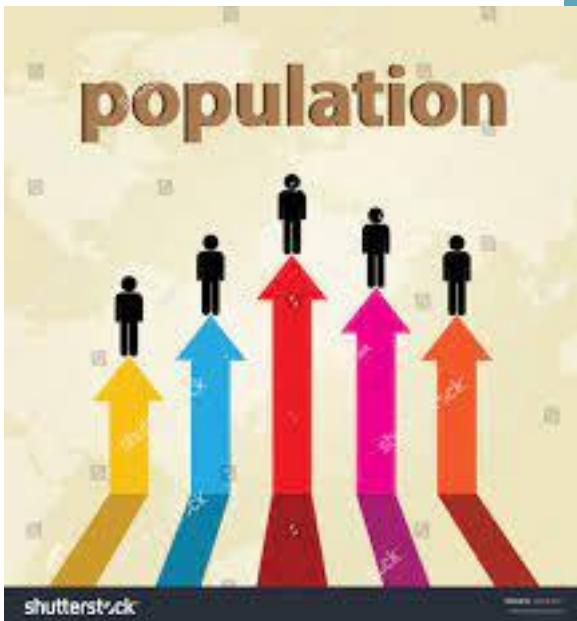


Running out of food...

A movie : Interstellar

- <https://www.youtube.com/watch?v=2LqzF5WauAw>







Thomas Malthus (1766-1834)



Works

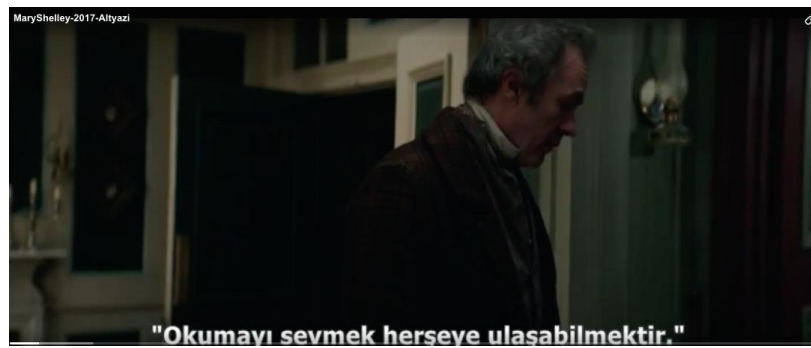
- « Essay on the Principle of Population as it Affects the Future Improvement of Society, with Remarks on the Speculations of M. Godwin, M. Condorcet and Other writers » (1798)

Second edition : 1803

Subsequent editions in 1806, 1807, 1817 and 1826

The principles of Political Economy (1820)

A Summary View of the Principle of Population (1830)



“Frankenstein; or, The Modern Prometheus” is an 1818 Gothic novel written by Mary Shelley but anonymously. She was 18 years old



Geoffrey Chaucer - Canterbury Tales



The rime for Ancient Mariner – Samuel Taylor Coleridge (poetry)

William Godwin –
An Enquiry Concerning Political Justice

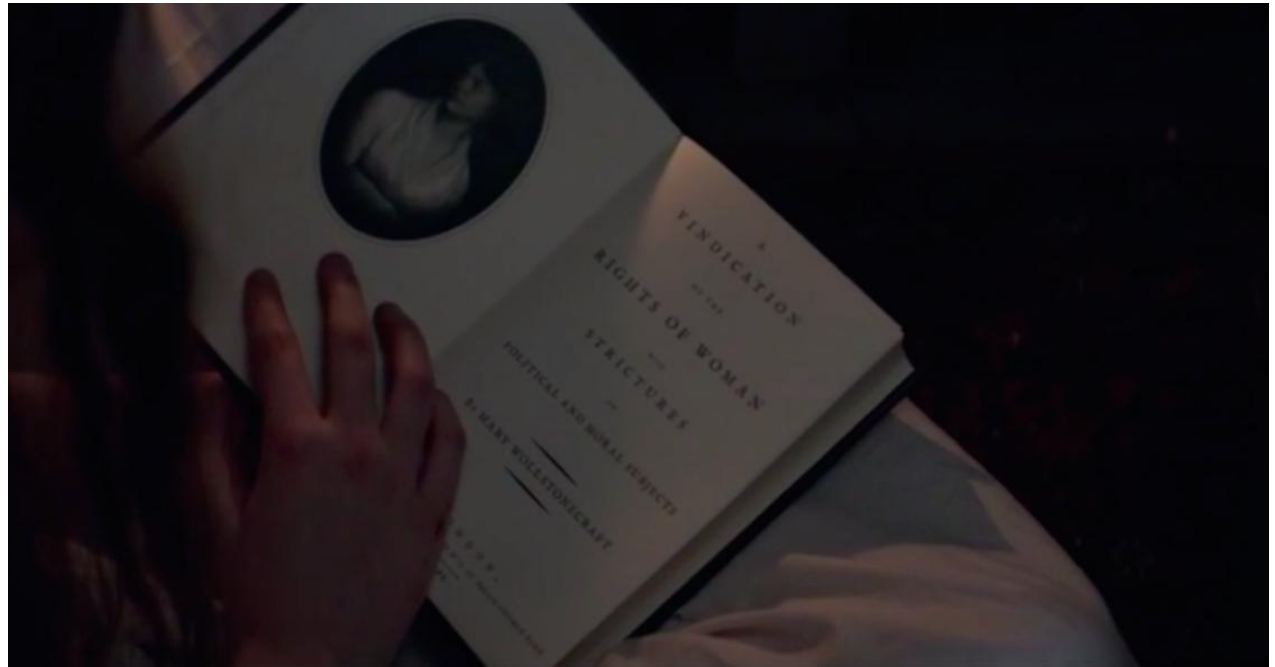


The Castle of Wolfenbach – Eliza Parsons
(English Gothic novel)



Mary Wollstonecraft
1759-1797

British writer, philosopher
and advocate of woman's rights



A Vindication of the Rights of Woman (1792)

Malthus' theory of population is based on 2 postulas:

- 1) Food is necessary to the existence of man.
- 2) The passion between sexes is necessary and remain nearly in its present state.

