

**The Scope and Method of Political Economy
in the Early Nineteenth Century**
—From D. Stewart and J.-B. Say to J. R. McCulloch—

KUBO, Shin*

I. Introduction: Three Professors

20 February, 1809, Scotland—Dugald Stewart (1753-1828), the then professor of moral philosophy at Edinburgh University, and the first academic hagiographer of Adam Smith (1723-1790), began the first lecture of his course on political economy by offering the audience some illustrations by which the former “want of a definition of the subject of the present lectures will... be supplied.” He then referred them to the second lecture on the next day which would deal with “the mode of drawing inferences” in political economy.¹ December 1821, France—when the American version of English translation of the *Traité d'économie politique* was published, Jean-Baptiste Say (1767-1832), the then professor of industrial economy at the Conservatoire National des Arts et Métiers, was delighted that the translation did not omit the “discours préliminaire” placed at the outset of his original work in French. This discourse had aimed to “unfold the real object of the science” and to “point out the true method of investigating it with success,” (Say 2001, 14) and thereby had been meant to be useful for students of the science. As a matter of fact, he himself kept the discourse in every edition of the original work since the first one was published in 1803. 29 March, 1824, England—John Ramsay McCulloch (1789-1864), the would-be first professor of political economy at the newly established University of London, began his first course of Ricardo Memorial Lectures in the Metropolis with the first lecture dealing with “a short sketch of the History of Political Economy... and of the distinction between that science and Politics.” He proceeded to “a statement of the Fundamental Principles of the Science,

* This draft is still too incomplete to be referred to. Correspondence may be addressed to KUBO, Shin, College of Management and Economics, Kaetsu University, Tokyo, 1878578, Japan; email: GAG02147@nifty.ne.jp.

¹ See pages from 3 to 7 of the first bundle of the auditor notes from Stewart 1809 course on political economy held at Cambridge University Library, the classmark of which is ‘Pryme.b.63’ while that of the latter bundle ‘Pryme.b.64’. The former will be referred to hereafter as ‘Stewart 1809.’ The year was the last in which Stewart’s course on political economy was delivered (Stewart 1854-5, xx). Another set of lecture notes is held at Edinburgh University Library, which, a comparison with the Cambridge counterpart suggests, was taken from an identical source, though it has no date for each lecture as does the Cambridge one, and has a note “1808-1809” at its beginning. This more detailed set comprises of three bundles, the shelfmarks of which are from “Dc.3.105” to “107.” The first bundle will be referred to hereafter as ‘Stewart 1808-09.’

and of the mode in which I mean to treat it.”²

The three professors all discoursed upon what might well be termed by economists in the late nineteenth-century Britain as *the scope and method of political economy*.³ It is of great significance here, though remaining unnoticed among commentators, that these professors greatly contributed to creating the image of the subject in the intellectual mind, making use of analogous frameworks in their discourses, as it was being established as a subject in its own right. Thus, this paper aims to compare the three on this point. This is not to say that it aims to clarify how much influence one of the three exerted upon another. Rather, it is intended that a detailed scrutiny of their use of these frameworks—distinctions between political economy and politics, between political economy and statistics, and between generalisations and particulars—may render differences among them all the more remarkable, and, thereby, lead us to reconsider the individual place that each of them deserves in the history of economics. This reconsideration will in turn shed a new light upon the process by which the new science was emerging in those days, and upon the circumstances which made the three take on their task at the introduction of the subject in their respective ways.

It seems not too much of a digression to mention here the fact that many writers in early nineteenth-century Europe began their books with historical descriptions of the subject. According to Barucci’s brief but far-reaching article (Barucci 1983), the earliest attempts to account for the history of economics were made by more than a few political economists at the time from Britain and France, Italy and Spain and furthermore Russia, and these accounts contained interesting observations on the scope and method of political economy. Barucci’s essay features McCulloch, Say, J.-C.-L. Sismondi (1773-1842), A. Blanqui (1798-1854), C. Bosellini (1764-1827), S. A. Maslov (1793-1879), and others, and concludes that those accounts can be classified into three kinds of approach: the McCulloch-Say, or absolutist approach, the Blanqui or neutrally descriptive approach, and the nationalistic or patriotic approach. Barucci calls the first absolutist because it aimed to “legitimate a growing theoretical authority” (Barucci 1983, 131-2)⁴, though he does not clarify what McCulloch and Say respectively intended to legitimatise. This paper will examine Stewart in addition to Say and McCulloch on the scope and method of political economy, bearing in

² This is cited from the unnumbered page inserted at the forefront of the syllabus of McCulloch’s 1825 course on political economy (McCulloch 1825). For a brief summary of his first lecture in 1824, see *Globe and Traveller*, 5 April, 1824, or *Morning Chronicle*, 6 April, 1824, which is more detailed.

³ For a quintessential example of the late nineteenth century discussion on this issue, see Sidgwick [1894-99] 1925-26a; [1894-99] 1925-26b. This discussion featured the distinction between science and art for scope, and that between deduction and induction for method.

⁴ To use the words in Hutchison’s book (1978, 215), which influenced Barucci (1983, 133), it was “a particular would-be influential school, body of doctrine, or orthodoxy.”

mind their alleged purposes: i.e., to “legitimate a growing theoretical authority.”

First of all, we shall scrutinise Stewart’s augments mainly represented in his lectures on political economy at Edinburgh. Next, we shall cast an eye on Say, regarding the same issue. His augments, more or less changing over time, are significant; partly because he was sometime at the scene of British political economy and witnessed the formation (or maybe, to him, malformation) of what we call classical political economy in Britain during the period from Stewart to McCulloch; and partly because the period saw the statistical researches and movements appearing on the scene of political economy across the Channel. Thirdly, we shall analyse McCulloch’s discourse on the scope and method, as it appears in his article in the *Supplement* (1823) and his *Discourse* (1824), into which he expanded the former, and compare this to his precursors’. Finally, I shall draw some conclusions.

