

**THE RICARDIAN RENT
THEORY IN EARLY
AMERICAN ECONOMICS**

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The Ricardian rent theory in early American economics by John Roscoe Turner

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JOHN ROSCOE TURNER

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RENT THEORY
IN EARLY
AMERICAN ECONOMICS

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INTRODUCTION
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INTRODUCTION

THE writings of the early American economists which are surveyed in this study have been strangely neglected by the later generations of American students. The article by Professor C. F. Dunbar, published in *The North American Review* in 1876, is the only previous American essay purporting to treat the subject. But Dunbar's article consisted almost entirely of a description of American conditions as explaining what he declared to be the utter "sterility" of American economic literature. The brief portion in which he spoke of writers is hardly more than a catalogue of names and titles compiled from previous reviews. Certainly in some cases, as Doctor Turner shows, and possibly in most, Dunbar was unacquainted with the originals. Even if he had read the books, he, as a representative of the classical school¹ (which he believed had arrived at ultimate truths within the limits of its hypotheses), was not qualified to render a just estimate of the theories in question, however competent he was in the field of money and banking.

Forty years have passed, and is it not indeed remarkable that our generation of economic students, so thoroughly grounded otherwise in the world's literature of economics, should know little or nothing of these, our own, writers, and most of that little through Dunbar's superficial and condemnatory article or through chance and usually disparaging references in the writings of English economists? That the American economists of

¹ See his article in *The Quarterly Journal of Economics*, I, 1, 1886.

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the period preceding 1880 have been almost ignored in Europe is not remarkable, but that they should have been so forgotten and neglected by their own countrymen since economic studies have been so zealously fostered in America, is indeed surprising.

If we speculate upon an explanation of this neglect, two reasons suggest themselves. The first is the poor estimate of the learning and equipment of the early American economists in comparison with their English contemporaries; the second is the dominance of the Ricardian economics in America, especially after J. S. Mill's work gave it a new appeal and a new vogue among American readers. Perhaps these are but two aspects of the same reason.

Doubtless the prevailing opinion is that, in the period from 1815 to 1870 (let us say), the development of economics in England was in the hands of men of good general and special education—trained economists, to use the modern term—whereas, it is thought, American writers of that time were ill-trained amateurs, publicists, and pamphleteers. We forget that there were in England at that time no "trained economists" whatever, such as we now understand by that term applied to men who prepare by long studies under competent teachers for an academic life-career. British economists were self-educated, having had the practical training, and retaining many of the pecuniary interests as well as prejudices of business men, as did Ricardo, Cobden, and Bright; or, having followed the life of a soldier, as Col. Torrens, or of a lawyer and politician, as Lord Lauderdale; or being occupied as government clerks as were James Mill (a licensed preacher) and J. S. Mill (most peculiarly trained by his father); and even when, by accident rather than by design, one of them came to be a "pro-

fessor," he had been educated as Malthus, Jones, and Whately were, for the church, or as Nassau Senior, Longfield, McCulloch, and Cairnes, for the practice of the law.

It must shake the preconceptions of many readers to compare with these typical examples of the English economists of that time, the American economists whose education and experience are carefully described in the following pages. These include graduates of nearly all the leading universities or colleges of that time in England and America—lawyers, business men, mathematicians, natural scientists, philosophers, men of wide travel and of varied experience in public and private affairs, a large proportion of them being college teachers. They would seem to have been quite as well—and as ill—fitted as were their English contemporaries, either to give a sound economic interpretation of their environment or to deal with abstract principles. But after J. S. Mill had won for Ricardian economics its predominating place in American thought, that system, with all its unrecognized limitations of time, place, and logic, became the standard of economic science with which any independent thought upon our peculiar problems was measured and found wanting.

The time was not ripe for a re-examination of these opinions until the new era of criticism dating from the Seventies had slowly yielded some fruits in England and America. Partly this criticism was of a historical nature and tended to show the fallible, temporary, and local character of the Ricardian economics. That too, was seen to be of mortal nature like American economic opinion, and not an eternal verity. An article in *The Fortnightly Review*, October, 1880, by Cliffe Leslie, who recognized something of "perspicuity," novelty, and dis-