ARTICLES

The Malthusian Ideas on Population in Hungarian Demography before World War II

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1. It seems to be a truism that the history of economic and demographic ideas, as represented by our textbooks, only covers the developments of the last centuries in Western Europe and those parts of the world which have shared the same developments. It was Professor Alfred Sauvy who strongly emphasized this in the French translation of Professor Edward Lipinski's important contribution on the formation and development of economic and demographic thought in Poland,[1] which he edited.

In his scholarly work Professor Lipinski has amply documented the fact that Polish economic and demographic thought made valuable contributions to European scientific development, especially in the period from the Renaissance to the end of the XVIIIth century — as long as the independence of a unified Polish state was maintained. As I have pointed out in a survey written for a Hungarian university public, the development of economic and demographic ideas in Hungary begins where the same process ends in Poland.[2] Hungary's territory was split into three by the

1 Lipiński E., *De Copernic à Stanislas Leszczynski, La Pensée Economique et Demographique en Pologne*, Paris 1961, presentation par Alfred Sauvy, p. XI ff.

2 Horváth R., *Lipinski E.: De Copernic à Stanislas Leszczynski, La Pensée Economique et Démographique en Pologne*, « Felsöoktatási Szemle », 1964, nr. 3, p. 187 ff. (In Hungarian).

Turkish occupation and unified, one and a half centuries later, in the XVIIIth century.

Despite earlier attempts at synthesis and a number of important contributions, the history of Hungarian economic and demographic thought, over the two and a half centuries up to the end of World War II, has yet to be written. I therefore feel it will be useful to outline one of the most important chapters still missing from this analysis, the advent and penetration of Malthusian ideas in Hungarian scientific thought.

For convenience sake I group the material of this essay into three sections, representing the pre-Malthusian era, the age of Malthus and the post-Malthusian period (I-II-III).

2. I - Demographic and economic development were first linked in Hungarian pre-scientific social thought due to the mercantilist doctrine of political leadership and « Staatskunst ». As one of the older Hungarian historians of economic ideas, Gyula Kautz, has already noticed,[3] the Hungarian feudal Diets were thinking in these terms from the first decades of the XVIIIth century on.

Adopting German mercantilist sources the slogan « Ubi populus, ibi obulus » was already proclaimed at the Diets of 1715 and 1723 — linking the two main tenets of early mercantilist doctrine concerning precious metals and population density. From this point of view the diet of 1764 was of outstanding importance, where two pamphlets were circulated, both advocating Mercantilist economic reforms and a high population density. One was published anonymously under the title « Opinio circa reformationem Regni Hungariae » and the other, written by Ádám Kollár, was entitled « De originibus et usu potestatis legislativae ». It is interesting to note that both of these papers anticipated the work of Professor Joseph Sonnenfels, published in Vienna in 1765 and entitled « Grandsätze der Polizey und Handlung » (Principles of

[3] Kautz Gy., *The History of the Evolution of Economic Ideas in Hungary and their Influence on General Conditions*, Pest 1868, p. 107 ff. (In Hungarian).

Policing and Trade), which was to become a manifesto of the official mercantilist policy of the Habsburg Empire.[4]

Both the Hungarian pamphlets insisted on the importance of high population density especially among the productive classes, which furnishes another proof of the links with the physiocratic doctrine, as has been underlined recently in the work of Schumpeter;[5] the proposed reform of the conditions of Hungarian serfs falls clearly under this heading. The insistence on the need to colonize the liberated areas was a particular Hungarian requirement, which was contrary to imperial policy, and was caused by German, Italian, Belgian, and even French immigration from the Hapsburg Empire. As the anonymous pamphlet stated, these foreign immigrants « ...are mostly extremely poor and lazy people and therefore the fostering of their influx in the country is not a solution to be preferred ». Although they championed Hungarian interests in the question of colonisation, both pamphelets were bitterly opposed by the Hungarian nobility, which defended its agricultural interests and repudiated any idea of a reduction in its tax privileges which was linked to even a partial emancipation of serfs on physiocratic principles. Subsequent population censuses — advocated by the anonymous pamphlet in order to assess the country's productive capacity — were also opposed by the nobility and Emperor Joseph II was later obliged to carry out the first Hungarian census in 1784-87 as an operation of military administration, thus involving the noblemen too.[6] The imperial edicts of Maria Theresa and Joseph II to alleviate the conditions of serfs and remove the obstacles to commerce and industry were however frustrated by the preservation of the severe imperial tariff restrictions against foreign countries, and also within the empire itself — developing a so-called « Separation-System » of imperial autarchy.[7]

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4 *Ibid.*, p. 124 and p. 131 footnote 1. Complete edition: SONNENFELS J., *Grundsätze der Polizey, Handlung- and Finanzwissenschaft*, Wien 1770.

5 SCHUMPETER J. A., *History of Economic Analysis*, edited from manuscript by Boody-Schumpeter E., 3rd printing, New York 1959, p. 174 and footnote 4.

6 HUNG. CENTRAL STATISTICAL OFFICE AND THE SECTION FOR ARCHIVES OF THE MINISTRY OF EDUCATION, *The First Census in Hungary 1784-87*, Budapest 1960, Foreword, p. 6. (In Hung.).

7 This character of Hungarian economic development in this period was underlined in the writings of Berzeviczy mentioned later in the present article.

In the second half of the 18th century the introduction of demographic questions into scientific literature was due mainly to the introduction of studies of public affairs in the universities — first at the University of Nagyszombat in 1760 (now Tirnava in Czeckoslovakia), later at the University of Buda and Pest and in 1769 at the Law School of Nagyvárad (now Oradea in Roumania).[8]

The best work from the ensuing scientific literature, an anonymous work in Latin of 1792 entiled « A Statistical Dissertation on Hungarian National Economy », starts with the assertion that « the wealth and power of nations results from a high, population density and from an abundance of precious metals ».[9] But the anonymous scholar develops this thesis along physiocratic and Smithian lines, insisting on the development of agricultural and industrial production and of trade, thus paving the way to the adoption of early classical economic thinking.