II. Stewart: Laissez-Faire Economics

—*Stewart on the scope and method of political economy.*

It is widely known that Stewart began his course on political economy by discoursing upon the scope and method of the science, while his mentor, Smith, did not begin the *Wealth of Nations* in the same way. More than a few commentators have noted that Stewart’s discourse had a long-lasting and far-reaching influence upon the contemporary and younger generations of British economic thinkers.⁵ In fact, some contemporaries showed respect for Stewart for expounding Smith’s science in a somewhat novel manner, rather than making any theoretical contribution to the science. As early as 1808, for example, R. Torrens (1780-1864) mused in passing: “... I was more forcibly struck, than I ever before have been, with the truth of an observation of the celebrated Professor Stewart; that all the pursuits of life... are connected with that general science which has the human mind for its object. Political Economy is, in fact, a branch of the science of human nature, it is conversant with the motives which prompt men to the production, the accumulation, and the transfer of the articles which supply want, and gratify desire. He who, in treating any of the topic it includes, confines himself to calculations on the value of exchanged commodities, may be a very correct arithmetician, but never can become a successful expounder of the theory of wealth.—The ‘Wealth of Nations,’ was given to the world by the author of ‘The Theory of Moral Sentiments’” (Torrens [1808] 1984, 10).

Stewart devoted the first four lectures of his 1809 course on political economy to “preliminary observations.”⁶ There he divided the “Political Science” into “the Theory of

⁵ For Stewart’s influence on scope, see Milgate and Stimson (2009, chap. 6), and Winch (1983); for that on method, see Depoortère (2008), and Corsi (1987).

⁶ Stewart 1808-09, 28. According to the student notes (Stewart 1808-09, 1-31; 1809, 1-22), the first four lectures, delivered on 20, 21, 22 and 23 February, 1809, seem almost but not completely to correspond to

Government” and “Political Economy” (Stewart 1854-5, 1.24; cf. Stewart 1808-09, 28-9; 1809, 9), and proposed to extend the scope of the latter in order to include “all those speculations which have for their object the happiness and improvement of Political Society,” although previously the subject had been “restricted to inquiries concerning *Wealth and Population*” (1.9-10; cf. Stewart 1808-09,1; 1809, 1). Moreover, he elevated political economy over politics proper, as the latter “may be studied without any reference to constitutional form,” and no consideration of political liberty is relevant as long as “the civil liberty... rests on a solid foundation” (1.24; cf. Stewart 1808-09, 28-9; 1809, 9). As for method, he divided those politicians “whose studies have been directed towards the source of the wealth of nations” into “Political Arithmeticians or Statistical Collectors” and “Political Economists or Philosophers,” and allocated “particular results” and “general principles” to both respectively, with more significance attached upon the latter (Stewart 1809, 11; cf. 1808-09, 9-11; absent in Stewart 1854-55). He also pointed out that “it is by cautious theory alone, that experience can be of any value” (Stewart 1808-09, 8) and that the former class of writers are “continually disposed to the accumulation of checks and restraints upon the freedom of trade” (11).

When it comes to “the scope and method of political economy,” the reader should remind himself of the distinction between its positive and normative branches (theory/application, science/art, etc.), and of the two distinctive methods of induction and deduction, as almost all economists discussed the issue in these terms in Britain in the late nineteenth century and after. As for scope, however, what mattered to Stewart was the distinction between politics proper, which deals with various forms of government, and political economy, which deals with subject-matter irrespective of governmental forms, and which, therefore, deserves priority; as for method, it was the relations between generalisations and particulars, or “the striking difference between... statistic [*sic*] studies and philosophical investigation” (11)⁷.

—*Is human nature is empirical, or hypothetical?*

According to Poovey,⁸ Stewart’s response to the challenge of the discrepancy between generalisations and particulars dates back to the fourth chapter, ‘Of Abstraction,’ of his *Elements of the Philosophy of the Human Mind* ([1792] 1854, 1:159-251). In the first place, he prioritised the signs used for designated phenomena over the phenomenal objects that these signs signify. Next, he demoted the distinguishing features of particular objects in

the introduction of his *Lectures* (Stewart 1854-55, 9-56) which was posthumously published.

⁷ The words in square brackets are added. Hereafter the same shall apply if not otherwise stated.

⁸ I owe the following abridgement of Stewart’s concept of abstractions to Poovey 1998, 269-74. For an account for the relationship between Stewart’s methodology of economics and his philosophy of the human mind, see Tadakoshi 2009, 38-48.

favour of features they could be said to share, so that philosophers could name the class to which a series of phenomena belong, without being distracted by particulars. Finally, Stewart subsumed these speculative operations into the method he called “abstractions,” which, properly made use of, could produce systematic knowledge, or reveal general laws.

Of much significance here is that Stewart seems to have left little or no room for any particular fact to falsify a general principle once the latter was drawn by means of proper abstractions. He thought that no particular experience was any longer relevant but all that was relevant was a speculative manipulation of generalisations, since general facts had come to belong to a higher plane than particular facts. His assumption that the general principle is correspondent to the objective world may or may not have been based on his belief in providentialism. At any rate, when he discoursed on “extensive experience” or “extensive induction,” which might sound naïvely Baconian, he asserted that this kind of experience or induction which reveals “those principles... which regulate the course of human affairs” was far from “any of the inferences that can be drawn from the history of *actual* establishments” (Stewart [1792] 1854-55, 1: 222 emphasis added). Therefore, it is no exaggeration to say that “in Stewart’s work... nothing halts the drift of the fact toward theory” (Poovey 1998, 273). This feature distanced him to a degree from his eighteenth-century precursors. In fact, Stewart thought a great deal of the part played by hypotheses in the theorisation of political science in the wider sense, while his mentor, Thomas Reid (1710-1796), had cautioned against the use of hypotheses in general.⁹

This methodological creed of Stewart comes to the surface in his description of the history of political economy in his 1809 course on the subject. Fontana (1985, 99) explains that his presentation of political economy was of an “essentially historical character” because his course “took the form of a review of the major economic theories and doctrines as these had emerged at different stages in the development of modern commercial society.” Her argument might seem persuasive in that he so strongly praised Smith’s method as the conjectural history. However, Stewart insisted that particular circumstances and incidental events are irrelevant to politics as a whole, and emphasised, rather, that general events render the condition of the human race essentially different from what it was before—events such as the emerging mass communication through printing mentioned in his *Philosophy*, the rise of commerce found in his eulogistic biography of Smith, and the establish-

⁹ Of course, Stewart was far from the “standard view of science in the middle of the nineteenth century” as referred to by Blaug (1992, 4). According to Blaug, it was the view that “scientific investigations begin in the free and unprejudiced observation of facts, proceed by inductive inference to the formulation of universal laws about these facts, and finally arrive by further induction at statements of still wider generality known as theories; both laws and theories are ultimately checked for their truth content by comparing their empirical consequences with all the observed facts, including those with which they began.”

ment of civil liberty stressed in his 1809 course on political economy. In Stewart's hands, therefore, political economy is the science of seeing into the way in which the hypothetical human mind behaves, having been granted full civil liberty, with no reference to particular experiences. From this point of view, Stewart's political economy is *conjectural* and *ahistorical*, though abundant in historical descriptions.