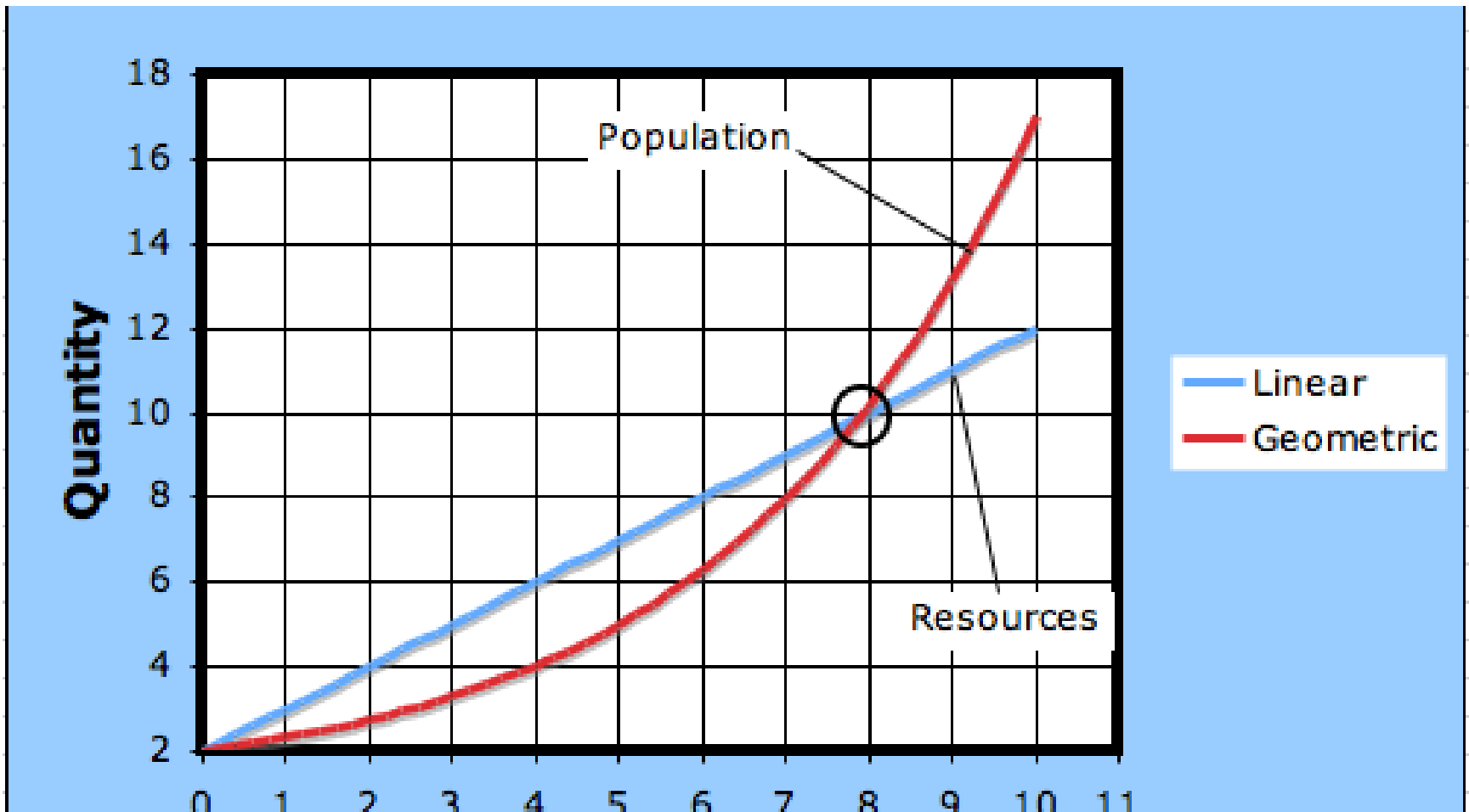
Two laws of nature...

1st law:

Population, when unchecked, increases in a geometrical progression of such a nature as to double itself every twenty-five years.

2nd law:

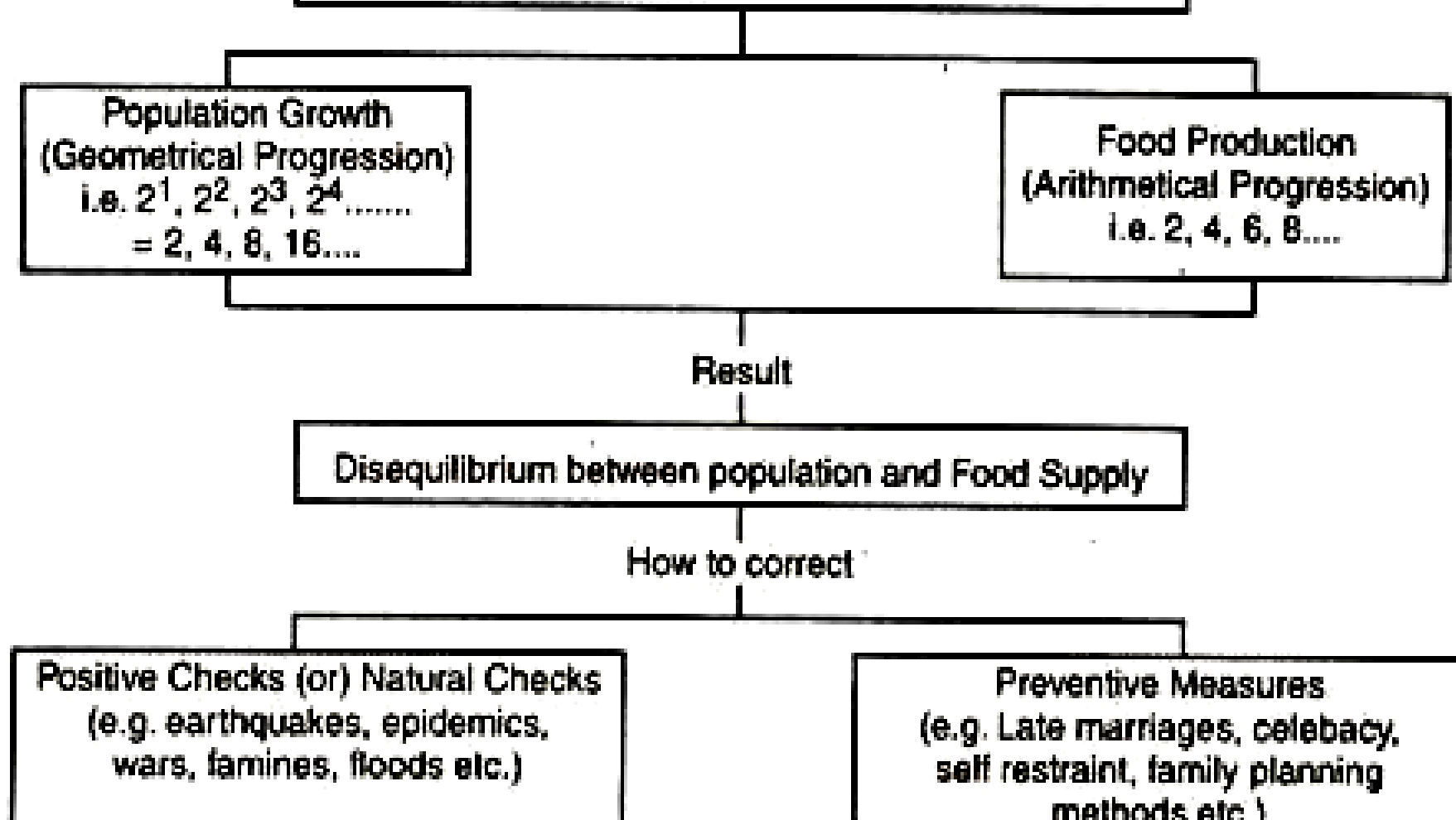
Under even most favorable circumstances, the means of subsistence (i. e. the food supply) can not possibly increase faster than in arithmetic progression.



Checks

- 1) Positive checks
- 2) Negative checks

MALTHUSIAN THEORY OF POPULATION



Malthus, population growth and the resource base:

<https://www.youtube.com/watch?v=4V09jl5Wlvw>

Neo-Malthusian versus anti-Malthusians:

<https://www.youtube.com/watch?v=livZhOcnpmI>

Malthusian Catastrophe - Rap song:

<https://www.youtube.com/watch?v=cRtxnH3zCMo>



David RICARDO (1772 -1823)



HIS LIFE

- His father is a Jewish immigrant stockbroker
- He got a commercial education and he did an investments in securities and real estate.
- In 1799, while on vacation and bored, he picked up Adam Smith's book and soon became interested in its contents

The Works and Correspondence of
**DAVID
RICARDO**



VOLUME I

On the Principles of Political
Economy and Taxation

Edited by Piero Sraffa
with the Collaboration of M. H. Dobb

1. HIS WORK

- *On the Principles of Political Economy and Taxation* (1817).

The essential parts of the book are devoted to two important subjects:

1. The functional distribution of income, i.e. the distribution between **workers, capitalists and landlords**.

2. The theory of labor value

Ricardo wants to demonstrate:

- 1) Contrary what Smith had argued, **the interest of the landlords is opposed to the interest of the rest of the society**, and that
- 2) The only cause of a **declining rate of profit** is a **shortage (absence) of cultivable land**.

Ricardo's system rested on three pillars :

- 1) **A Smithian perspective** on the link between capital accumulation and growth
- 2) **The Malthusian theory of population**
- 3) **The theory of differential rent** (in other words, classical rent theory).

The main contribution should be found in his **theory of the rent of land**.

What is rent?

