

California State University, Sacramento
Department of Economics
Economics 101-01: History of Economic Thought

Fall 2019 (MW Section)

Professor Dowell

Week 7: Malthus and Ricardo on Rents; Malthus on Wages and Profits

Note: There is a lot of reading assigned for this week. Clearly, those of you answering questions should focus on material pertaining to your respective questions and sample as much of the rest as you can. Those not writing should sample as much as they can. I don't expect most students to be able to read everything this week though.

Assigned Readings

David Ricardo, *On the Principles of Political Economy and Taxation*, Chapters II, and XXXII

Thomas Robert Malthus, "An Inquiry into the Nature and Progress of Rent and the Principles by Which it is Regulated" in *The Pamphlets of Thomas Robert Malthus* A.M. Kelley, 1970

Thomas Malthus, *Principles of Political Economy*, Book I, Chapter IV, (pp. 217-240) and Book I, Chapter V (pp. 262-289).

Mark Blaug, *Economic Theory in Retrospect* pp. 75-82 and Chapter 4, §16 and §17

Discussion Questions

Monday

11. How, according to Malthus are rents determined? What are the three sources of rent? How are prices of agricultural produce and rents related? What is the relationship between profits on agricultural stock and rents? What role do rents play in profits? What is the relationship between wages and rents? What is the relationship between population and rents?

Wednesday

12. How, according to Ricardo are rents determined? Are rents equivalent to profits? What role do rents play with respect to profits? What is the source of rent? What is the causal relationship between rents and prices? (In other words, do high rents cause high prices or do high prices cause high rents?) Explain. What is the relationship between rents and wealth? What is the relationship between technology and rents? Does Ricardo generally accept Malthus's theory of rents or is he critical of it? Explain.

Friday

13. Referring to both Malthus's *Essay* and *Principles*, what is his theory of wages? What are the implications of his population theory for wages? Explain, citing specific evidence to support your argument. What is Malthus's position on the poor laws? Why? For Malthus, how does population affect the rate of profit? Does the profit rate tend to fall with a stable population, a growing population or both? What are the "limiting principle" and the "regulating principle" and what role do they play? Compare and contrast the views of Malthus with those of Smith. Explain.