This supposition of the hypothetically demarcated space of political economy led Stewart to assert that the science of political economy was of late origin, and that the French Physiocrats, as well as Smith, marked an epoch by taking this approach to political economy. This, he assumed, gave birth to economic liberalism, almost simultaneously across the Channel. On the other hand, Stewart demoted statisticians, who were "continually disposed to the accumulation of checks and restraints upon the freedom of trade." Political economists should, according to him, think "little regard due to particular phenomena when stated in opposition to theory founded on the great principles of human nature" (Stewart 1808-09, 11) in economic research, distancing themselves from any political implication which could be drawn from his preceding theorists. Thus, while Stewart relied upon the eighteenth-century tradition in his belief in the "human nature" research program, he was distanced from it in his emphasis upon hypothesis.

—*The case for the philosophical method, and for laissez-faire economics.*

For what purpose did Stewart present the scope and method of political economy in such a way that the Physiocrats and Smith could be seen as co-founders of philosophical—and laissez-faire—political economy, even though he defended Smith's reputation for being first in this? The answer to this question lies in an interesting argument that Stewart presented in the first lecture of his 1809 course for "the application of *philosophical* studies to Politics" (Stewart 1809, 7; cf. 1808-09, 7; absent in Stewart 1854-55). He was afraid that the "acknowledged evils produced in France by her revolution under the title of Philosophy, while every thing that deserved the name was abandoned, have cast an obloquy on Science, as connected with Politics." In order to show the legitimacy of the philosophical observation, he invoked Friedrich von Gentz (1764-1832), who had held a famous debate with Comte d'Hauterive (1754-1830) at the turn of the century directly on the Pan-European politico-economic order and indirectly on the causes of the French Revolution (1-6; cf. Stewart 1808-09, 5).

In this debate, Hauterive explained the Revolution, using a kind of theoretical historiography.¹⁰ The French diplomat contended that the most important cause of the Revolution was the effect of industrial and commercial progress upon the social system. Social

¹⁰ I owe this brief abridgement of the debate to Forsyth (1980).

manners, which had changed due to this progress, found themselves in contradiction with the laws, which remained unchanged, and this, in turn, demanded a political revolution. This view of the Revolution as inevitable might remind the reader of Marxian historical theory (Forsyth 1980, 528-29). According to Stewart, Gentz objected to this view. “The very name of Great Britain Mr. Gentz conceives to be a satisfactory answer to every thing that Mr. Hautrive has asserted as to the weak & disorderly state of all European governments” (Stewart 1809, 5; absent in 1808-09, and 1854-55). Lengthily citing Gentz’s passages to the effect that everywhere in Europe laws were being more or less revised in order to encourage industry, agriculture, and commerce, Stewart evinced his belief in the universal and gradual amelioration of mankind, and refuted the idea of the Revolution as inevitable, although he did not refute the theoretical historiography *per se*. In other words he censured Hautrive for his abuse of it. The fact that he thought this argument could be used for the application of philosophy to politics in general and to political economy in particular, suggests what he meant by the term. ‘Philosophy’ was a way of speculation which was both theoretical and historical, which ended up being ahistorical in Stewart’s hands, as shown above, and which could offer an innocuous—not radical at all but neutral and scientific—structure for the study of politics in general by means of the divorce of political economy from the theory of government.¹¹

Now it is evident what “growing theoretical authority” Stewart attempted to legitimatise. He meant to legitimatise laissez-faire economics by securing its reputation against both those who would draw any radical political implication from the system, and those who would fear the study of political economy for the very reason of such implications. Stewart was for laissez-faire economics as achieved by the economic philosopher, supposedly independent in nature from any political sect or interest.

III. Say: Pure Economics of Production, Distribution, and Consumption

—*Say on the scope and method in the earlier editions of his Traité.*

Stewart was not the only one in the first decade of the nineteenth century who discoursed upon the scope and method of political economy using such frameworks—as distinctions between political economy and politics, between political economy and statistics, and between generalisations and particulars. Across the Channel was another political economist, Say, who, using these frameworks, introduced his greatest work, *Traité*. The question of whether the honour of priority should be conferred upon the Scottish philosopher or the

¹¹ In the published version of Stewart’s course on political economy, the debate is introduced in section one ‘Of the Freedom of Trade’ of chapter three ‘Trade’ of book two ‘National Wealth’ (Stewart 1855-56, 2:36-40) and thus the association between the scope and the method of politics in general, and of political economy in particular, is severed.

French economist is of historical interest, and would be of nationalistic interest, but is not in the least easy to solve. Prasch (1996, 1116-7) points out that Stewart had been extremely influential in matters of method, and that Say had visited Stewart in Edinburgh before he met David Ricardo (1772-1823) and James Mill (1773-1836), and concludes that “it was... Stewart, from whom... Say received [his] epistemological lessons”. We find no such discourse, however, in his 1802-03 course on political economy, as far as it was recorded in its auditor notes held at the Museum of London Library (reference code: MS.28.49). If Stewart had not begun to make that discourse until after 1803, one could infer that Stewart read Say’s *Traité*, and decided to incorporate Say’s view into his project of the legitimisation of his own version of political economy. At any rate, no pair of discourses on the scope and method were so alike in this period than those of Stewart and Say.

