained the aspects of Ricardo's doctrines that were of interest to them, discarding or criticising the rest. Ricardo was also influential in another, more diffuse way. His writings obliged certain authors to react to and discuss his ideas, thereby also driving them to clarify and develop their own theories. This was obviously the case for Say and Sismondi – who had furthermore the opportunity to discuss directly with the author of the *Principles*.

Chapter 2, by Christian Gehrke, reviews some of the more important German contributions to the development of the classical approach to value and distribution in the century from the publication of Ricardo's *Principles* in 1817 to the beginning of the Great War in 1914. After providing an overview of the German editions and early German book reviews of Ricardo's *Principles* and a summary account of the development of the German economic discourse in this period, the role of the German historical schools in the demise of Ricardian economics in the German-speaking countries is briefly discussed. Then two different lines in the further elaboration of Ricardo's approach to the theory of value and distribution are examined in greater detail, focusing on the contributions of F. B. W. Hermann and Johann-Carl Rodbertus. The final two sections offer a critical assessment of the contributions of Ladislaus von Bortkiewicz and Georg von Charasoff, and of their critique of Marx's attempt to elaborate on Ricardo's analysis of prices and income distribution.

Chapter 3, by José Luís Cardoso, is devoted to the diffusion and appropriation of Ricardo's thought in Portugal and explains why it was limited and confined to a small number of authors. After presenting a descriptive account of the reading of Ricardo during the period under analysis, the chapter emphasises the role of Solano Constâncio, a Portuguese *émigré* who lived most of his active life in Paris and who translated Ricardo's *Principles* into French. However, Constâncio was also responsible for the spread, among Portuguese readers, through his essays and reviews, of a critical view of the alleged universal and abstract principles of political economy usually associated with Ricardo and Ricardian economics, which may be considered one of the main causes of the limited influence of Ricardo in Portugal during the first half of the nineteenth century. This chapter also describes how, having lost the opportunity to be influential during the period of the hegemony of classical economics, Ricardo's thought and Ricardian economics alike have not attracted thorough and competent interpretation by Portuguese economists in more recent periods.



Chapter 4. This chapter, by Salvador Almenar, examines the reception and dissemination of Ricardo's theories in Spain, distinguishing different channels, forms and degrees. It first deals with the period up to 1834. Ricardo was known in Spain through the French translation of the *Principles* and, above all, indirectly through authors such as James Mill, or the critical comments by Sismondi and Say. It then examines the case of Alvaro Flórez Estrada (1766–1853), because of his singular reception and reformulation of the ideas of Ricardo, McCulloch and Mill in his *Curso de economía política* – which had seven editions between 1828 and 1853. Flórez accepted the Ricardian theories of distribution and development, but he modified the model by proposing a regular process of improvement in agriculture and by expanding the analysis of the incidence of a land tax. His influence in Spain and Latin America was important during the 1830s and 1840s. This chapter finally presents some other attitudes adopted by Spanish economists towards Ricardo between 1834 and 1868: simple ignorance, partial and explicit criticism, or systematic refutation.

Chapter 5, by Anna La Bruna and Annalisa Rosselli, enquires as to whether Ricardo's monetary thought and theory of value met with different fortunes in Italy in the 19th century. The authors argue that at the theoretical level it is legitimate to separate the destiny of Ricardo's ideas on money from that of his ideas on value and distribution. They show that Ricardo's views on money enjoyed a wider and more favourable reception than those on value and distribution, but ultimately they were no better understood or endorsed, since neither the historical situation nor the approach to economics favoured their acceptance. To support this conclusion, the authors outline the main monetary issues that were discussed in Italy subsequent to independence in 1861, the major laws proposed or approved to solve them, and the protagonists of the debates they entailed. After a summary of the main conclusions of Ricardo's theory that are relevant to the issues debated in Italy, the influence of Ricardo on the monetary debates in Italy in the 19th century is discussed, with particular focus on the controversy of the late 1870s. The authors show that, unlike Ricardo's approach, the Italian debate was developed at the microeconomic level: the differences between protagonists concerned the factors that affect the preferences of individual agents for different kinds of money.

Chapter 6, by Denis Melnik, reviews the three periods in the development of economic science in Russia during the last two centuries. For different reasons, these periods provided an unfavourable context for the reception of Ricardo's economic ideas. In the first period, for about half of the 19th century, the name

of Ricardo was not unknown, but his theory attracted no attention. In the second period, which started in the 1860s and ended with the Russian Revolution, the consensus towards Ricardo among the majority of Russian economists was based on a respectful distance. Still, there were some attempts to update Ricardo's economics to Russia. Nikolai Ivanovich Sieber, the first translator of Ricardo into Russian, regarded his theory as a preceding stage to Marx's, while Yuli Galaktionovich Zhukovsky, who rejected Marxism from the very beginning, made an attempt to reformulate Ricardo's theory in terms not dissimilar to the later neoclassical interpretation. The subsequent rise of marginalism and the heated debates among Marxists at the turn of the 20th century resulted in endeavours to 'synthesise' classical and marginalist approaches to value and distribution characteristic of a number of Russian economists: this was the background to Vladimir Karpovich Dmitriev's original interpretation. In the third period, during the Soviet era, the canonical version of the history of economic thought placed Ricardo as an immediate predecessor of Marx. By comparing the approaches to Ricardo's economics proposed by Isaak Illich Rubin and Piero Sraffa, the author outlines the difference between the two lines of development of the classical approach during the twentieth century.

Chapter 7, by Masashi Izumo and Shigemasa Sato, describes the reception and diffusion of Ricardo in Japan from 1869 to 2012. Although it cannot avoid being selective, it singles out those studies that best illustrate the reception of Ricardo's works and the main currents in Japanese Ricardo studies. The chapter deals with two distinct periods, each starting with a major event which had a deep impact on Japanese society: the Meiji Restoration and World War II. During the first period, i.e., during the late 19th and early 20th century, a wide range of translations of Western economic writings played a significant role in advancing and developing economic thought in Japan. But, in this context, the introduction of Ricardo was late compared with J. S. Mill, Malthus, Smith, Say, Marshall, Jevons, List and Marx: it is shown how studies of Ricardo, both from the Marshallian and from the Marxian points of view, were introduced into Japan in the 1910s and then passed on to later generations of scholars. For the second period, i.e., from 1945 to the present, particular attention is paid to certain Japanese studies of some controversial interpretations of Ricardo – for example Sraffa's interpretation of early Ricardo in terms of a 'corn-ratio theory', or the question of whether or not Ricardo's theory of money departs from the classical quantity theory – thus providing possible interesting comparisons with analogous debates abroad.

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