An early version in international literature of population policy corresponding to the classical economic ideology was the second volume of the second edition of J. P. Süssmilch's « Divine Order » of 1762.[10] Some fifty years later, in 1812, its Hungarian counterpart, the first demographic treatise by János Fejes was published.[11] In my introduction to this little volume entitled « On Population in General and in Hungary in Particular », I hawe already stressed[12] that Fejes gave an up-to-date version of early classical economic and demographic theory, without any pessimistic notes or references to Malthusian ideas, to foster the growth of the Hun-

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8 KAUTZ, *op. cit.*, p. 123.

9 Anonymus, *Dissertatio Statistica de Industria Nationali Hungarorum*, Viennae 1792, p. 9, with references to the work of Mirabeau the Elder and Genovesi. The authorship of this dissertation was attributed by one of the best Hungarian bibliographers to József Bencsik, who was later a librarian of the Archbishop of Esztergom; see SZINNYEI J., *Lives and Works of Hungarian Writers*, vol. I, Budapest 1891, p. 809. (In Hung.). In an earlier paper of mine — see 12 below — I quoted its authorship according to Szinnyei.

10 HORVÁTH R., *« L'Ordre Divin » de Süssmilch*, Bicentenaire du premier traité specifique de démographie (1741-1761), « Population », 1962, nr. 2, p. 267 ff.

11 FEJES J., *De Populatione in Genere et in Hungaria in Specie*, Pestini 1812.

12 HORVÁTH R., *The 150th Anniversary of the First Hungarian Treatise on Population*, « Statisztikai Szemle », 1962, nr. 8-9, p. 860 ff. (In Hung. with English and Russian summaries). A French version was published under the title: *Les Débuts de la Démographie en Hongrie: János Fejes*, « Population » 1965, nr. 1, p. 109 ff.

garian population. He proposed a solution to the problem created by the exemption of the nobility from the second census taken by the civil authorities between 1804 and 1805. This privilege made it impossible until 1850 to enumerate the entire population in Hungary and gave rise to a difference in terminology, feudal censuses which excluded the nobility being called « conscriptions » instead of « censuses ». The plan outlined by Fejes envisaged a compulsory statistical registration of the population by the different churches, supervised and summarised by the civic authorities of the counties and kept up to date as a sort of civic register, protected against falsification or damage from fire. However, this interesting proposal — very similar to the statistics collected by the church in Sweden half a century earlier — was not accepted by the Habsburg archduke Joseph head of the country's civil administration under Habsburg rule.

3. II - The first mention of Malthus is found in the first volume of the second edition of the « Statistics of the Kingdom of Hungary » of 1809[13] by Martin Schwartner, the best Hungarian statistician of the period.

Schwartner stated the need to amalgamate in the theoretical part of his work German descriptive statistics with political arithmetic and an official statistical approach based on the French « Bureau de Statistique » organised by Lucien Bonaparte in 1800. Further, Schwartner took notice of the way the Malthusian doctrine on population and it differed from the Süssmilchian version. In spite of this, Schwartner did not enter into details, since his thought did not depart from the economic basis of the Smithian system. It is important to notice that Schwartner quoted the work of Malthus not from the original English edition, but from the German translation by Hegewisch.[14] As an appendix to his chapter on

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13 SCHWARTNER M., *Statistik des Königreichs Ungern*, Pest 1798, 2nd edition under the same title, vol. I-II, Ofen 1809-11.

14 *Ibid.*, 2nd ed., vol. I, p. 104 — as follows: « ...es können... einzelne auffallende Anomalien von der gewöhnlichen Theorie... nicht entgangen sein, welche anders ein Süssmilch zu erklären suchen würde, anders Malthus und sein deuscher Übersetzer D. Hegewisch ».

the medical topography of Hungary Schwartner added statistical material from different parts of the country entitled « Political arithmetical fragments ». On this basis he noticed the emergence of a population theory with the following commentary: « ...however, one cannot help noting some outstanding anomalies of this general theory, the solution of which is sought specifically by Süssmilch and in a very different way by Malthus and his German editor and translator, D. Hegewisch ».

The second contribution of this period is that of Gergely Berzeviczy, who was the most original classical economist in Hungary in the XIXth century. His career in the civil service came to a sudden end with the discovery in 1795 of the Martinovics plot, a consequence of the Hungarian enlightenment. From that time on he became the most distinguished economist, and developed an economic growth theory and policy on a capitalist lines for Hungary as an underdeveloped country.[15]

In his first monograph of 1797 he gave a correct formulation of comparative costs, which preceded Ricardo's,[16] and stated that, through the development of productive forces in Hungary — under the protection of a mild tariff system — the population could be doubled in 50 years, thus allowing Hungary to rejoin the more developed Western capitalist countries. This pattern of growth also required coordination of Hungarian economic interests with those of the Habsburg Empire and an end to the colonial exploitation of the regained and reannexed Hungarian territories, as Berzeviczy had emphasised. On these theoretical grounds Berzeviczy anticipated not only Ricardo in the theory of comparative costs, but also Friedrich List and his theory of national productive forces and economic growth and even the Marxist doctrine of uneven capitalist development in different countries.

Berzeviczy was fully aware that the most dynamic feature of the rising capitalist era was rapid population growth compared to eco-

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[15] Horváth R., *The Ideas of Gergely Berzeviczy on Economics and Population*, « Acta Universitatis Szegediensis, Sectio Juridica et Politica », tomus XI, fasciculus 7, Szeged 1964, p. 1 ff. (In Hung. with French summary).

