



University of New England

School of Economics

**T.R. Malthus,
Observations on the Effects of the Corn Laws, 1814**

by

John Pullen

No. 2001-5 – February 2001

Working Paper Series in Economics

ISSN 1442 2980

<http://www.une.edu.au/febl/EconStud/wps.htm>

Copyright © 2001 by John Pullen. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided this copyright notice appears on all such copies. ISBN 1 86389 734 8

T.R. Malthus, Observations on the Effects of the Corn Laws, 1814*

John Pullen**

Abstract

A summary of, and commentary on, Malthus' Observations on the Effects of the Corn Laws, 1814.

Key Words: Malthus; Corn Laws

* An entry in the forthcoming *Lexikon Der Ökonomischen Werke*

** The author is an Associate Professor in the School of Economics at the University of New England. Contact information: School of Economics, University of New England, Armidale, NSW 2351, Australia. Email: jpullen@metz.une.edu.au

Malthus, Thomas Robert: *Observations on the Effects of the Corn Laws, and of a Rise or Fall in the Price of Corn on the Agriculture and General Wealth of the Country*, 1814

The first edition of this 44-page pamphlet was published in the spring of 1814, a second edition (also 44 pages) appeared later that year, and a third (of 49 pages) in 1815. The fact that it went through three editions suggests that it had a considerable impact. Patricia James (1979, S.349) believed that Malthus's publisher (John Murray) proposed a further edition in 1819, but Malthus declined because of his involvement with other projects.

A 1932 reprint of the first edition, edited by Jacob Hollander, contains a list of the changes between the three editions. The first edition has also been reprinted in *The Works of Thomas Robert Malthus*, Vol. 7, ed. E.A. Wrigley and David Souden, 1986. The second edition has been reprinted in B. Semmel, ed. *The Pamphlets of T.R. Malthus*, 1963.

The *Observations* was written at a time when the revision of the Corn Laws was about to be debated in Parliament. It shows that Malthus was eager, at least during that part of his life, to continue his involvement in public affairs, despite the demands of his teaching duties at the East India College. This eagerness had previously been evident in his two articles in the *Edinburgh Review* on the Irish question

in 1808 and 1809, and two more on the bullion controversy in 1811.

Although the timing and content of the *Observations* indicate that Malthus hoped to influence the course of political events, it was not his intention in this pamphlet to express his own view either for or against agricultural protection. Rather, his aim was "to state, with the strictest impartiality, what appear to me to be the advantages and disadvantages of each system" and "to assist in affording the materials for a just and enlightened decision". He believed that "some important considerations have been neglected on both sides of the question" (1814, ed.1, S.1-4).

The *Observations* opened with a strong attack on Adam Smith's argument in favour of a bounty on the export of corn. Malthus said that Adam Smith's argument was "fundamentally erroneous", and that it contradicted "the general spirit and scope of the reasonings which pervade the 'Wealth of Nations'". He added that the "great author" of the *Wealth of Nations* "has, on this occasion, left entirely in the background the broad, grand, and almost unanswerable arguments, which the general principles of political economy furnish in abundance against all systems of bounties and restrictions" (1814, ed.1, S.2-3).

Adam Smith had argued that a bounty on the export of corn would result in an increase in the domestic price of corn, but that this in turn would lead to an equivalent increase in wages and in the prices of all other commodities, so that

there would be no increase in the "real price" of corn, and no stimulus to agricultural production. Malthus countered this "peculiar argument of Dr. Smith" by arguing that, because the labouring classes do not spend their wages merely on bread and grain, wages would not rise or fall in proportion to variations in the price of corn, and that any effect on wages would be very slow. He concluded, against Smith, that "it is possible to encourage cultivation by Corn Laws" (1814, ed.1, S.15).

However, he then declared that the question of a bounty on corn exports was in fact "a dead letter", because it was unlikely that England would ever again become an exporter of corn. His attention was directed in the rest of the *Observations* to the question of restrictions on corn imports. He put forward several arguments to show "the striking advantages of a free trade in corn" (1814, ed.1, S.26) – for example, that replacement of cheap imports by dearer home products is a waste of resources (1814, ed.1, S.34) – and countered some of the arguments advanced by "the friends of the Corn Laws" – for example, that the price of a home-grown food supply will be cheaper and steadier (1814, ed.1, S.24-26).

But he also argued, in favour of the Corn Laws and against the "evils" of free trade, that it was essential to have an "independent supply" of food in time of war – "security is of still more importance than wealth" (1814, ed.1, S.26) – and that cheap imports of food would lead to a decline in domestic agriculture and an "excessive proportion of

manufacturing population", which would not be favourable to "national quiet and happiness" or to "health and virtue" (1814, ed.1, S.28).

Because of the complexities of the question, Malthus recommended that Parliament should delay a final decision. If it decided to proceed immediately to a revision of the Corn Laws, he recommended a "constant duty", which would be a protecting and profitable tax, but not a prohibition. The Corn Law of 1815 did not adopt this recommendation, imposing instead a complete prohibition on imported wheat when the price fell below 80 shillings per quarter, and allowing free import above that figure – except for North American colonial wheat where the critical figure was set at 67 shillings (see Hilton 1977, S.6; Hollander 1997, S.868-70).

As mentioned above, Malthus in the *Observations* strongly criticised Adam Smith for departing from the principle of laissez-faire. It is somewhat ironic therefore that in 1815, along with a third edition of the *Observations*, Malthus published another pamphlet on the Corn Laws, entitled *The Grounds of an Opinion on the Policy of Restricting the Importation of Foreign Corn: Intended as an Appendix to 'Observations on the Corn Laws'*, in which he supported a policy of restrictions on the import of foreign corn, thereby himself departing from laissez-faire, much to the surprise of his Whig friends.

It has been argued that Malthus later changed his mind and joined the Ricardian or classical opposition to the Corn Laws (see Hollander 1995, 1997); but it has also been argued that the textual and contextual evidence so far adduced for such a change of mind remains inconclusive (see Pullen 1995).

Further reading

James, Patricia: *Population Malthus. His Life and Times*, Routledge & Kegan Paul, London, 1979.

Hilton, Boyd: *Corn, Cash, Commerce. The Economic Policies of the Tory Governments 1815-1830*, Oxford University Press, Oxford, 1977.

Hollander, Samuel: *The Economics of Thomas Robert Malthus*, University of Toronto Press, Toronto, 1997.

_____: "More on Malthus and Agricultural Protection", in: *History of Political Economy*, (27), 1995, 3, S.531-38.

Pullen, John: "Malthus on Agricultural Protection: An Alternative View", in: *History of Political Economy*, (27), 1995, 3, S.517-30.