In the “discours préliminaire” of the first edition of his *Traité*, Say asserted the autonomy of political economy from politics proper, pointing out that these two distinct branches had been confused until the time of Smith. “We have seen some nations rise to opulence under absolute monarchs, and others ruined by popular councils” (Say [1803-41] 2006, 1:2; cf. Say 2001, 15). According to him, the form of government had only indirect and accidental, if any, effects upon the manner in which wealth was produced, distributed, and consumed—a subject of the study of political economy. Next, he argued that in political economy, as well as in all other sciences, there were general or constant facts and particular or variable facts, and that the former were the subject of political economy while the latter of statistics. Thus, he insisted upon the theoretical nature of political economy in contrast to statistics, and attached more importance to general facts than particular facts. “Political economy... whenever the principles which constitute its basis are the rigorous deductions of undeniable general facts, rests upon a firm foundation. No doubt general facts are founded upon the observation of particular facts, but... a new particular fact does not suffice to disapprove a general fact... there is no absurd theory... but has been supported by an appeal to facts” (11-2; cf. Say 2001, 20). From this it may follow that he put exclusive stress upon the reasoning process on the side of political economists, and that he allowed no place for any particular fact presented by statisticians, be it of verification or falsification, in economic research.

Say’s attacks upon confusion between political economy and statistics were addressed even to Smith. The *Wealth of Nations* was, according to Say, “not a treatise of the one [political economy] or the other [statistics], but a vast chaos of right ideas and of known facts” (10). Moreover, Say placed clearer censure upon Smith’s historical method in the second edition of his *Traité* (1814); “in a work devoted to the development of *general* principles, *particular* facts... only unnecessarily overload the attention [of the political eco-

nomist]. His [Smith's] sketch of the progress of opulence in the different nations of Europe... is but a magnificent digression" (Say [1803-41] 2006, 1:40; cf. Say 2001, 43-4; emphasis added). In short, Say's research program was intended to purge the *Wealth of Nations* of the historical accounts, and to reformulate it as the purer science of production, distribution and consumption of wealth. Say thought, in other words, that Smith had been too much diverted away from generalisations to particulars.

Thus, Say was as confident of the distinction between political economy and statistics as Stewart. Moreover, the former was as much, or rather more, on the side of generalisations as contrasted to particulars.¹² It is not without reason that Breton (1986, 1053) doubts whether it was not incantatory and therefore tactical that Say repeated praises for the empirical, or Baconian, method. It is true that he did not make as clear the way to draw principles, or to theorise on political economy, partly because he did not write his counterpart of the *Philosophy of the Human Mind*. However, it may be safely said that Say attached substantial importance to the reasoning process on the side of political economists, and made only little of the rôle statisticians could play in economic research, as far as the earlier editions of his *Traité* are concerned.

—*Say's changing view on the methodology of economic science.*

Some years later the French political economist made the most revisions to the preliminary discourse in the fourth edition (1819) of his *Traité*, amongst all its recensions (Say [1803-41] 2006, xxxii). These can be divided into two as far as this paper is concerned. One is on the meaning he gave to one of the key words in his methodology, generalisation; the other is on the place he admitted for the study of statistics in economic research.

From the publication of the third edition (1817) to that of the fourth of his *Traité*, Say witnessed an emerging chasm in the development of economic thought, and added comments upon this to his preliminary discourse in the fourth edition—a fact which indicates that Say interpreted it to be a contemporary methodological challenge to the discipline. This chasm resulted from the emergence of a new school of political economy in Britain, the leader of which was Ricardo. This celebrity, according to Say, “reasons upon abstract principles to which he gives too great a generalisation,... [and] once fixed in an hypothesis which cannot be assailed, from its being founded upon observations not called in question, he pushes his reasonings to their remotest consequences, without comparing their results with those of experience” (Say [1803-41] 2006, 47; cf. Say 2001, 47). Thus, Say accused Ricardo of deviant methods, especially in his failure to refer to “experience” at any step in his reasoning, and in his failure to recognise his principles as less general.

¹² According to Whatmore (2000, 141, 154), the “term ‘general fact’ originated in Scottish moral philosophy,” which was subsequently “adopted by Condorcet in his most influential work.”

This accusation could be interpreted as *ad hoc*, for Say had made little or no discussion on the kind of facts which should be consulted in each step in reasoning, but only at the first step, in the earlier editions of his *Traité*. As matter of fact, he asserted persistently (from the first to the sixth and last edition) that the principles of political economy are “the rigorous deductions of undeniable general facts,” a phrase which was cited above.¹³ If taken at face value, on the contrary, it could in fact be argued that Say had stumbled upon the question of how to select particular facts and how to found general facts upon them. Truly, it is difficult to answer whether or not Say had fundamentally changed his mind about the theorisation of political economy by the publication of the fourth edition, but it may be safely said that his mind went through changes, to a certain degree in favour of particulars offered by immediate experience, after his encounter with Ricardian economics.

In the fifth edition (1826), Say’s view on this became so well-ordered as to identify it with the rational approach to political economy which dated back to the eighteenth century in France, and to contrast this approach to that of Smith, which was relevant to “our century”.

Some authors in the eighteenth century and those of the dogmatic school of Quesnay, on the one hand, and English economists of the school of Ricardo, on the other hand... have sought to introduce to the area [of political economy] a style of reasoning which I believe is generally rejected in the same way as in any other science which recognises experience as its foundation: that is to say, method relying upon abstractions. (Say [1803-41] 2006, 19-20)

[The followers of Ricardo], out of the control of experience, have been thrown into a kind of metaphysics without application; they have changed political economy into a science of words and arguments... However, this method is not of our century, which demands that we should not be far from experience and simple good sense. And the ablest economists in England, such as Mr Thomas Tooke, Mr Robert Hamilton, and others, have stayed faithful to the experimental method of Smith. (47-9)

Say added these passages to his *Traité* three years after Ricardo’s death.

It seems that Say’s view on statistics did not begin to change much later than his views on generalisations. His *Cours complet d’économie politique pratique* ([1828-40] 2010), which originated from his lectures delivered in the early 1820’s at the Conservatoire National des

¹³ There is another passage which was in favour of deductive method, and survived all recensions. Say ([1803-41] 2006, 14; cf. Say 2001, 23) averred that to “obtain a knowledge of the truth, it is not... so necessary to be acquainted with a great number of facts, as with those that are essential, and have a direct and immediate influence; and, above all, to examine them under all their aspects, to be enabled to deduce from them just conclusions, and be assured that the consequences ascribed to them do not in reality proceeded from other causes.”