« payment for the original and indestructible powers of soil »

The theory of the rent of land

- ◆ The theory of differential rent of Ricardo explains **the share of national income that was received by landlords.**
- ◆ The foundation of **the principle of marginalism**
- ◆ Rare goods excluded from the theory

On rent

- James Anderson (1739-1808)
- Sir Edward West
- T. Malthus
- Robert Torrens

3. THE HISTORICAL CONTEXT

Napoleonic Wars (1804-15)

Corn prices / The Corn Laws controversy

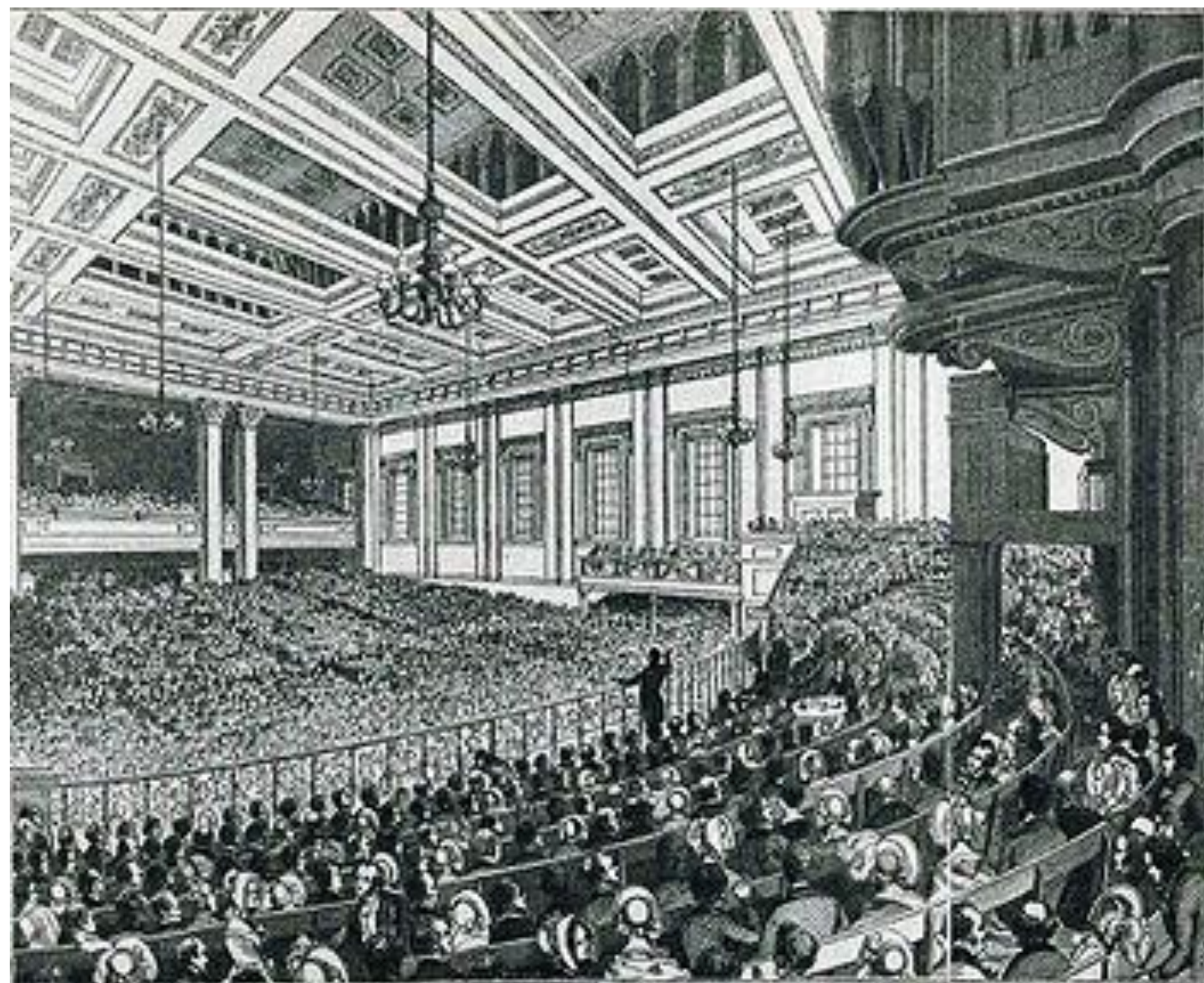
What is corn?

1. Grasses that produce edible seed
2. Any of a variety of grains including barley, rye, wheat etc.



What is corn and why is it that important?

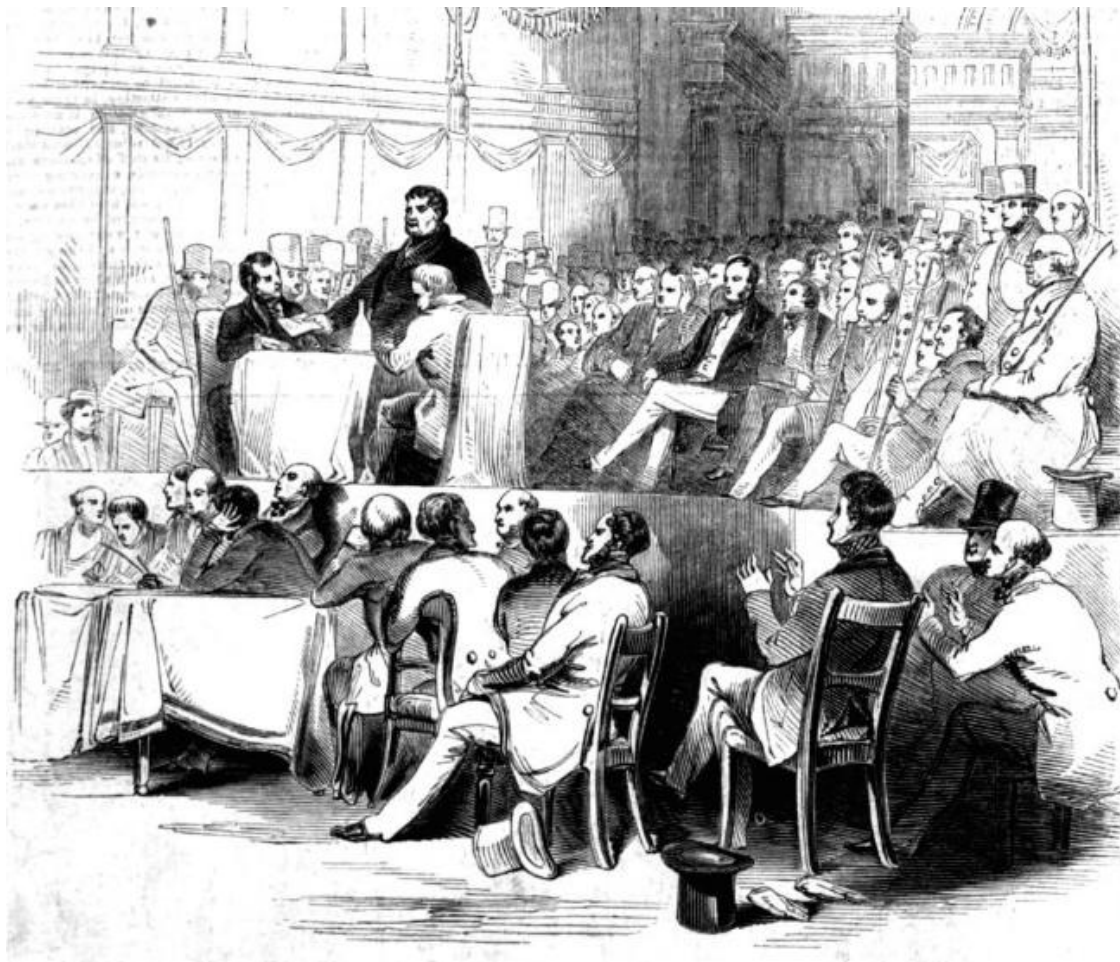
<https://www.youtube.com/watch?v=9B3ck6-A8DI>





The Campaign for the Repeal of the Corn Laws





Anti-CornLaw Meeting in Covent Garden Theatre from the 1843 Illustrated London News. Click on image to enlarge it.