[16] Berzeviczy G., *De Commercio et Industria Hungariae*, Leutschoviae, 1797, p. 102 ff. — i. e. in his first printed economic writing.

nomic resources and performances. The importance of population statistics was clear to him and always connected with economic implications in his thought. His insistence on a positive population policy in the manner of Süssmilch corresponds to the first phase of the mercantilist era after the liberation of central Hungary from Turkish rule. The emphasis on the constantly growing and varying needs of a population, which would become the driving power of economic growth in the second phase of capitalist development invalidates the notion of « luxury » in the mercantilist sense. The interdependence of a positive population policy, the security of property and the rule of law and order is strongly emphasised in his early works.[17]

In his second monograph of 1804 he even recognised the importance of a qualitative population policy — advocated before him by Ortès — as the productivity of the Hungarian peasants could not be increased without raising their general cultural level. Despite some marginal references to the Malthusian question, Berzeviczy did not deal thoroughly in this treatise with this problem which only appears in his last unpublished work of 1819.

In this last manuscript — of a handbook on economic theory only published in 1902 by the Hungarian Academy of Sciences[18] — Berzeviczy devoted two separate chapters to population problems with a complete exposition of the Malthusian question and its economic implications. In the first he explicitly refutes the pessimistic thesis of absolute or even relative overpopulation in capitalist development as follows: « Never and nowhere was the reproduction of the population so abundant as to represent a real danger for the state, without remedy, or without the possibility of finding employment for them. I am perfectly acquainted with the voices against a growing population, but I consider all arguments opposing it to be unconvincing ».[19] As for the population problem

[17] *Ibid.*, p. 117 ff. — and by the same author: *De Conditione et Indole Rusticorum in Hungaria* (unauthorised anonym. edition by Máriássy J., most probably from 1804).

[18] Berzeviczy G., *De Oeconomia Publico-Politica*, manuscript dated 1819, reprinted by Gaál J., *The Life and Works of Gergely Berzeviczy*, Hungarian Economic Library, edited by Földes B., on behalf of the Economic Commission of the Hungarian Academy of Sciences, Budapest 1902, vol. I, part II, p. 1 ff. (In Hung.).

[19] *Ibid.*, chapter V: The Population, p. 30. ff.

he argues in favour of humanitarian reforms and even of a socialistic distribution policy, with an international agreement, preventing the abuses of free competition among nations which were not equally developed. Instead of pessimistic speculation on the problem of Malthusian « checks », he insists on the full use of productive forces and on the necessity of calculating a « multiplier effect » of additional population growth needs in order to increase capital goods and consumption. Without finding a clear term for this important econometric notion, he has given — perhaps for the first time in economic literature before Keynes — an evaluation of it for a well-developed country with a numerical value of « 3 ».

In his last monograph,[20] in a second chapter on the population problem, Berzeviczy also treated the question of rural-urban population, as one of the most important features of the rising capitalist era. He understood perfectly the difficulties of statistical delimitation of these categories which would allow the formation of concepts with economic and sociological meaning. He found that the economic conditions of such development consisted not only in the constant rise of wages above the minimum level as advocated by Smith or in the constant rise of real capital as suggested by Ricardo — but in the real growth of production per head of population. Thus he rejected the idea of any « population optimum » in the modern Wicksellian sense. As regards his theory on the increase of human needs as a driving power of economic growth and his adoption of J.B. Say's « théorie des débouchés » in the conditions of an underdeveloped economic system in transition from feudal to capitalist management, we agree with L. Robbins, in his recent appraisal of classical economics,[21] that it was far more realistic than several modern theories of economic growth.

Despite the fact that Berzeviczy did not link the Malthusian theory of population with the name of Malthus — as is was not his custom to quote from economic literature — it is evident

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[20] *Ibid.*, chapter VII: Urban Population, p. 41 ff.

[21] Lord Robbins, *Chichele Lecture: Classic Economic Theory Still of Value*, « The Times », 1966, October 17, p. 10.

from his second book, published in 1804, on the conditions of the Hungarian peasantry, that he knew Malthus' « Principles » in the original. This is proved by the fact that he already referred to the Malthusian population « checks ». As he had not been to England after the publication of the Malthusian « Essay », he must have received it in its original from one of his foreign freemason visitors.[22] He also stressed the economic importance of higher education for the masses showing the influence not only of Ortès, but also of Townsend.[23]

4. Berzeviczy's economic and demographic ideas widely influenced his contemporaries, especially the so-called « reform generation » following in his steps. This influence was more strongly felt in Hungarian political ideology than in scientific thinking.

The most outstanding personality of the reform generation, Count Stephen Széchenyi, contributed most to the diffusion of Berzeviczy's ideas after 1830. Széchenyi's well-known slogan about the lack of « well-trained brains »[24] goes back directly to Berzeviczy and is in no way the first apparition of Malthusian ideas on population in Hungary, as Kautz erroneously states.[25]

In Széchenyi's view, intensive farming based on a capitalist credit system and industrial development would enable the country to provide a larger number of jobs and improve the living standard of the population as a whole. However he stresses, more emphatically than Berzeviczy, that the main requirement of an up-to-date population policy is a great many educated minds and not the size of the population. This problem he dealt with in respect of both Buda and Pest and the country as a whole on the basis of contemporary, even if outdated, population statistics. He insisted on the injustice of income conditions under the feudal system, demons-

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22 H. Balázs E., *Gergely Berzeviczy, Man of Reform, 1763-1795*, Budapest 1967, p. 104 ff. (In Hung.).

23 Berzeviczy, as under 18 above, chapter IV: Theoretical Observations, p. 56 ff.

24 Horváth R., *István Széchenyi, An Appraisal of his Economic and Demographic Ideas at the 175th Anniversary of his Birth*, « Statisztikai Szemle », 1967, nr. 5, p. 461 ff. (In Hung. with English and Russian summaries).