Arts et Métiers, has a chapter entitled “Of the adequate form of statistics,” where he discussed the correct way to work out statistical data. Although somehow there was no correspondent exposition for this in his *Traité*, he reasoned directly on the object and use of statistics in an article contributed in 1827 to the *Revue encyclopédique*. “By showing several phenomena to our eyes, it [statistics] can cast some light upon their mutual influences, and can serve to confirm some statements, the proof of which results from our scrutiny of the nature of things” (1827, 9, 535-6). Furthermore, in his later years, Say would accept the honourable presidency of a newly established unofficial society for statistics in France (Breton 1986, 1045). These facts show us that Say was more in favour of statistical researches in economics the older he became.

This does not mean to say that Say came to think that the unmethodical collection of particular facts by statisticians would reveal a principle to the political economist. He remained faithful to his original argument that political economy was prior to statistics, averring that the statistician could not collect relevant facts until the political economist taught the former what were relevant, in his article upon the use of statistics (1827, 7). Therefore, when he read one of the most advanced statistical works of his day, *Recherches sur la reproduction & la mortalité de l’homme en Belgique* by Adolphe Quetelet (1796-1874), Say sent the younger Belgian statistician the bitter advice that he should have taken into account the living standards of people for their life expectancy, despite his otherwise high evaluation of that book (letter from Say to Quetelet, 11 September, 1832, held at the Bibliothèque of l’Académie royale de Belgique). In short, Say attached much significance to statistics insofar as it was guided by, and paid tribute to, the discipline of political economy.

Into what methodology would Say unite his two later views on the distinction between generalisations and particulars and on that between political economy and statistics? Was the kind of fact to which political economists should refer in every step of reasoning general or particular? Who produced that kind of fact? Could Smith’s historical descriptions be classified into that kind of fact? These questions are interesting to consider, but remained unanswered in Say’s major work. With Ricardo’s hijack of his own desire to turn Smith’s science into “rigorous deduction” on the one hand, and with the upsurge of the statistical movement on the other hand, Say took on the task of legitimatising his avowedly pure economics in terms of methodology, a task which seems to have ended up being incomplete.

IV. McCulloch: Public-Interest Economics

—*McCulloch on the scope and method of political economy.*

McCulloch, an undergraduate student at Edinburgh University, might have attended lectures on political economy delivered by Stewart. On the other hand, he, a polymath of

the literature of political economy, might have been acquainted with Say's *Traité* from its first edition onwards. Yet he was more influenced by Ricardo than by either of those two (he has often been said to be more Ricardian than Ricardo himself¹⁴) to become a famous economist. According to O'Brien (1970, 20), McCulloch had become so "recognized as something of an authority" by the early 1820's, that he was asked to contribute the article 'Political Economy' to the *Supplement to the Encyclopædia Britannica*, and, furthermore, to deliver the Ricardo Memorial Lectures. How did he discuss in them the scope and method of political economy, which had not discussed by his mentor?

As for scope, McCulloch distinguished political economy from politics, because the practical part of the former science directs a government to take those measures to make the nation wealthier which any government should adopt in principle, be it an absolute monarchy or liberal (McCulloch 1823, 233-4; 1824, 72-5). Moreover, he distinguished political economy from statistics, the object of the latter being description, while that of the former is to discover causal connections and the means for more wealth. This distinction might not seem to have been so different from that of Stewart or Say, but the reason that he made this distinction for method was new and different from that of Stewart or Say.

One of the most remarkable aspects in this is that McCulloch embedded his discourse on the method of political economy more deeply and more inextricably into the historiography of the subject than either of his precursors referred to above. In his 1824 Ricardo Memorial Lectures, according to the printed version (1824), he sought to persuade his audience that political economy is no less scientific than physics, as follows:

It is clear... that those whose distrust the conclusions of Political Economy, because of the variety of systems that have been advanced to explain the phenomena... might on the same ground distrust the conclusions of almost every other science... We do not refuse our assent to the demonstrations of Newton and Laplace, because they are subversive of the hypotheses of Ptolemy, Tycho Brache, and Descartes; and why should we refuse our assent to the demonstrations of Smith and Ricardo, because they have subverted the false theories that were previously advanced respecting the sources and the distribution of wealth? (1824, 8-9; absent in 1823)

It is noteworthy in this common argument where political economy was compared to the physical science, not only that he compared the late Ricardo to P.-S. Laplace (1749-1827), but also that he averred that Ricardo, with Smith as the forerunning collaborator, had almost expelled "the errors with which Political Economy was formerly infected."

¹⁴ See O'Brien 1970, 15. In fact, he asserts that McCulloch was not so much Ricardian as Smithian. This paper is not concerned with the question of whether McCulloch was more Smithian or Ricardian but pays more attention to the self-portrait of McCulloch as popularising the new and correct theories of political economy, as will be discussed below.

However, he admitted that there was a difference between physics and political economy; “the conclusions of the former apply in *every* case, while those of the latter apply only in the *majority* of cases.” It should not, nevertheless, be supposed from this, said he, that the theories of political economy “should quadrature with the peculiar bias of the mind of a particular person,” as the science was supposed to “deal with man in the aggregate... with the passions and propensities which actuate the great bulk of the human race, and not with those which are occasionally found to influence the conduct of a solitary individual” (1823, 219-20; 1824, 10-11; emphasis in original). This emphasis upon aggregation was to lead him to attach much significance to statistics, in contrast to Stewart and Say in his earlier years, as below.

Here McCulloch presented another distinction, one between the public interests and those of particular individuals or a particular class. One could arrive, he said, “at a well-founded conclusion in economical science” not only by observing “results in particular cases, or as they affect particular individuals” but also by ascertaining “whether these results are *constant* and *universally applicable*” (1823, 220; 1824, 13; emphasis in original). The reason that he gave for this method was that “the question never is, whether a greater or smaller number of individuals can be enriched by the adoption of a particular measure [say, monopolies or restrictive regulations]... but whether its tendency is to enrich *the public*” (1823, 220; 1824, 12; emphasis in original). Moreover, he gave priority to uniform and constant facts over particular ones and cautioned his audience and readers against falsification of principles by the latter.¹⁵ This discourse might remind us of Stewart’s, or Say’s, similar distinction between generalisations and particulars. However, the distinction between these two kinds of facts in McCulloch’s view was not a difference of abstractive but of aggregative degree. To him, attention to particular facts meant attention to the interests of particular individuals or particular classes—which, with the wisdom of hindsight, could be seen as serving particular interests.