- 1361 – Earlier regulations **restricting the import & export of grain**, notably in England
- 1790 – **Corn prices rise** in England during the Napoleonic Wars; landlords hope that these high prices will continue
- In 1813 in Britain House of Commons Committee recommended excluding foreign-grown corn until domestically grown corn reached £4 per quarter

(1 quarter = $\frac{1}{4}$ tonne, 250 kg) (in 2025: 50£ per quarter)

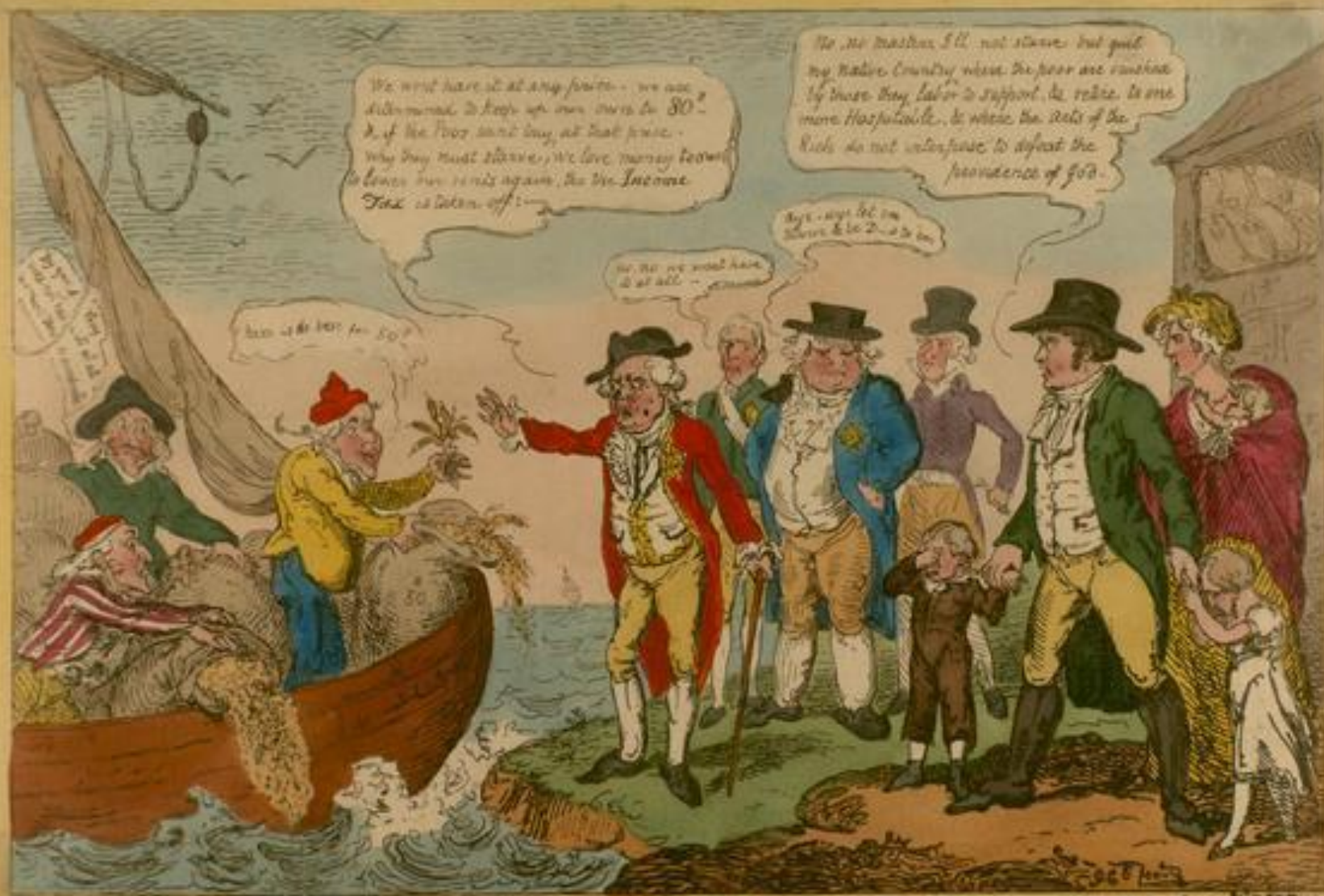
With the advent of peace in 1814, corn prices dropped, and **the Tory government of Lord Liverpool** passed the 1815 Corn Law. This led to serious **rioting** in London.

1815

- Britain wins the Napoleonic Wars
- Germany is 50 years away from its industrial revolution
- France is exhausted after its Revolution/Napoleon. Industrialization will be slower in France.
- So England is unquestionably dominant for the next fifty years or so.

1815

- Corn prices begin to decline
- Landlords hope to restore the high prices via tariffs.
- This action is opposed by the Industries & the workers
- A compromise law is passed in which foreign grain is prohibited **if the price is below 15 schillings per quarter ton**. But the grain **may flow duty-free** if the price is above 80 schillings per quarter ton (No one is happy with the compromise)



The Blessings of Peace on the Curse of the Corn Bill

By J. A. Smith
17, Strand St.
March 2, 1848

<https://ageofrevolution.org/200-object/the-blessings-of-peace-of-the-curse-of-the-corn-law-cruikshank/>

This satirical cartoon, by George Cruikshank, is a comment on what became known as the Corn Laws – one of the most unpopular pieces of legislation ever to be introduced by the British Government.

This cartoon pokes fun at the Corn Laws, while delivering a strong message. In the centre are four men whose clothes and decorations identify them as wealthy landowners. They reject the cheap imported corn being offered by the French merchants in the boat at the left of the picture. This corn is being offered for only 50 shillings a sack, but the new law required that foreign corn could only be sold when the British price reached 80 shillings. The lack of logic is shown by the fact that the warehouse is full of 80 shilling corn that no-one can afford to buy, whilst the French merchants throw their good corn overboard as they have no market for it. The landowners express their lack of compassion for the poor who will starve as a result of the law. On the far right of the picture a figure is shown, along with his family, protesting against the effects of the Corn Bill and declaring that he will leave the country for one where the poor are not 'crushed by those they labour to support'.



The New Coinage—or—John Bull's Visit to MAT of the MINT!!

Repeal of Corn Laws

■ **Corn Laws 1815**

- During French Revolution/Napoleon and continental system, no importing of grains, so prices up, landlords profits soared
- After Waterloo, grain imports drove prices and profits down
- Corn laws: tariffs on imported grain to bring prices back up;
- Consequence: workers demanded higher wages to pay for bread—social unrest

■ **Anti Corn Law League**

- Organized by manufacturers to call for imported grain, lower prices, no need for higher wages
- Then British manufactured goods' prices could stay low, strengthen competitive position in foreign markets

■ **1846 Repeal of Corn Laws**

- Sir Robert Peel 1846
- as result of Irish Potato famine: had to import grain to feed starving Irish
- Accompanied with government aid to make British agriculture more efficient and keep profits high

ABOLITION OF THE CORN LAWS

Tune—"King of the Cannibal Islands."

Attend awhile and you shall hear,
The glorious day is drawing near,
When you may banish grief and care,
They must abolish the Corn Laws;
The evil we have encountered long,
Petitions to the throne does throng,
The nation is excited strong,
And every class is now among,
The men of note the people's friends,
Who vowed they'd struggle until when
Monopoly was at an end,
And they'd abolish the Corn Laws.

CHORUS.

Huzza! huzza! the time is come,
Open the ports it must be done,
The landlords fine career is run,
They must abolish the Corn Laws.