25 Kautz, *op. cit.*, p. 298.

trating this by means of statistical ratios calculated from different social classes.[26]

Kossuth, another outstanding political leader of his nation before the Hungarian War of Independence (1848-49), went a step further. At first he adopted the same classical thought in economic policy as Széchenyi, but he came to emphasize more and more industrial as well as agrarian capitalist evolution and, in spite of the harmony of interest with the Austrian Empire, he fostered the line of independence. It is hardly surprising that his economic policy soon became directly connected with the personality of List and his national economic school. It was only later, during his second period in England in 1858-59, that Kossuth had occasion to think over and criticise the theoretical arguments of the Malthusian debate and its implications for economic and population policies.[27] This problem was the subject of my contribution to the World Population Conference in Belgrade in 1965,[28] where I pointed out that during this period Kossuth delivered lectures on political economy at London University showing the « Principles of Population » to be an inherent part thereof by referring directly to Malthus and his celebrated « Essay ».

After giving an account of Malthus' two basic and three auxiliary propositions, Kossuth examined the divergence between the actual and potential population growth. Rejecting thus the possibility of over-population and separating population growth from the law of diminishing returns on land, he was convinced, on the basis of statistical facts « accumulated since Malthus' Essay », that without population growth neither savings, nor capital nor the rate of profit could grow — not to mention the « wages fund ». Kossuth's theory was thus widely different from J.S. Mill's, despite the fact that he considered « moral restraint » a stabilising factor in civilised countries, which would prevent the living standard

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[26] Horváth, as under 24 above, p. 466.

[27] Horváth R., *Progressive Ideas in Kossuth's Lectures on Theoretical Economics at London University in 1858-59*, « Acta Univ. Szegediens., Jur. et Pol. », tom. X, fasc. 3, Szeged 1963. (In Hung.).

[28] Horváth R., *Kossuth's Views on the Interrelation of Economic Growth and Demographic Factors in his Lectures at London University*, United Nations World Population Conference, Belgrade 1965, Paper A. 10/V/E/331, vol. IV, New York 1967, p. 131 ff.

of the population to fall below the « subsistence level ». He thus considered that the living-standard of the working classes would ultimately rise under capitalist development.

As this summary suggests, Kossuth's approach seems to be far ahead of the views of the orthodox economists of his day, though he continued — in agreement with them and in opposition to Mill — to conceive of the population problem as one of the most important and fundamental problems of political economy, closely connected with economic and social development. This approach led to a closer proximity of his ideas to scientific socialism, than to the « evolutionary socialism » of Mill — as Schumpeter has called it.[29]

From the point of view of scientific literature in the pre-revolutionary period (before 1848) only the paper by Sándor György, a civil engineer interested in economics, undertook a statistically documented treatment of the main Malthusian tenets (1842). After stating the priority of demographic development and the controlling effect of population needs on production, he concluded that Malthus' argument missed the point by inverting the relations of causality. According to this line of thought booth the theory of Malthusian overpopulation and Sismondi's theory of overproduction and crises represented extreme views, the theory of Say's « débouchés » representing the middle course which was advocated also by the author in conformity with his long outdated physiocratic ideas of « laissez-faire ».[30]

5. III - With the publication of J. S. Mill's standard treatise in 1848 the first great debate on the Malthusian question seems to have been closed, at least in classical English political economy.

In the second half of the XIXth century the first theoretical economic textbooks appeared also in Hungary, when the results of the political compromise of 1867 with the Habsburg rulers were

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29 SCHUMPETER, *op. cit.*, p. 531.

30 GYÖRY S., *National Conditions*, Tudománytár (A contemporary review of the Hung. Academy of Sciences), 1843, p. 139 ff. and p. 195 ff. (In Hung.).

felt also in the revival of Hungarian scientific life. They only entered university teaching at the end of the same century. Then the Malthusian ideas on population were restated in Professor Béla Földes' so-called system of « Social Economics » which was outlined between the years 1893 and 1910 and became a relevant part of neo-classical economic thought.[31] However, the incorporation of the Malthusian theory into international economic literature represented mere lip-service to economic tradition, the population problem playing no essential role in the marginal theory, and only a minor one in welfare economics.[32] The investigation of the interrelations between economic and population problems was shifting to the new autonomous discipline of demography, firmly established at the beginnings of the XXth century.

The time-lag in Hungary was no longer very considerable here. This is shown by the fact that Földes not only devoted critical treatment to the whole set of Malthusian ideas on population, completed by a useful bibliographical note, but also signalled the beginnings of modern Hungarian demographical thought by drawing attention to the activity of two important contributors in this field.[33]

The first of these, Károly Balás — who later became a professor of political economy at Budapest University — published his important treatise « On Population » in 1905 with the subtitle « A Treatise on Economics ». His approach to the population problem was a marginalist one, with the extension of the notion of the Wicksellian « population optimum » to that of « marginal-population ».[34]

Balás' efforts to solve the modern population problem with a universally valid, up-to-date scientific theory resulted in its establishment as a problem in international politics. A solution seemed to him to be possible only through international cooperation — an idea already visible in the works of Berzeviczy. The « International

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31 FÖLDES B., *The Elements of Social Economics*, 5th edition, vol. I-II, Budapest 1910; vol. I, p. 58 ff. (In Hung.).

32 SCHUMPETER, *op. cit.*, p. 889 ff.

33 FÖLDES, *op. cit.*, vol. I, p. 75, footnote 1 and p. 77.

34 BALÁS K., *On Population, A Treatise in Economics*, Budapest 1905, p. 23 ff. (In Hungarian).

Population Cartel » desired by Balás was intended to secure through its activity, not only an international equilibrium of population, but also an international balance of power.[35] Through these theories, and under strong nationalist influences, Balás came to support the « life-space » theories of German circles on the eve of World War II.[36]

The second important contributor, Gábor Kovács, also chose an academic career as a university professor at Debrecen University after World War I. Kovács was inspired by strong Marxian influences. In his two important surveys of the Hungarian population problem — between 1908 and 1918[37] — he supported the view that there is no universal theory of population, only a specific one, which is to be solved with the help of population statistics and on the basis of analysis of class conditions. The scientific position of Kovács was a complete rejection of the classical Malthusian ideas on population, both on ideological and on factual grounds.