Therefore, the reason that McCulloch felt compelled to account for the history of political economy is that he thought it necessary to show the way in which political economists had created a theory of popularity but of particular interests, and had invited more numerous and accurate observations of facts, reaching towards the viewpoint of the public interest.

Observations are scarcely ever made or particulars noted for their own sakes. It is

¹⁵ “A theory which is inconsistent with an *uniform* and *constant* fact, must be erroneous; but the observance of a *particular* result at variance with our customary experience, and when we may not have had the means of discriminating the circumstances attending it, ought not to induce us hastily to modify or reject a principle which accounts satisfactorily for the greater number of appearances.” (1823, 220; 1824, 14; emphasis in the original in the first sentence, and added in the second)

not until they begin to be in request as furnishing the only test by which to ascertain the truth or falsehood of some popular theory, that they are made in sufficient numbers, and with sufficient accuracy. It is, in the peculiar phraseology of this science, the effectual demand of the theorist that regulates the production of the facts or raw materials, which he is afterwards to work into a system. The history of Political Economy strikingly exemplifies the truth of this remark. (McCulloch 1823, 221; 1824, 20-1)

This passage was followed by his historiography of political economy, which can be characterised in two ways. Firstly, he averred that political economy was of late origin, postdating the ancient and middle ages, mainly because labour was “carried exclusively on [*sic*] either by slaves or by the very dregs of the people” (1824, 5; cf. 1823, 219) at his time. It began, he argued, with the age of mercantilism, when “prejudice... [was giving] way to interest” (1823, 223; absent in 1824). Secondly, his approach was as absolutist as Barucci concludes, though the passage above might imply a relativistic approach to history of science. McCulloch presented linear or converging developments of economic thoughts against particular interests towards the public interest.

In the climax of his historiography, McCulloch described the arrival of the *Wealth of Nations* in the following dramatic way:

it was speedily ascertained that both the mercantile and economical theories were erroneous and defective; and that to establish the science of Political Economy on a firm foundation, it was necessary to take a much more extensive survey, and to seek for its principles, not in a few partial and distorted facts, or in metaphysical abstractions, but in the connection and relation subsisting among the various phenomena manifested in the progress of civilization... At length, in 1776, our illustrious countryman Adam Smith published the *Wealth of Nations*—a work which has done for Political Economy what the *Principia* of Newton did for Physics... In this work the science was, for the first time, treated in its fullest extent, and many of its fundamental principles placed beyond the reach of cavil and dispute. (1823, 232-3)

He went on to describe Ricardo’s great contribution as built on the work of Smith, in his historiography of the science of political economy.

[Ricardo] has made a very great addition to the mass of useful and universally interesting truths... His doctrines are not, as has sometimes been stated, merely speculative... That part of Mr Ricardo’s work, in which he applies his principles to discover the real incidence and effect of taxes on rent, profit, wages, and raw produce, is altogether practical... The brevity with which Mr Ricardo has stated some of his most important propositions, the fewness of his illustrations, and the

mathematical cast he has given to his reasoning, render it somewhat difficult for readers, unaccustomed to such investigations, readily to follow him. (McCulloch 1825b, 74)

McCulloch suggested here that the allegedly esoteric features of Ricardo's theory do not derive from his method of theorisation but are only there in appearance, thereby denying tacitly the kind of accusation which had been, and would be, hurled at Ricardianism by Say.

Finally, McCulloch concluded his historiography of political economy with the sentences below.

[The political economist] takes the facts furnished by the researches of the statistician, and...applies himself to discover their relation. By a patient induction—by carefully observing the circumstances attending the operation of particular principles, he discovers the effects of which they are really productive, and how far they are liable to be modified by the operation of other principles. It is thus that the relation between rent and profit—between profit and wages, and the various general laws which regulate and connect the apparently clashing, but really harmonious interests of every different order in society, have been discovered and established with all the certainty of demonstrative evidence. (1823, 234; 1824, 75-6)

In his view, to take the due approach to political economy, that is to say, from the viewpoint of the public interest, like Smith and Ricardo, will lead us to the recognition of “really harmonious interests of every order in society.” In allowing political economists to obtain this viewpoint, statistical researches could play a decisive rôle. This accounts, at least partly, for the reason why McCulloch himself was engaged in statistical research activities as well as in reflections on economic theories.¹⁶

—*McCulloch's tactics*

What did McCulloch intend to instil in his audience and readers through his discourse upon the scope and method of political economy? A little time before his article in the *Supplement to the Encyclopædia Britannica* appeared, McCulloch sent its editor a letter, saying that the *Supplement* should embody and give “circulation to the new, and notwithstanding Mr Malthus' opinion, I will add correct, theories of Political Economy” (Napier 1879, 31: letter to Napier, 30 September, 1821). This suggests that he meant his contribution to be of much service to the dissemination of the “new” theories of political economy. Moreover, in mentioning the name of Malthus, he probably associated his supposedly correct theories

¹⁶ For McCulloch's involvement in the 1830's and later statistical movements, see Poovey 1998, 308-17.

tacitly with those of Ricardo, the phrase 'Ricardo vs. Malthus' being as commonplace in the British context at that time as today.

However, in the advertisement for his 1824 Ricardo Memorial Lectures, which had much the same introductory remarks on the definition and historiography of political economy as the article to the *Supplement*,¹⁷ we can see a vindication of the impartiality, or comprehensiveness, of these lectures, which is seemingly contradictory to the lecturer's intention.

Though this institution is connected with the name of Ricardo, it is not devoted to the inculcation of any peculiar system of doctrines; each Course of Lectures is intended to afford a clear and distinct exposition of the Science, comprising as well the view of the Lecturer himself as those of the writers who have principally contributed to the elucidation of the subject. (*Morning Chronicle*, 29 March, 1824)

Therefore, McCulloch meant to instil the "new and... correct theories of political economy," into his prospective London audience of nobles and notabilities, creating the appearance of impartiality, or denying the appearance of competing schools. In short, he had the purpose of legitimatising a new set of theories in the guise of presenting political economy as a monolithic whole. This was why he discoursed upon the scope and method of the science of political economy in a way that made Ricardo appear to follow not only the theoretical but also the methodological directions given by A. Smith.