We soon shall great advantage reap,
A loaf of bread, we shall get cheap,
And of rolls and butter in a heap,
When they've abolished the Corn Laws;
Before a month, I'll make a bet,
A loaf for threepence we shall get,
Besides a pot of heavy wet;
Oh, won't we make the landlords sweat?
In a corner they will sit and mope,
Without the slightest spark of hope,
With twopence each they'll buy a rope,
When we've abolished the Corn Laws.

Old Arthur says it mustn't be done,
And Sliding Bobby mad does run,
Saying won't I show them lots of fun,
We must abolish the Corn Laws;
For if we don't they will surely groan,
And think our hearts as hard as stone,
To Hampshire go to gnaw the bones,
But we will conquer all the drones;
Muffins for breakfast you will see,
Hot rolls and butter too for tea,
Cheer up, says Bull, and shout with me,
They must abolish the Corn Laws.

Great changes will be shortly seen,
Among the poorest class, I ween,
Sir Bobby went and told the Queen,
She must abolish the Corn Laws;
Oh, well, said she, my best I'll try,
I know the time is drawing nigh,
When folks will raise their voices high,
With rolls and crumpets puddings & pies,
Go on says Vic. John that's your sort,
I will listen to your wrongs at court,
I say, old Nosey open the Ports,
We must abolish the Corn Laws.

From Foreign parts the ships will pour,
With wheat, and barley, oats, and flour,
Oh, won't the tyrants all look sour,
When they've abolished the Corn Laws;
They will send tremendous lots of grain,
From Holland, Portugal, and Spain,
From America across the main,
And France, to banish England's pain;
England will be all alive,
The manufacturing towns will thrive,
And day and night will Britons strive,
To bury the nauseous Corn Laws.

Fast approaching is the day,
They know we can no longer stay,
Let monopolists do whatever they may,
They must abolish the Corn Laws;
Great Britain now is all in arms,
But soon will banish all alarms,
Oh, won't this be some fine concern,
And make all rogues in future learn,
The poor they must not dare oppress,
And look and laugh at their distress,
It makes them grin I must confess,
They must abolish the Corn Laws.

BIRT, Printer, 39, Great St. Andrew Street,
Seven Dials, London.

1827 – Prime Minister Lord Liverpool resigns. He had intended to reform the corn laws which were causing hardship in the country.

1828 – Robert Peel & Tories are in charge if the government

A NOTE ON CURRENCY

Pounds, shillings and pence were the divisions of British currency in the nineteenth century. One shilling was made up of twelve pence; one pound of twenty shillings, i.e. 240 pence. Pounds were represented by the £ symbol, shillings as 's.', and pence as 'd.' (from the Latin *denarius*). 'One pound, one shilling and one penny' was written as £1.1.1. 'One shilling and sixpence', referred to in speech as 'One and six', was written as 1s.6d., or '1/6'.

A guinea was a coin to the value of £1.1.0 (the coin was not circulated after 1813, although the term remained and tended to be reserved for luxury goods). A sovereign was a twenty-shilling coin, a half-sovereign a ten-shilling coin. A crown was five shillings, half a crown 2/6, and the remaining coins were a florin (two shillings), sixpence, a groat (four pence), a threepenny bit (pronounced 'thrup'ny'), twopence (pronounced 'tuppence'), a penny, a halfpenny (pronounced hayp'ny), a farthing (a quarter of a penny) and a half a farthing (an eighth of a penny).

Relative values have altered so substantially that attempts to convert nineteenth-century prices into contemporary ones are usually futile. However, the website <http://www.ex.ac.uk/~RDavies/arian/current/howmuch.html> is a gateway to this complicated subject.

English Coinage



HALFPENNY

2 farthings
2 of these in 1d



PENNY

2 halfpennys
12 of these in 1s



THREEPENCE

3 pennies
4 of these in 1s



SIXPENCE

6 pennies
2 of these in 1s



SHILLING

12 pennies
20 of these in £1



FLORIN

2 shillings
10 of these in £1



HALF-CROWN

2.5 shillings
8 of these in £1



CROWN

5 shillings
4 of these in £1



POUND

20 shillings
240 pence

<https://www.youtube.com/watch?v=R2paSGQRwvo> (58 mins)

<https://www.youtube.com/watch?v=dip8eHw3guo> (10 mins)

- Free importation? Free trade?
- Comparative advantage?
- Capital accumulation?
- General level of wages
- The price of corn
- The interest of landlord?



Free trade or protectionist policy?

Agriculture or manufacture?

The internal struggle in England

- AGRARIAN or INDUSTRIAL ?
- FREE TRADE or PROTECTIONISM ?

Political parties :

TORRIES
(landed class, industrial interests)

WHIGS
(merchants, agrarian interests)

Houses:

The House of Commons & The House of Lords are dominated by the interests of the landlords.

- Industrials become more powerful 30 years later than 1815
 - Reform Bill 1832
- (<https://www.youtube.com/watch?v=7geG1kPy5q0>)
- The right to vote for middle class
 - 1846 – Irish Potato famine
 - 1846 – Robert Peel resigns as Prime Minister. Tory party is divided between in
 - Protectionists & the Peelites.
 - 1850 – Repeal of the Corn Laws
 - England becomes first mature industrial economy !



Enclosures

- ...explained in Polanyi's *Great Transformation* (1944)

https://www.youtube.com/watch?v=Hl-HznLeQs0&ab_channel=ChristinaCroft

4. THE THEORY OF RENT (I)

The theory rested on two assumptions :

- 1) Different plots of land were of different **fertility** with the result that applying the same **labor** and **capital** to them would yield different quantities of corn.
- 2) The agricultural land has no alternative use. In other words, **the proportion of labor to real capital** in the production process is given by technical reasons, we can not change it quickly.

Economic & Political Considerations

- 1) If England is to remain self-sufficient, should more resources be devoted to agriculture?
- 2) Is it necessary to be self-sufficient in agriculture when trade would substitute for English agriculture?
- 3) Would England maintain industrial hegemony by sacrificing agricultural interests for free-trade interests?

4. THE THEORY OF RENT (II)

1- The least fertile plots of land under cultivation would earn no rent:

The corn produced would sell for just enough revenue to cover production costs, with the result that there would be nothing left for the landlord.
(no cultivation)

2- If there is a surplus:

More land would be brought under cultivation

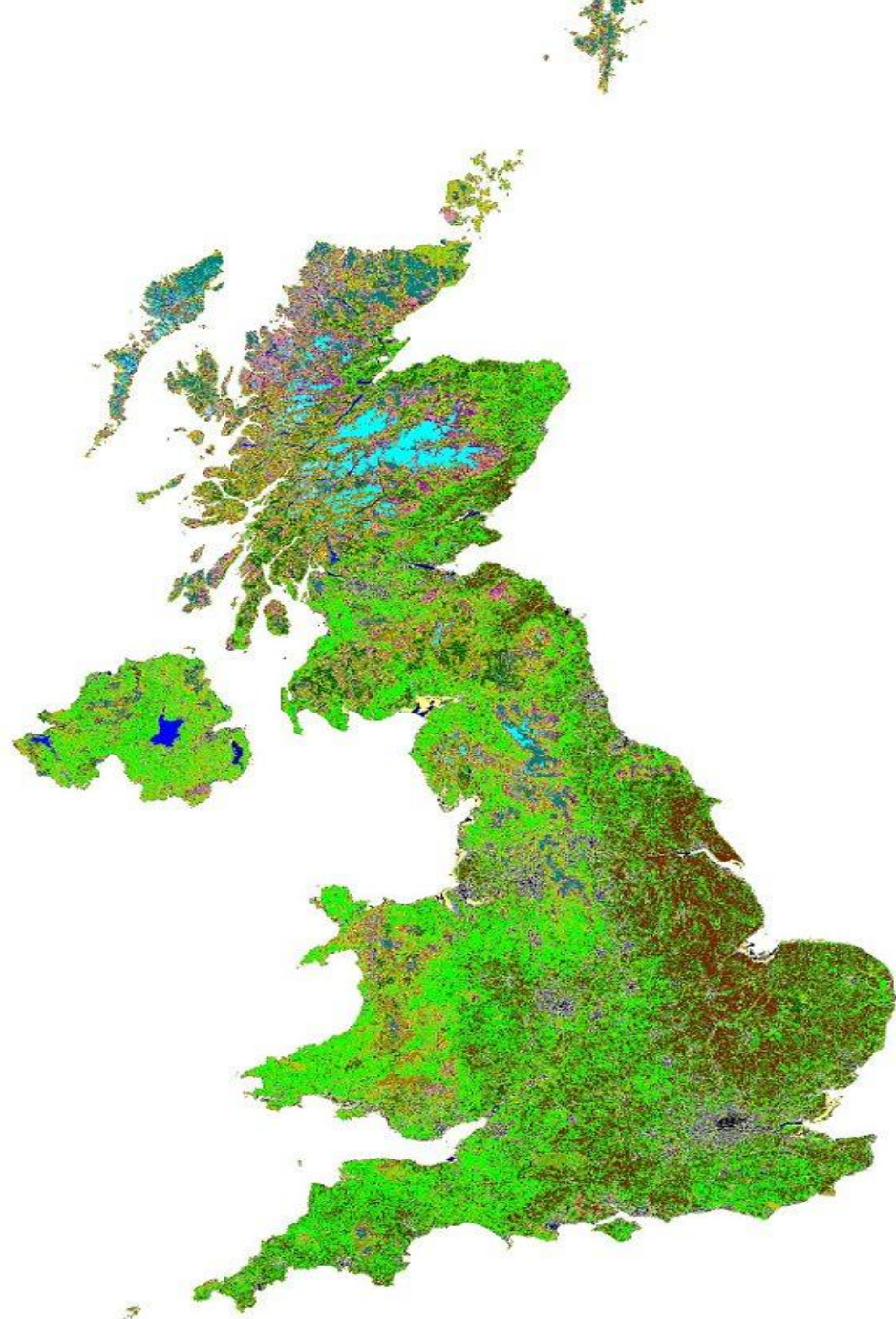
3- If costs is not covered:

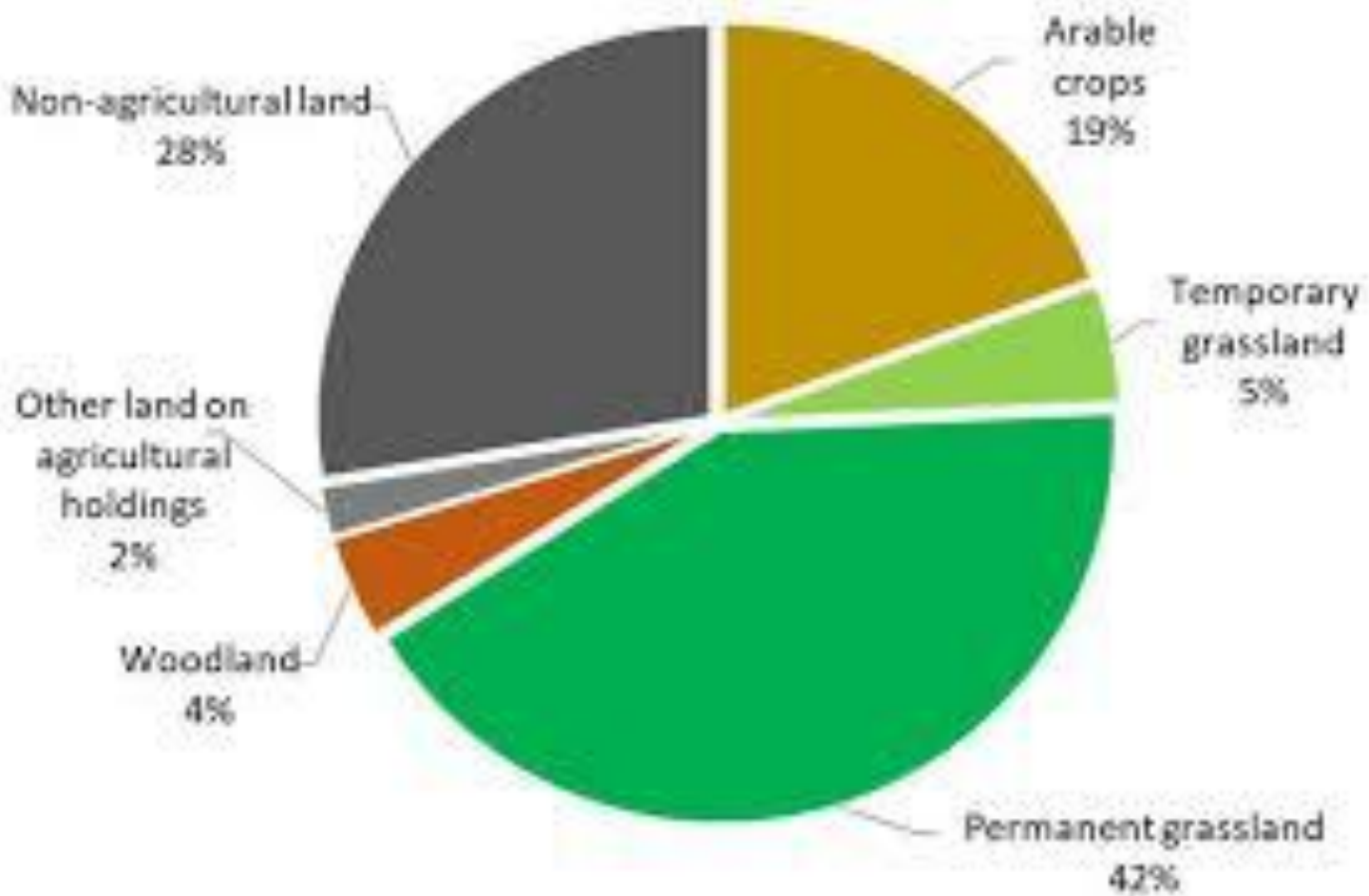
The land would not be cultivated.
(no cultivation)

Not because the land is not fertile !
Because the fertile land is very limited !

Legend

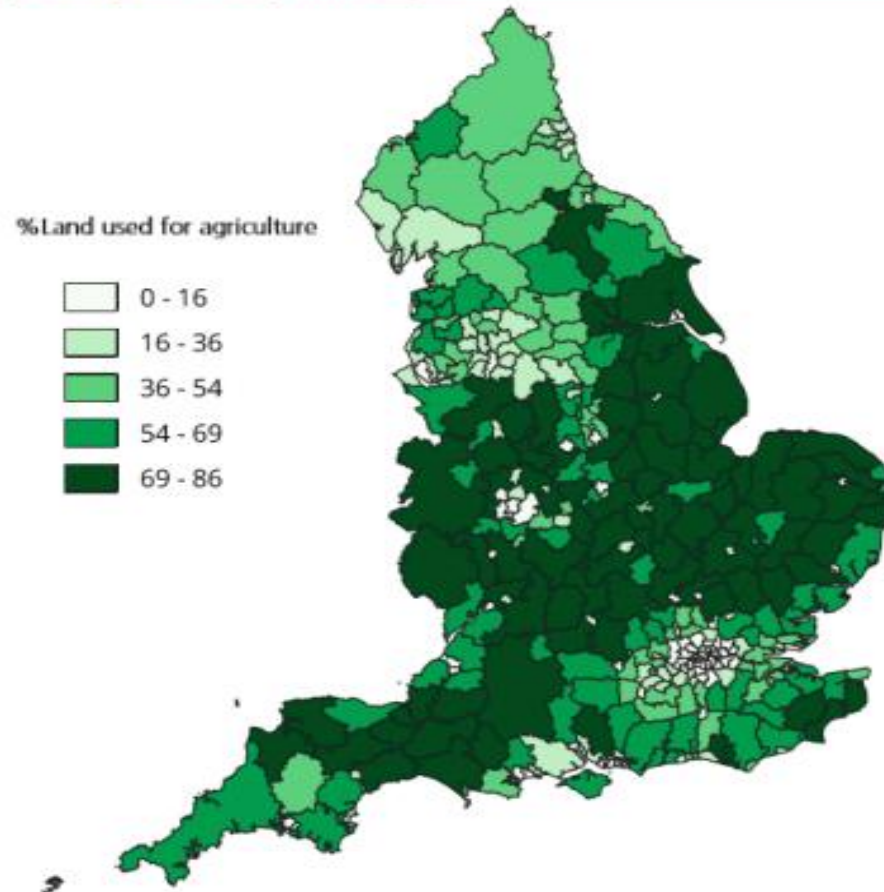
	Unclassified
	Broadleaved, mixed and yew woodland
	Coniferous woodland
	Arable and horticulture
	Improved grassland
	Rough grassland
	Neutral grassland
	Calcareous grassland
	Acid grassland
	Fen, marsh and swamp
	Heather
	Heather grassland
	Bog
	Montane habitats
	Inland rock
	Saltwater
	Freshwater
	Supra-littoral rock
	Supra-littoral sediment
	Littoral rock
	Littoral sediment
	Saltmarsh
	Urban
	Suburban