The neo-classical wave in Hungary led the Hungarian Academy of Sciences to publish a series devoted to the classical economists, Hume, Quesnay, Turgot, Smith, Ricardo and Sismondi, from 1886 on. In 1902, as a continuation of this series, the Economic Commission edited the first Hungarian translation of Malthus' « Essay » by Endre György. He had completed it two years earlier in London, and was based on the sixth edition of 1826. The translator's foreword is of interest as it reflects the lip-service paid by Hungarian neo-classical economists to this doctrine — without drawing any consequences, either theoretical or practical from it. In his foreword György states that the main tenets of Malthus' Essay still stand and would never change unless the human condition changed

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35 Balás K., *Malthus and the Population Problem To-Day*, « Magyar Statisztikai Szemle », 1935, nr. 11, p. 959. Compare also the valuable analysis of his ideas on population by my scientific assistant: Balázs J., *A Contribution to the History of Hungarian Demography, The Demographic Ideas of Károly Balás*, « Acta Univ. Szegediens., Jur. et Pol. », tom. VI, fasc. 2, Szeged 1959. (Both in Hung. with a French summary).

36 Among his many publications in this period see especially: Balás K., *Raw Materials and Population*, « Magyar Statisztikai Szemle », 1940, nr. 6, p. 465 ff. (In Hungarian).

37 Kovács G., *The Theory of Population*, Debrecen 1908, and by the same author: *Blood and Bread*, Debrecen 1918. (Both in Hung.).

radically. However, his position is undermined on the next page, when he accepts that « if both correlated factors — i. e. population and means of subsistence — are subjected to change, then this principle shares the fate of every law of sociology, that of being considered only a relation between concrete and not between theoretical categories ». Further he states that « ... the danger of overpopulation in the present state of the globe is far from imminent » and that « .... it is not impossible... » that new evolutions may radically alter rates of progress, or the rate of only one of them, and thus invalidate the whole thesis ».[38]

In 1913 the translation of the Malthusian « Essay » was supplemented, by the same commission of the Hungarian Academy of Sciences, by the publication of Ricardo's letters to Malthus, edited by Bonar. The Hungarian version was compiled by János Jónás and then continued, because of his death, by count Mihály Eszterházy. This correspondence, containing 88 letters dated between February 25th, 1810 and August 31st, 1823, was entirely concerned with economic matters and was not analysed, even summarily, in the foreword; only the main subjects were listed.[39]

By far the most comprehensive and outstanding study of the Malthusian population problem as set out by Malthus was undertaken by Professor Lajos Láng. In his « History of Statistics » from early times to Lexis, published in 1913, he devoted five of his twenty-five chapters to Malthus and his principles; if one includes the chapter on his forerunners, there are six. Láng's work aimed at « ... an exposition of Malthus' ideas in their original clarity, drawing the attention of learned Hungarian circles to the permanent merits of their author ».[40]

Among these predecessors Láng quoted the works of Botero,

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38 Malthus Th. R., *Essay on the Principle of Population*, translated by György E., Library of Economic Writers, Edited by the Economic Commission of the Hung. Academy of Sciences, Budapest 1902, Foreword, p. VII ff. (In Hung.).

39 Ricardo D., *Letters to Malthus*, translated from English by Jónás J. and Count Eszterházy M., Hungarian Economic Library, edited by Földes B. on behalf of the Economic Commission of the Hung. Academy of Sciences, vol. XIX, Budapest 1913, p. 3 ff.: The Contents of the Letters. (In Hung.).

40 Baron Láng L., *The History of Statistics*, an Introduction to the « Statistics of Hungary », Budapest 1913, p. 139. (In Hung.).

Child, Montesquieu, Cantillon, B. Franklin, Hume, Townsend, Ortès and Wallace, studying them also in the original.[41] He found the origins of the Malthusian Essay in Godwin's « beautiful dreams of perfect human happiness » and their dangerous supporter, the prime minister W. Pitt.[42] In his first chapter (VIII) on Malthus, Láng analyses the first edition of the treatise and its arguments, including the theological arguments, relegated to the appendix in the later editions. He finds that even « his religiosity is not uncharitable... but seeks happiness on earth independently from the transcendental world... ».[43] His second chapter on Malthus (IX) is dedicated to the problem of « moral restraint » in the second edition of 1803. Finding its origin in the « foresight » of the first edition[44] he stresses the strict sense attributed by Malthus to the term « moral » in the 3rd edition thus separating him unequivocally from neo-Malthusianism.[45] In favouring the populousness of the world and in advocating the highest possible welfare of the population — Láng thinks — « he succeeded in reconciling two apparently diametrically opposite points of view ».[46]

The third chapter (X) deals with the methodical innovation contained in the Malthusian Essay; his travels to collect empirical statistical evidence for the verification of his thesis. In Láng's critical appraisal the positive Malthusian appreciation of a low birth-rate and the one-sided evaluation of emigration policy are the most outstanding points.[47] Láng's fourth chapter (XI) attempts to clear up the misunderstanding over Malthus' views on the condition of the poor and the working classes. He argues that his mercantilist and physiocratic economic tenets and the « unfortunate formulation » in the 2nd edition of the unwanted guests at nature's feast were damaging to his reputation, despite his great influence on the reform of the poor-law legislation in 1834 and on social

41 *Ibid.*, p. 116 ff.
42 *Ibid.*, p. 141 and p. 149.
43 *Ibid.*, p. 154 ff.
44 *Ibid.*, p. 161 ff.
45 *Ibid.*, p. 164 ff.
46 *Ibid.*, p. 168.
47 *Ibid.*, p. 169 ff., and especially p. 179 and p. 187.
48 *Ibid.*, p. 189 ff.

