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Review of *The Economics of Thomas Robert Malthus* by S. Hollander

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Book Reviews

Editor's Note: Guidelines for Selecting Books to Review

Occasionally, we receive questions regarding the selection of books reviewed in the *Journal of Economic Literature*. A statement of our guidelines for book selection might be useful, therefore.

The general purpose of our book reviews is to help keep members of the American Economic Association informed of significant English-language publications in economics research. Annotations are published of all books received. However, we receive many more books than we are able to review so choices must be made in selecting books for review.

We try to identify for review scholarly, well-researched books that embody serious and original research on a particular topic. We do not review textbooks. Other things equal, we avoid volumes of collected papers such as festschriften and conference volumes. Often such volumes pose difficult problems for the reviewer who may find himself having to describe and evaluate many different contributions. Among such volumes, we prefer those on a single, well-defined theme that a typical reviewer may develop in his review. A volume that collects together papers from a wide assortment of different topics is not preferred to one devoted exclusively to one topic.

We avoid volumes that collect previously published papers unless there is some material value added from bringing the papers together. Also, we refrain from reviewing second or revised editions unless the revisions of the original edition are really substantial.

Our policy is not to accept offers to review (and unsolicited reviews of) particular books. We have examined the consequences of an alternative policy and have determined that we lack the resources to deal appropriately with unsolicited reviews. Coauthorship of reviews is not forbidden but discouraged and we ask our invited reviewers to discuss with us first any changes in the authorship or assigned length of a review.

J.P.

[Reprinted from *JEL*, March 1992, *30*(1), p. vi.]

B Methodology and History of Economic Thought

The Economics of Thomas Robert Malthus. By Samuel Hollander. Toronto: University of Toronto Press, 1997. Pp. xviii, 1053. $135.00. ISBN 0–8020–0790–2. *JEL 98–0012*

This is the fourth volume in Samuel Hollander's monumental Studies in Classical Political Economy, the first three being volumes on Adam Smith, David Ricardo, and John Stuart Mill. In the last two books, Thomas Malthus was more a foil for Hollander's treatments of Ricardo and Mill than a figure in his own right. In this book Hollander sets out to do justice to Malthus himself, where this is a matter of explaining his views on demography, economic growth, aggregate demand, value and distribution, money and trade, and the theory of policy. As in his previous studies, this volume involves a painstaking attention to the texts. This makes for a particularly difficult task in the case of Malthus by virtue of his continual alteration of his writings, but it also creates considerable opportunity to observe the development of Malthus' thinking.

Hollander himself regards the major conclusion of the volume to be "the discernment of a possible backward link between the Physiocrats and Malthus, partly mediated via Adam Smith, and a forward link to Sraffa insofar as Malthus developed explicitly a corn-profit model" (p. 4). He thus places Malthus in both the scarcity and surplus traditions, and concludes that Malthus never succeeded in developing a fully consistent single system of thought. Ricardo, in contrast, is confirmed as being entirely in the scarcity tradition for having contested Malthus on the exceptional status of corn as a commodity and for rejecting a superior productivity attributed to the agricultural sector. In light of the lengthy, rich exchange between Malthus and Ricardo, a principal concern of Hollander's is whether Malthus eventually gave in to Ricardo. His verdict is that Malthus ultimately did surrender to Ricardo on the simultaneous decline in real wage and profit rates in a growing economy with land scarcity, thus placing both in the camp of the Samuelsonian "canonical" growth model.

The signal event in this latter development was Malthus' late-life reversal on agricultural protectionism and his abandonment of support for the Corn Laws—a change, Hollander notes, that was neither recognized by Malthus' contemporaries nor one that has been acknowledged by the modern secondary literature. The case Hollander makes (pp. 846 ff) depends on a close comparison of the first and (posthumous) second editions of Malthus' *Principles of Political Economy*. The latter edition lacks the key protectionist arguments of the first edition, and in Hollander's view there appears to be "a renunciation of the case for balanced growth and self-sufficiency in food"—Malthus' original views—"in favour of industry-based growth, the Ricardian position" (p. 811).

If Malthus moved toward Ricardo on free trade, did he also give in on his other often-noted differences with Ricardo? A continuing thread through much of Hollander's discussion is a probing of J.M. Keynes' evaluation of Malthus as a methodological inductivist free of the deductivist Ricardian vice. The inductivist label dates back to Malthus' earliest critics, and for some was mixed with the charge that his work was unsystematic, confused, and simplistic. But Cambridge inductivists such as Richard Jones did not regard Malthus as one of their number, nor did Malthus join them in their attack on Ricardo as a deductivist. Hollander thus argues that if one looks at Ricardo and Malthus shared tendency to rely on general principles—even in matters where we see deep methodological contrasts between them such as in the Bullionist debate—there was less of a difference between the two than has been generally believed, Keynes' views notwithstanding. The entire conclusion to Hollander's book, in fact, is devoted to a reexamination of Malthus' methodological thinking that challenges a number of accepted views on the subject. Rather than having moved closer to Ricardo on this front, then, Malthus was always methodologically close to Ricardo.