AGRICULTURAL LAND USE, 2017

% of land given over to agriculture, England



Note: These are a new dataset of experimental statistics, and are open to revision.

Source: Ministry of Housing, Communities and Local Government, ["Land use tables 2017"](#)





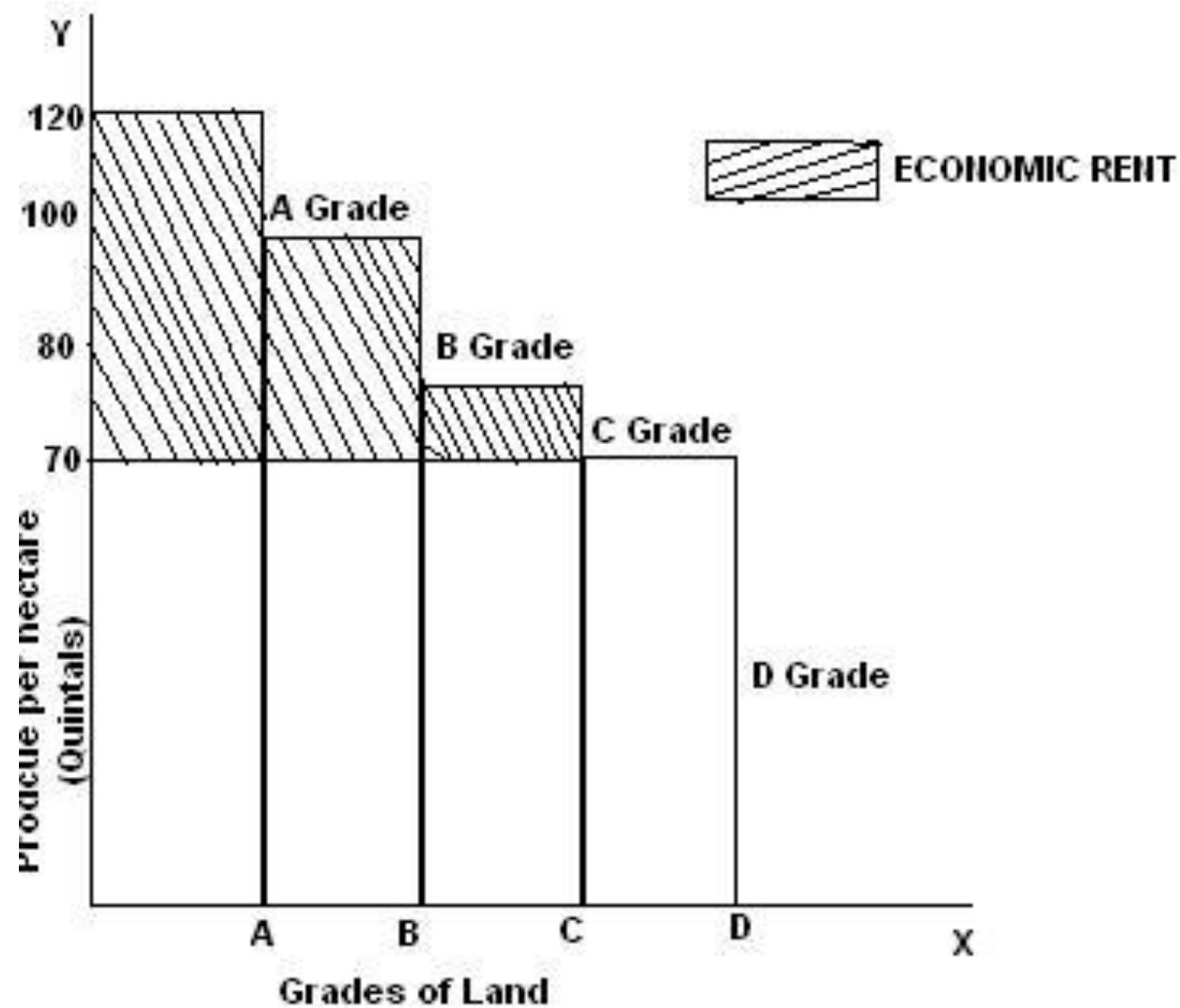
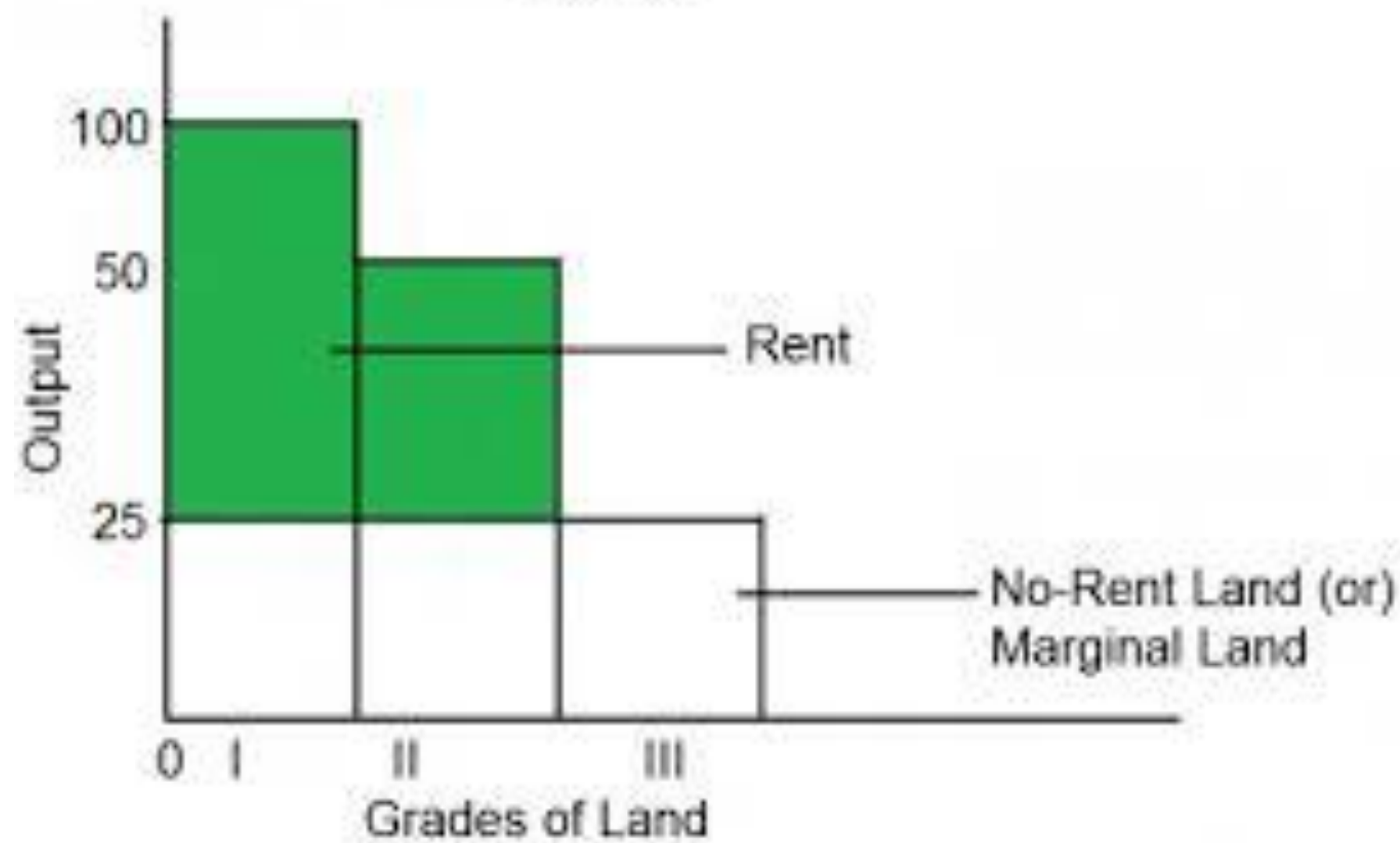