policy in general. Láng quotes the Malthusian passage on the desirability of the spread of luxury among the poor instead of its excess among the few,[49] but he concedes that the future of mankind as advocated by Malthus is very different from that of socialist ideals.[50]

In his last chapter (XII) Láng depicts Malthus the scientist and his private life. This serves to underline the fact that although he himself belonged to the upper classes, he never ceased to work for scientific progress and for the welfare of the lower classes.[51]

The fine nuances and erudition of Láng's work represent an important attempt to clear the Malthusian doctrine of the vulgarisations and hasty generalisations which had accumulated during a century. His conclusions may even now provide a better understanding of « this scholar, criticised and obscured without precedent ».[52] As only one example of Láng's scholarly remarks I wish to draw attention to the 5th edition, dealing with the interpretation of means of subsistence as the growth of gross national product per head of population.[53]

Despite Lang's enthusiasm for Malthus, the critical trend was more marked in later Hungarian scientific literature — especially in the works of the two younger scholars mentioned by Professor Földes: Balás and Kovács. However, Balás' contributions fall partly into the interwar period, when a new era had begun.

6. The end of World War I, the fall of the Habsburg monarchy, and the territorial changes so unfavourable to the new independent Hungary, created a situation which upset the former apparent equilibrium of population and means of subsistence. The political catastrophe resulted in an economic and social catastrophe and the best minds in the country soon recognised that the conse-

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49 *Ibid.*, p. 202 — with reference to the original 2nd ed., p. 593, and to the original 7th ed., p. 473.

50 *Ibid.*, p. 203.

51 *Ibid.*, p. 205 ff., and especially p. 208.

52 *Ibid.*, p. 139.

53 *Ibid.*, p. 166, with reference to the original 5th ed., vol. 1, p. 34 and to the original 7th ed., p. 12.

quences of the war were a long downward trend in economic and social development.

László Buday, a distinguised academic statistician and a member of the Hungarian Academy of Sciences, was one of the first to discover this. His book «Mutilated Hungary», published first in 1920 and later in subsequent editions, analysed the new situation on the basis of carefully selected statistical data, referring to similar ideas of Keynes and Nitti in its final conclusions.[54] Buday's appraisal was closely connected with the pre-war situation and thus for the first time provided a global scientific analysis of the interaction of population and economic factors, covering the previous half a century.

Buday emphasised that Hungary's war losses, in the dead and the disabled, was one of the highest among the belligerents and the same was true of the number of calculated births-losses in terms of the post-war territory. The data of the 1920 census in this territory showed a 5% growth of the population compared to 1910, a result of the concentration of the population in the central areas of former Hungary due to enemy invasions in 1915-16 and the immigration of civil servants, clerks and workmen of Hungarian nationality after 1918. In spite of the marked fall in the rate of natural growth and the above-mentioned human losses due to the war, this process resulted in a surplus population, which was reflected in the 1920 census returns. As the stream of immigrants of Hungarian nationality did not cease after 1920 and the physical volume of the means of subsistence was lower within the new post-war frontiers than within the pre-war ones, the ratio of population to means of subsistence deteriorated further in the 'twenties — when emigration came to a standstill and when unemployment, lack of capital, economic disintegration and forced reorientation were the decisive factors on the Hungarian economic scene, aggravated by inflation, accumulated state debts and a pending reparation problem.

The precarious stabilisation of the mid 'twenties and the fol-

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54 Buday L., *Mutilated Hungary*, later editions: The Difficult Years of Hungary, Budapest 1920, p. 221. (In Hung., but also in foreign versions).

lowing revival were based on pre-war principles and soon came to an abrupt end with the great depression of 1929. The damages inflicted on Hungarian welfare were so serious that the extreme solutions to the population problem advocated by Professor Balás seemed plausible to many discouraged intellectuals. However the bulk of Hungarian demographers sought more traditional solutions. After the early death of Buday in 1926, the two most outstanding scholars in this field were Professors Stephen Varga and Károly Schneller, the former the director of the Hungarian Institute for Business Research and the latter the president of the Hungarian branch of the International Population Union.

Schneller's ideas may be regarded in many respects as a more impressive exposition of those represented by Buday, with many original suggestions and arguments, and with a more classic Malthusian touch in the positive sense, as interpreted by Láng. As early as 1922 Schneller was alarmed by the imbalance between the Hungarian population and agricultural production.[55] He argued that the strengthening of independent small-holders in the peasant population should not necessarily lower, but should on the contrary bring about an increase in their birth-rate as their welfare improved — in striking agreement with Malthus. Schneller does not quote his name either in this paper, or in an enlarged synthesis of the same problem, written some thirteen years later, in 1935, under the impact of the great world agricultural depression. He refers explicitly only to Böhmert, Freudenberg and Burgdörfer when expounding his above-mentioned demographic thesis.[56]

His line of thought was the same in this enlarged study, when he stated that the population pressure of the agrarian proletariat, amounting to three and a quarter million people, and the relative agrarian density of the whole population required a rise in agricultural productivity. He argued that labour-intensive small-holdings and the abandonment of the wheat-producing monoculture-

[55] SCHNELLER K., *Population Policy and Intensive Production*, Sárospatak 1922. (In Hungarian).

[56] By the same author: *The Transformation of Hungarian Agrarian Production*, Memorial Volume for Ákos Navratil, Budapest 1935, p. 389 ff. — see especially p. 426. (In Hung.).

structure were necessary to maintain a population increase. Simultaneously, he advocated the suppression of inalienable feudal and ecclesiastic tenures and the application of an extensive production structure on the remaining ones to ensure employment, owing to the scarcity of capital and machinery. Schneller thought the population policy and agricultural reforms he advocated would end the adverse consequences of the war and at the same time eliminate the effects of the world agricultural crisis. To complement this change, he also held an outspoken free-trade-policy indispensable and a reform of the land-tax system, basing it on floating market values, revised every 3-4 years, instead of on the pre-established land register values.