Keynes' view of Malthus also comes in for questioning in regard to aggregate demand. Did Malthus help set the agenda for the Keynesian Revolution and its focus on macroeconomic stabilization policy? Hollander grants that Malthus' nonidentity of savings and investment and allowance for excess commodity supply recalls standard Keynesian textbook themes. Malthus also was critical of the Ricardian response that money–wage flexibility was sufficient for recovery from depression, much as Keynes emphasized that labor was unable to reduce its real wage by making revised money wage bargains. But the case Malthus made for public works is not that which Keynes made: Keynes thought in terms of additions to purchasing power and Malthus in terms of "unproductive expenditure" rather than investment. Moreover, Malthus was concerned that increased investment might unbalance economic growth.

Hollander is thus ambivalent on the extent to which Malthus should be seen as being involved in setting the stage for Keynes. Depression issues such as "short run" unemployment and excess capacity were not his principal concerns. Rather, with Ricardo, Malthus was preoccupied with what sustainable growth required. Against Ricardo, Malthus was worried that accumulation would fail for want of markets, that investment would be financed out of reduced consumption and forced saving, and that this type of growth could not be maintained. And with Keynes, Malthus kept aggregate supply and demand separate, regarded the latter as a strategic variable, and was consistent in his critique of Say's Law. Given Ricardo's great influence on classical political economy in connection with Say's Law, it seems that Malthus' hesitations here do merit Keynes' claim to have found a single Classical precursor. Liberal though Malthus may have become with respect to agriculture, he failed to move toward Ricardo on whether the economy generally operated close to its production frontier.

Among the other traditional views of Malthus that Hollander takes on is that Malthus always held a hard-line position on social improvement under his population "iron law of wages" doctrine. Hollander shows that there is little basis for this interpretation, and that Malthus envisioned a possible "high" wage path for the economy when prudential behavior constrained population growth. "Prudential control" might be seen as endogenous to the growth process in virtue of there being a relationship between working class tastes for comfort, rising real wages, and the increasing price of food (p. 803). The charges, then, are unjustified that Malthus was a pessimist and deserved the reputation for making economics known as the dismal science. This in turn bears on the question of how liberal Malthus regarded the role for government in pressing reform. While there was always "an initial presumption favouring *laisez-faire*" on Malthus' part (p. 915), he did make allowances for intervention in the later editions of his *Essay on the Principle of Population* that had implications for poverty and income inequality.

Clearly, a brief review can hardly do justice to a work as comprehensive and of the depth of Hollander's *Malthus*. Formidable in its mastery of detail and always taking stock of Malthus' contribution, the book takes its place alongside Hollander's previous works as an indispensable source for understanding classical political economy. The book also reaffirms Samuel Hollander's standing as a great scholar of the subject.

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C Mathematical and Quantitative Methods

Evolutionary Games and Equilibrium Selection. By Larry Samuelson. Cambridge and London: MIT Press, 1997. Pp. ix, 309. $40.00. ISBN 0–262–19382–5. *JEL 97–1184*

Recent years have witnessed the rapid development of a large body of literature in game theory that, unlike the classical approach to the analysis of games, contemplates agents who are boundedly rational and must learn to play under severe cognitive limitations. A good deal of this effort has taken place within the framework provided by the so-called Evolutionary Game Theory (EGT). As the label indicates, this new discipline has borrowed some of its distinctive features from evolutionary models in biology. However, it has also developed new approaches and techniques, specifically tailored to the analysis of social and economic setups under the basic postulate of bounded rationality.

Larry Samuelson, the author of this book, is one of the main contributors to these developments. Therefore, it will be useful to students and scholars alike to have his wide-ranging research in this area collected in a single unified piece. The book also provides a good opportunity for the author to stress the guiding principles and main issues that have informed his work in EGT during the last decade. I shall rely on these same principles and issues to organize the present review.

The book starts with an informal advance of the ideas developed throughout the book (chapter 1) and a succinct review of related evolutionary literature (chapter 2). Then, in chapter 3, the author elaborates on the following important idea: any assessment of what is the "right" evolutionary framework must crucially depend on the particular time horizon under consideration. This idea (which underlies the different modeling choices adopted throughout the book) is linked to four different time scales: short, medium, long, and ultralong runs. From an