Figure 1



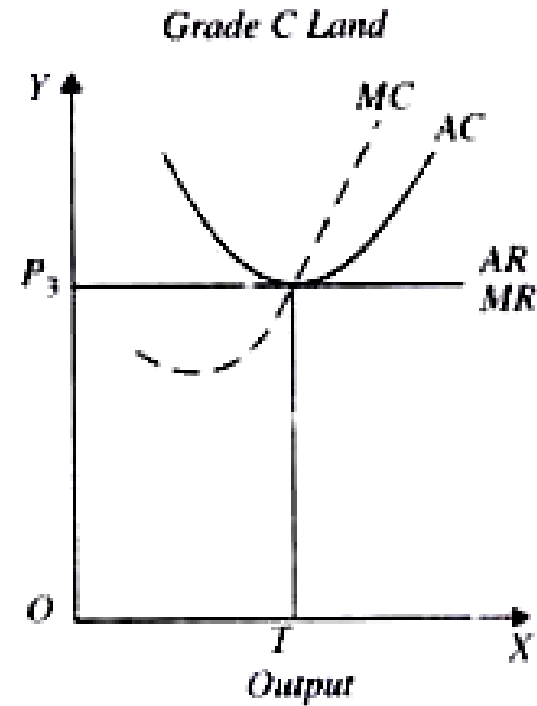
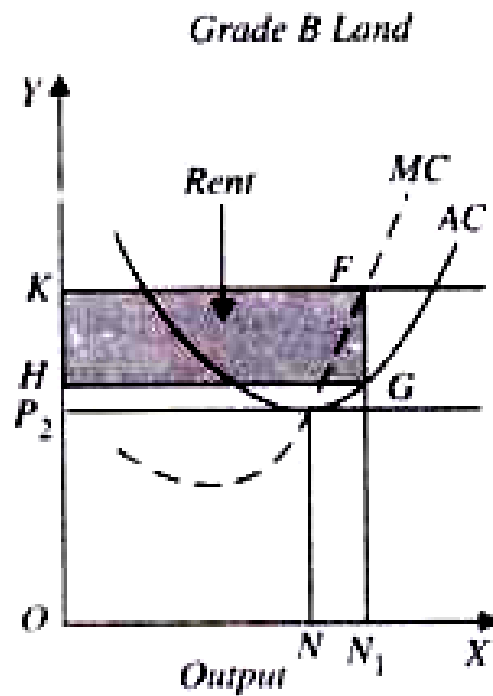
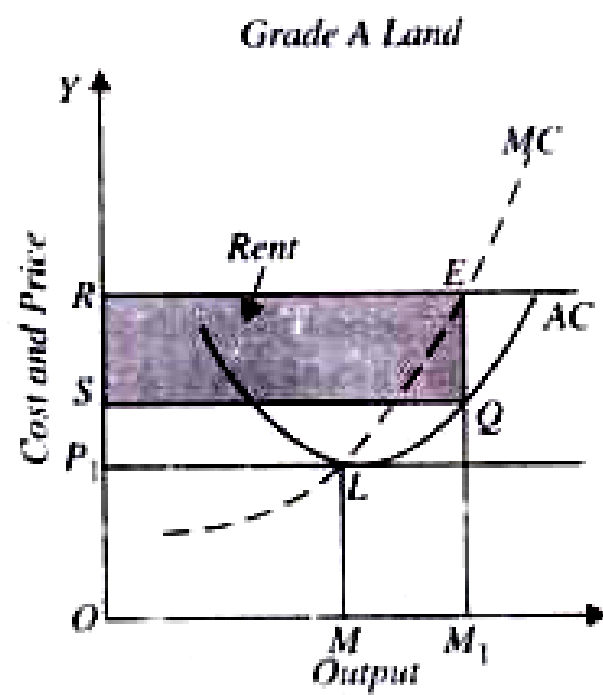


Fig.34.2 *Differential Rent*

If larger and larger doses of **labor** and **capital** are combined with a constant amount of land, the return to **a marginal amount of labor and real capital** will be smaller and smaller even if the total production increases.

The interest of the landlords is opposed to the interest of the rest of the society

- High profit would encourage capitalists to invest,
- Raising the capital stock
- This would rise the demand for labor
- Keeping wages high and causing population growth
- However as the population grew, demand of the corn will rise, so too would the price of corn
- The result being that the margin of cultivation would be extended :
More land would be cultivated, and plots already under cultivation would be cultivated more intensively
- Rents would rise
- Eating away at profits (as you know, wages could not fall, at least for very long, below subsistence, so could not be reduced)
- This fall in profits would cause the rate of capital accumulation to fall ,
- And hence the rate of growth, to fall.

THE REPEAL OF THE CORN LAWS



The Poor Man favoured the Repeal of the Corn Laws because he thought it would reduce the price of bread



The Farmer opposed Repeal because he thought that the reduced price of corn would ruin him.



The "Greedy Manufacturer" favoured Repeal because the reduced price of bread which he expected would justify him in reducing his workers' wages



The Landowner opposed Repeal because he feared that his ruined tenant-farmers would be unable to pay their rents and he would be ruined too



The starving Irish prayed for Repeal to end their famine. All were wrong in their expectations.

So what is the problem with agriculture?

- What's the reason of declining profit rate in agriculture ?

Ricardo is theorising the declining profit rate in agriculture

Agriculture or manufacture?

- As capital accumulated, **rents rose** but **profits fell**, given that capital created employment, this is **bad for the workers** too.
- Best investment: Agriculture or manufacturing?

International trade is also related to this question:



- HOLLAND agriculture :
<https://www.youtube.com/watch?v=Y5I04EObZNo>
- HOLLAND agriculture :
<https://www.youtube.com/watch?v=rH9a0E0rZ4s>



gettyimages

Cornelia Doerr

97576035

Comparative Advantages

- If they would import food?
- https://www.youtube.com/watch?v=ip9d1UJ4RYg&ab_channel=Dessine-moil%27%C3%A9co

Problems, fallacies in Ricardo's system

Defining relative prices

The question of production, a technical issue.

Costs will depend on the amount of capital used, not just the quantity of labor.

The existence of manufactured goods created problems

Agriculture cannot be self-contained.

Ricardo failed to see that improvements will be introduced.

Documentary : Industrial Revolution Britain's agricultural society

- https://www.youtube.com/watch?v=zHan9MyIb_w