According to Fontana's book (1985), "Firstly, McCulloch followed Stewart in his definition of the relations between political economy proper and the science of politics at large... Secondly, McCulloch endorsed Stewart's definition of political economy as an *inductive* or *empirical* science.... Thirdly, McCulloch followed extremely closely Stewart's historical sketch of the emergence of political economy and its relations to the development of modern commercial society" (106-7; emphasis in original). Moreover, Poovey in her adventurous book (1998, chap. 6) interprets the two Scotsmen as tackling the same problem of the discrepancy between generalisations and particulars in epistemology or methodology of political economy, or, to use a modern term, social science, in the historical context of the gradual erosion of providentialism and the emerging concept of value-free numbers.

However, too much emphasis put upon the similarities or continuities between Stewart and McCulloch may seem misleading, as these studies give no full consideration to McCulloch's intention to legitimatise "a growing theoretical authority." Indeed, Fontana relegates McCulloch to minor membership of the coterie of the *Edinburgh Review*, and makes light of

¹⁷ A comparison between the first section of the article to the *Supplement* (McCulloch 1823) and the printed version of the first of his 1824 Ricardo Memorial Lectures will inevitably show so many identical passages that it is difficult to deal with them as separate works.

the influence of Ricardo upon this deliverer of the Ricardo Memorial Lectures. Moreover, Poovey avers that McCulloch was “not... taking sides in the Malthus-Ricardo debate” (1998, 296), neglecting the fact of the competing theories within political economy. As cited above, however, McCulloch thought it important to diffuse an un-Malthusian set of theories of political economy. As a matter of fact, the article ‘Political Economy’ that he contributed to the *Supplement* (1823) caused him to receive virulent castigation from Malthus ([1824] 1986). These facts seem to fit much more the picture offered by Waterman (2008, 131), of the movement by the Philosophic Radicals, who were a small but vocal group of Benthamites, in their “hijack” of political economy. Associating Ricardian economics in unison with the reputation of Smith, and presenting the science as having converged with the public interest, McCulloch was, a little later, appointed to the first professorship of “the godless institution of Gower Street,” established under the influence of this group.

V. Conclusion

As shown above, Stewart, Say, and McCulloch shared three frameworks in discussing the scope and method of political economy: that is to say, the distinction between political economy, between politics proper and statistics, and between generalisations and particulars. These were shared furthermore by Pryme, the first professor of political economy at Cambridge, with whom Say and McCulloch was acquainted by the early 1820’s at the latest, and who gave the introductory lecture at the University, wherein he discussed the scope and method of political economy, using the same frameworks (Pryme 1823). It is noteworthy that it was therefore easy for the professors to make use of and manipulate these, as they sought to establish political economy as a subject in its own right.

Now we can note several differences between our three professors. In the first place, Stewart gave the name “political science” to the consolidated science comprised of both political economy and politics proper, while Say and McCulloch did not allude to the existence of such a science, let alone gave it a name. This is, at least partly, because Stewart was the professor of moral philosophy, which, at the Scottish Universities, had been to contain all subjects that we would have called social sciences, and more. Ten years or so later, however, Say was appointed to the professorship of industrial economy, or virtually, political economy. Moreover, while McCulloch had attempted in vain to establish a chair of political economy for himself at Edinburgh University, he was successful at the newly established University of London. Their first difference reflects the respective places that the three professors took in the history of the institutionalisation of political economy.

The second difference is how they attributed to the distinction between generalisations and particulars. Stewart attributed the distinction to a difference in abstract degree, by bringing into focus functions performed by the mind when the political philosopher

theorises. Say seems to have done the same at first, but to have made little or no clear attribution in his later years. McCulloch attributed it to a difference in aggregate degree, which he associated in turn with interests. This is of great significance, taking into consideration the fact that the late 1820's and early 1830's saw the movement for the establishment of statistical societies in Britain and other European countries. Quetele, the pivotal figure of this international movement, which involved not only inductivists such as Richard Jones (1790-1855) but also deductivists such as Nassau W. Senior (1790-1864) in England, sought to make a revolution in the methodology of political economy. The difference could be understood in the light of the international upsurge of interest in statistical research.

Thirdly, Stewart, Say and McCulloch differed in what they sought to legitimatise in the minds of the audience. For Stewart, this was *laissez-faire* economics as invented by the Physiocrats and Smith; for Say, it was pure economics as contrasted with Smith's as the object of critical inheritance in his earlier period, and with Ricardian economics as an object to attack in his later period; and, for McCulloch, it was public-interest economics as incubated by Smith and Ricardo.¹⁸ This suggests that their arguments on the scope and method of political economy concerned the battle field where economic thinkers fought for legitimacy, or, to use Michel Foucault's words, the politics of truth.

Following Barucci, we might be inclined to say that their arguments on the scope and method of political economy were "characterised by grave weakness," for the three distinctions sound too naïve and/or arbitrary. However, bearing in mind what was really at stake in their arguments, they can lead us to consider in a new light the process by which the science of political economy was emerging in those days.

References

—*Manuscripts*

MS.28.49, Museum of London Library: a set of auditor notes from D. Stewart's 1802-03 course on political economy at Edinburgh University.

Dc.3.105-07, Edinburgh University Library: three bundles of auditor notes from D. Stewart's 1808-09 course on political economy at Edinburgh University.

¹⁸ This is not to say that either Stewart or McCulloch taught the theories of their respective mentors as they were. In fact, it is well known among commentators that this is not true. Stewart, for example, seldom mentioned the Smithian theory of value or price. McCulloch presented the wage fund theory, which is different to a greater or lesser degree from the Ricardian wage theory. Rather, interestingly, these—intentionally or not—doctrinally infidel professors both contributed largely to creating the image of a emerging discipline in the public mind, by discussing its scope and method (which Smith and Ricardo did only fragmentally, if at all), and by canonising Smith, and the Physiocrats or Ricardo, in their historiographies of it. If their discourses, or first lectures, on the scope and method are reread in this light, they may help to illuminate the end and means of the lecturers.

Pryme.b.63-64, Cambridge University Library: two bundles of auditor notes from D. Stewart's 1809 course on political economy at Edinburgh University.

Correspondence of Adolphe Quetelet, the Bibliothèque of l'Académie royale de Belgique.