The physiocratic impact is evident in this argument, but in the Süssmilchian small-holder version rather than in Quesnay's alternative original large tenure version. Though quoting the Physiocrats,[57] Schneller's ideals were more modern: Henry George, Oppenheimer and Damaschke seem to be the sources to whom the Hungarian demographer was most indebted.

Professor Varga was in many ways one of the earliest forerunners of the quantitative economists with his practical scrutiny of hard economic facts and their interrelations with demographic phenomena. This was shown in his 1931 report to the High Commissioner of the League of Nations on the impact of the depression on the Hungarian economic situation. The report was reprinted in 1932 and its line of thought is also close to that of Buday, but opposed to that of Schneller.[58]

Varga's starting point was the radical change Hungary suffered as a consequence of the peace treaty after World War I, by which she lost 71.4% of her territory and 63.6% of her population. In spite of the 5% gain in population mentioned by Buday, which raised the remaining ratio of population to 38.2%, the loss of the domestic market of the former Austro-Hungarian Monarchy, which

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[57] *Ibid.*, p. 427.

[58] VARGA I., *Economic Development of Hungary*, Memorial Volume for Béla Kenéz, Budapest 1932, pp. 179 ff. (In Hung.) — in French: *Le développement économique de la Hongrie mutilée*, « Journal de la Société Hongroise de Statistique », 1932, p. 42 ff.

had included 51 million people, necessitated a complete reorientation of the economic life of the new Hungary with a population of 7.6 million inhabitants. Varga was of the opinion that the capacity of Hungarian agriculture and that of the agricultural industry had become disproportionate and vulnerable to international competition. The changing needs of the domestic market, influenced by the post-war lowering of the population's consumption habits, made this situation still more serious. Reorientation was slowed down by the doubling of the collective rent and the monetary and credit disorders lasting from 1919 to 1926, and only showed an upward swing in 1927; in 1928 the depression was already beginning.

In his later contributions Varga elaborated the demographic line of this argument more extensively.[59] In a lecture given at Szeged University in 1935 he emphasized that the rate of natural growth in the post-war period was worse than before (1910: 12.0, 1920: 10.0, 1930: 9.9, 1934: 7.0%), although the fertility rate was just the same in 1920-30 (1909-15: 4.07%, 1919-28: 3.9%). But without an aging population and an increase in the average length of life the population increase in this decade would only give 5% instead of the actual 8.5%.[60] Though demographic evolution was not satisfactory, according to Varga, it was mainly aggravated by the « psychologically depressed » standard of living. The comparison of Fellner's pre-war figures with the post-war calculations of Matolcsy and Varga gave an approximately identical national income per head of population — around 405 pengös. But Varga saw clearly that in the meantime income stratification had become more extreme, unemployment had increased and the former standard of living was only maintained by consuming in addition the average pre-war savings, a quarter of the average income. This was seriously affecting the « psychological economic security » of individuals.

Varga returned once more to his study of the interaction of economic and demographic factors in 1938, one year before World

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[59] By the same author: *Population Problems*, Szeged 1935 — in French: *Problèmes démographiques*, « Journal de la Soc. Hong. de Stat. », 1936, p. 266 ff.

[60] *Ibid.*, p. 9 ff.

War II.[61] The natural population growth had deteriorated in the ten years preceding his study, and was only 7.2% between 1928 and 1937, a very poor standard from the national and moral point of view. But economic logic showed clearly that only industrialisation was capable of alleviating the Hungarian population pressure as the increase in the agrarian population, compared with all other occupations, gave a ratio of 4,4%: 21,4% for 1920-30. Varga was of the opinion that the capital costs of industrialisation being rigid it was only the low cost of labour in Hungary, which gave momentum to the rise of a Japanese sort of industrialisation financed partly at the expense of agriculture where salaries were considerably lower.

Varga's scholarly approach thus brought to light the fact that the post-war trend of Hungarian economic and demographic development was very unfavorable; he also foresaw that even a dynamic economic and population policy — as advocated by Wicksell — was already overshadowed by the imminent changes in power politics. The conclusion reached by Varga on economic forecasts was that the Harvard barometers of long swings neglect to predict economic and demographic growth, and made no valid appraisal of economic and possible social progress, as Hungary's case adequately demonstrated.

In Varga's 1935 study a complete reappraisal of the Malthusian doctrine was also included as the public of the mid thirties hotly debated again its validity.[62] Varga supported the view that the public misunderstood the significance of this theory. Its logical line of thought was absolutely correct, but it was another question whether the basic hypotheses were in concordance with the real facts of Malthus' time. Varga considered even more controversial, despite the decreasing returns on land which he took for granted, the kind of development the world population would follow, as the progress of technology is largely unknown.

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61 VARGA I., *Vital Statistics and Business Cycles*, « Statisztikai Szemle » 1938, no. 1, p. 1 ff. — in French: *Mouvement de la population et conjoncture économique*, « Journal de la Soc. Hong. de Stat. », 1938, p. 264 ff.

62 VARGA, as under 59, p. 5 ff.

As the evolution of Hungarian population was slowing down on the eve of World War II owing to special secular long-term swings initiated by World War I and had come very close to Western European patterns, the problem of the conditions of economic progress became the focus of attention. This change was reflected in the changing interpretation of Malthus' work, demonstrated by the first translation of his « Principles of Political Economy » into Hungarian by Professor Neubauer in 1940.[63] This was sponsored by the Hungarian Economic Society together with new translations of Smith's and Ricardo's main works. The general idea behind this translation programme was the propagation of classical economic thinking to combat the influence of Middle European scientific ideology, especially that of collectivist economics. It was probably due to hasty publication that no introductory essay was prepared for this first edition.

