

## Chapter Six: The Classical School – Thomas Malthus (pg 85-98)

Came a little bit after Smith

An ordained minister, (Parson Thomas Malthus) very much a moral philosopher

Ended up at Cambridge

Knew everybody, Hume, Roseau, Condorcet, etc.

### Historic Background

Increasing poverty in England as the industrial revolution got going

Previously, there was no such thing as “unemployment”

But with increased urbanization, new things were being seen

1795 saw England adopting the “poor laws”

Established a minimum income regardless of wages

And the income was linked to the price of bread

All with the French revolution as the backdrop

Still, the nobility/propertied class opposed poor laws

The Corn Laws

A tariff on imported grain

Effectively, a price floor,

That kept the price of English Corn artificially high

But growing population meant a greater demand for corn

The end of the Napoleonic wars increased the potential supply of foreign corn

English landlords supported the corn laws

And they dominated parliament

But the newly emerging business interests were opposed to them

The Industrial Revolution was now underway

You saw England beginning to industrialize

Population movement from the countryside to the cities

And generally growing population as well

### Intellectual Settings

William Godwin (1756-1836, English) was an early anarchist

Believed the roots of evil were private property, coercion, the state

Opposed the government ordering people around

Even a democratic one doing so

In a real sense, he was the first English “Anarchist”

Heavily influenced by the French Intellectuals

Marquis de Condorcet (1743-1794, French)

Religious skeptic, physiocrat, democrat, and pacifist

Went into hiding during the French Revolution

And wrote “Sketch of the Intellectual Progress of Mankind”

Equality among Nations

Equality among people

The perfectibility of humanity

The above meant a “league of nations”, no more war or injustice

Both believed rising population a non issue, it would be controlled through

Either through voluntary self control,  
Or a benevolent state to control it,  
Or rising productivity

## **Malthus's Population Theory**

“An Essay on the Principle of Population”

Population, when unchecked, increases geometrically; subsistence increases at best only arithmetically.

Cited America as an example

Population could only be limited through preventive or positive checks

### Preventive Checks

Things that reduce the Birth Rate

Malthus approved of “moral restraint” (abstinence)

Marry at a later age, or don't

Premarital sex – not gonna happen

Malthus disapproved of “vice”

Prostitution, artificial Birth Control

These things gave pleasure (sex) without cost

Which is against God's wishes

They would lead to indolence

People who could have sex, without paying a cost

Would not reproduce, out of laziness

### Positive Checks

Things that increase the Death Rate

Famine

Misery

Plague

War

These were punishments for people who had not practiced moral restraint

They were necessary to keep population stable

Absent them, all would starve

### Policy Implications

The Poor Laws

Poverty and Misery: the results of a failure to practice moral restraint

The poor are poor because they have too many children

Government aid will make this worse.....

More poor children will now survive

What's so bad about War? Again it checks population....

Malthus later relented a very little bit, but not much

The Poor laws were amended in 1834 – added “means testing”

Thomas Carlyle, after reading Malthus – “the dismal science”

## **The Theory of Gluts**

Principles of Political Economy, book II

The potential insufficiency of effective demand  
Assumed workers received