—*Newspapers*

Globe and Traveller

Morning Chronicle

—*Books and Articles*

Barucci, P. 1983. The Scope and Method of Political Economy in the First Histories of Economics. In *Methodological Controversy in Economics: Historical Essays in Honor of T. W. Hutchison*, edited by A. W. Coats, London: JAI Press. 125-36.

Blaug, M. 1992. *The Methodology of Economics: or how Economists explain*, 2nd ed. Cambridge: Cambridge University Press.

Breton, Y. 1986. La place de la statistique et de l'arithmétique politique dans la méthodologie de J. -B. Say : le temps des ruptures. *Revue économique* 37: 6, 1033-1062.

Corsi, P. 1987. The Heritage of Dugald Stewart: Oxford Philosophy and the Method of Political Economy. *Nuncius* 11.2: 87-144.

Depoortère, C. 2008. On Ricardo's Method: The Scottish Connection Considered. *History of Political Economy* 40.1: 73-110.

Fontana, B. 1985. *Rethinking the Politics of Commercial Society: the Edinburgh Review 1802-32*. Cambridge: Cambridge University Press.

Forsyth, M. 1980. The Old European States-System: Gentz versus Hauterive. *The Historical Journal* 23.3: 521-38.

Hutchison, T. W. 1978. *On Revolutions and Progress in Economic Knowledge*. Cambridge: Cambridge University Press.

Hollander, S. 2005. *Jean-Baptiste Say and the Classical Canon: the British Connection in French Classicism*. London and New York: Routledge.

Malthus [1824] 1986. Essay on 'Political Economy', *Supplement to the Encyclopaedia Britannica*, vol. vi, part I (Edinburgh 1823). In vol. 7 of *The Works of Thomas Robert Malthus*, edited by E. A. Wrigley and D. Souden, London: William Pickering.

Milgate, M. and S. C. Stimson. 2009. *After Adam Smith: a Century of Transformation in Politics and Political Economy*. Princeton, NJ: Princeton University Press.

McCulloch, J. R. 1823. Political Economy. In vol. 6 of *Supplement to the fourth, fifth and sixth editions of the Encyclopædia Britannica: with Preliminary Dissertations on the History of the Sciences*. Edinburgh: Archibald Constable and Co.

- _____. 1824. *A Discourse on the Rise, Progress, Peculiar Objects, and Importance of Political Economy: containing an Outline of a Course of Lectures on the Principles and Doctrines of that Science*. Edinburgh: Archibald Constable and Co.
- _____. 1825. *Syllabus of a Course of Lectures on Political Economy*. London: Hurst, Robinson, and Company.
- Napier, M. 1879. *Selection from the Correspondence of the late Macvey Napier, esq.* London: Macmillan.
- O'Brien, D. P. 1970. *J. R. McCulloch: a Study in Classic Economics*. London: Allen & Unwin.
- Poovey, M. 1998. *A History of the Modern Fact: Problems of Knowledge in the Sciences of Wealth and Society*. Chicago: The University of Chicago Press.
- Prasch, R. E. 1996. The Origins of the A Priori Method in Classical Political Economy: a Re-interpretation. *Journal of Economic Issues* 30.4: 1105-25.
- Pryme, G. 1823. *An Introductory Lecture and Syllabus to a Course delivered in the University of Cambridge, on the Principles of Political Economy*. Cambridge: J. Smith.
- Say, J-B. 1827. De l'objet et de l'utilité des statistiques. In *Revue encyclopédique* 32.
- _____. 2001. *A Treatise on Political Economy, or the Production, Distribution and Consumption of Wealth*. Translated by C. R. Princep and edited by C. C. Biddle, with a new introduction by M. Quddus and S. Rashid. New Brunswick, NJ: Transaction Publishers.
- _____. [1803-41] 2006. *Traité d'économie politique, variorum edition, 2 vols.* Edited C. Mouchot. In vol. 1 of *Jean-Baptiste Say: Œuvres Complètes*. Paris: Economica.
- _____. [1828-40] 2010. *Cours complet d'économie politique pratique, variorum edition, 2 vols.* Edited E. Blanc et al. In vol. 2 of *Jean-Baptiste Say: Œuvres Complètes*. Paris: Economica.
- Sidgwick, H. [1894-99] 1925-26a. Political Economy: Scope. In vol. 3 of *Palgrave's Dictionary of Political Economy, New ed.*, edited by H. Higgs, London: Macmillan. 128-33.
- _____. [1894-99] 1925-26b. Political Economy: Method. In vol. 3 of *Palgrave's Dictionary of Political Economy, New ed.*, edited by H. Higgs, London: Macmillan. 133-7.
- Stewart, D. [1792-] 1854. *Elements of the Philosophy of the Human Mind, 3vols.* In vols. 2-4 of *The Collected Works of Dugald Stewart*, edited by Sir William Hamilton. Edinburgh: Thomas Constable and Co.
- _____. [1794] 1858. *Account of the Life and Writings of Adam Smith, LL.D.* In vol 10 of *The Collected Works of Dugald Stewart*, edited by Sir William Hamilton. Edinburgh: Thomas Constable and Co.
- _____. 1855-56. *Lectures on Political Economy. 2vols.* In vols. 8 and 9 of *The Collected*

Works of Dugald Stewart, edited by Sir William Hamilton. Edinburgh: Thomas Constable and Co.

- Tadakoshi, C. 2009. An Overlooked Gap between Dugald Stewart and Richard Whately: A Difference in Academic Environment. *The bulletin of Yokohama City University, Social science* 60.2-3: 31-78.
- Torrens, R. [1808] 1984. *The Economists Refuted and other Early Economic Writings*. Edited with an introduction by P. D. Groenewegen. Fairfield: M. Kelly.
- Waterman, A. W. C. 2008. The Changing Theological Context of Economic Analysis since the Eighteenth Century. *History of Political Economy* 40.5:121-142.
- Whatmore, R. 2000. *Republicanism and the French Revolution: An Intellectual History of Jean-Baptiste Say's Political Economy*. Oxford: Oxford University Press.
- Winch, D. 1983. The System of the North: Dugald Stewart and his Pupils. In *That Noble Science of Politics: a Study in Nineteenth-Century Intellectual History*, edited by Collini, S., Winch, D. and Burrow, J., Cambridge: Cambridge University Press, 23-61.