A definitive evaluation of the Malthusian economic system was first given in Hungarian by the leading personality in Hungarian academic economic life, the academician Professor Farkas Heller, in his important « History of Economic Theories » published in 1943.[64] In this vast manual written originally in English (the manuscript of which was entirely lost during the war, although the Hungarian version was preserved) the distinguished author examines Malthus' place in the general evolution of economic ideas, not only in the classical framework but also from the point of view of modern economics. In the analytic part he pays attention to all original contributions made by Malthus, whether concerning the theory of value or prices, of production and of foreign trade, of rent and profit, of money and interest, of overproduction and business cycles, to mention only the most important.

Heller was of the opinion that Malthus recognized, in many respects, the importance of disequilibrium among the main eco-

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[63] MALTHUS TH. R., *Principles of Political Economy Considered with a View to their Practical Application*, translated by Neubauer Gy., edited by the Hungarian Economic Society, Budapest 1940. Neubauer became professor in 1945, under the name Abay Gy., at the University of Pécs.

[64] HELLER F., *History of Economic Theories*, Budapest 1943. (In Hung.).

nomic variables and dynamic processes, although as a true Classicist, he finally sought a stationary economic situation. The acuteness of the Hellerian appraisal may best be demonstrated by two remarks in the manual — which may be viewed as a precursor of Schumpeter's work in the same field. The first concerns the population problem and the other the diminishing return on land.

In speaking of the influence of the Malthusian principles of population on the minimum-wage theory of Ricardo, Heller remarked that this Ricardian theory was first seriously shaken by the doubts on Malthusian population tenets. According to him, the pioneer of scientific statistics, Quetelet, had already pointed to the factors slowing down the rate of population growth or bringing it to a standstill in 1835. He also refers to Verhulst and his thesis which proposed a decreasing functional relationship between the growth rate of population and the volume of population itself, and to the similar formulae of Pearl and Read in our century.[65]

On the question of diminishing returns from land, Malthus, according to Heller, explicitly referred to this problem for the first time in his « Observations on the Effects of Corn Laws » in 1814, developing it one year later in his « Inquiry into the Nature and Progress of Rent ». In a footnote, however, Heller quotes Cannan's investigations, noting that Malthus had already expounded the essence of the law of diminishing returns in his « Essay » on population.[66] It is interesting to quote the relevant passage from Cannan's « History of the Theories of Production and Distribution in English Political Economy » in which he argues decidedly in favour of this tenet:

« Malthus may, perhaps, display some inkling of it here and there in the first edition. In the second he certainly uses one of the principal ideas on which it is based as an incidental and subsidiary argument. In the later editions its existence is frequently recognised ».[67]

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65 *Ibid.*, p. 216 ff. and footnotes 44-46 on p. 217.

66 *Ibid.*, p. 130 and footnote 14.

67 Compare with CANNAN E., *A History of the Theories of Production and Distribution in English Political Economy*, 2nd ed., London 1903, p. 144. Heller quoted the 1st ed. of 1893, p. 78 ff.

And two pages later, quoting the second Malthusian edition of the « Essay » Cannan continues:

« In the last sentence of this passage Malthus introduced quite casually, and as a merely subsidiary argument, the theory that a smaller population has an advantage over a greater one in the fact that it need only cultivate the more fertile land. This theory is the 'law of diminishing returns' in a rudimentary form ».[68]

Even such a short reference may illustrate the relevance of Heller's remark, modestly hidden in a footnote.

7. After World War II another period began in Hungarian economic, demographic and social development — the era of socialism with a planned economy on a modern Marxian ideological basis. In the framework of such a planned economy, after the damages caused by the war had been repaired, policy was centred around the drive for socialist industrialisation and a corresponding transformation of the other productive sectors to restore, stabilise and raise the standard of living of the masses. The first results in this field having been achieved in the first decade, the need for a corresponding population policy gradually began to take shape in the second decade.

From the scientific point of view the earlier critical appraisal of the Malthusian population theory was fortified by the critical line of classical and up-to-date scientific socialism and so a new era began, which would require a separate study outside the scope of the present paper. As for my study of capitalist development, I am fully aware of the fact that my synthesis considered, even as a first approximation, is too rudimentary and too subjective, with its purposive sample, for wider analytic purposes. It only provides a birds-eye view of the subject to give a rapid orientation. However, one general conclusion may be drawn from these inquiries; the spread of the Malthusian ideas and the highly critical

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68 *Ibid.*, p. 146 ff. — with reference to Malthus' « Essay », 2nd ed., p. 472 and 8th ed., p. 380.

approach of Hungarian scientific circles can only be explained by specific historical conditions.

After liberation from Turkish rule the populationist attitude of early and late mercantilist currents in Hungary seemed to be the only plausible idea. The country entered the capitalist period, with a time-lag due to its underdeveloped economy under feudal rule. These circumstances hindered both demographic and economic progress until 1848, and any Malthusianism was thus out of context.

The capitalist development of the country only gained momentum after the political compromise of 1867 establishing the era of the dual Austro-Hungarian monarchy. The spread of production of the capitalist type in agriculture was very rapid especially on the big estates and pressed heavily on the peasantry. The resulting wave of emigration from the 1870's up to World War I worked as a sort of Malthusian check on population pressure, the process of industrialisation being slow and confined mainly to the agricultural and alimentary industry with complementary heavy industry. In the inter-war years the abortive land reform and the ban on emigration were not able to relieve the population pressure; it was only the build-up of light industries in the 1930's that alleviated the economic and demographic situation.

The fall in natural population growth started in the 1880', with a small time-lag, in Hungary, but Hungarian demographers were only alarmed by it after World War I, mainly for « national » and « moral » considerations. The role of the economic factor was only emphasized towards the end of the period.

After World War II Hungary again started to reorganise its economic and social life under special circumstances and it is therefore, no wonder that scientific interest in the Malthusian problem, even in its outspoken critical form, declined markedly, giving way to the study of demographic problems of topical interest.