

THE WORKS
AND CORRESPONDENCE OF
DAVID RICARDO

VOLUME IX

PLAN OF THE EDITION

VOLUME

- I. Principles of Political Economy and Taxation
- II. Notes on Malthus
- III. Pamphlets and Papers, 1809–1811
- IV. Pamphlets and Papers, 1815–1823
- V. Speeches and Evidence
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- VII. Letters, 1816–1818
- VIII. Letters, 1819–June 1821
- IX. Letters, July 1821–1823
- X. Biographical Miscellany
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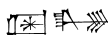
THE WORKS
AND CORRESPONDENCE OF
David Ricardo

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



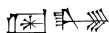
VOLUME IX

Letters
July 1821–1823



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- David Ricardo, *circa* 1821, from the painting by Thomas
Phillips, R.A. (reproduced by permission of Mr Frank
Ricardo) *-facing p. 1*
- Autograph of Ricardo's letter to Malthus, 31 August 1823
(letter 550) *at the end of the volume*

ABBREVIATIONS

<i>R.P.</i>	Ricardo Papers (consisting of letters received by Ricardo, and other of his papers, in the possession of Mr Frank Ricardo).
Mill-Ricardo papers	The letters and papers of Ricardo that belonged to James Mill, and which passed into the possession of the Cairnes family and Mr C. K. Mill.
'at Albury'	Papers in the possession of Mr Robert Malthus, of The Cottage, Albury, Surrey.

The following abbreviations are used by Malthus, Mill and Bentham, respectively, in their letters:

- E.I. Coll., for East India College, Haileybury.
- E.I. House, for East India House, London.
- Q.S.P., for Queen Square Place, Westminster.

437. RICARDO TO TROWER¹
[Reply to 435.—Answered by 445]

Gatcomb Park Minchinhampton
4 July 1821

My Dear Trower

Before I left London I gave directions to Mr. Mitchell, at the Vote Office, to send you a copy of the printed minutes of Evidence of the Agricultural Committee as soon as it should be obtainable, which I have no doubt he will do. I hope that you are satisfied with a great part of the Report, there are some absurdities and contradictions in it, but considering how the committee was formed, and the opposition which was given to sound principles by the landed gentlemen, I think it on the whole creditable to the Committee.

4 July 1821

I am glad that you think I have vindicated my book against Malthus's attacks, in my notes:—if I have not, it is owing to my weakness, and not to his strength, for I am quite sure that his book abounds with inconsistencies and contradictions. I am not surprised that you should not agree with me in my definition of exchangeable value, but when you say that “the labour expended upon a commodity is the measure by which the accuracy of its exchangeable value is ascertained and constantly² regulated” you admit all I contend for. I do not, I think, say that the labour expended on a commodity is a measure of its exchangeable value, but of its positive value. I then add that exchangeable value is regu-

¹ Addressed: ‘Hutches Trower Esq^r / Unsted Wood / Godalming / Surry’.

MS at University College, London.—*Letters to Trower*, XLVII.

² Trower had said ‘eventually’.

4 July 1821

lated by positive value, and therefore is regulated by the quantity of labour expended.

You say if there were no exchange of commodities they could have no value, and I agree with you, if you mean exchangeable value, but if I am obliged to devote one month's labour to make me a coat, and only one weeks labour to make a hat, although I should never exchange either of them, the coat would be four times the value of the hat; and if a robber were to break into my house and take part of my property, I would rather that he took 3 hats than one coat. It is in the early stages of society, when few exchanges are made, that the value of commodities is¹ most peculiarly estimated by the quantity of labour necessary to produce them, as stated by Adam Smith.

I confess I do not rightly understand what meaning you attach to the words "exchangeable value," when you say that "the labour which a commodity can command is what actually constitutes its exchangeable value." A yard of superfine cloth we will suppose can command a month's labour of one man, but in the course of a year, from some cause, it commands only a fortnight's labour of one man, you are bound to say that the exchangeable value of cloth has fallen one half. You are bound to say this whether the cloth be produced with a great deal less labour in consequence of the discovery of improved machinery, or the food and some of the other necessaries of the labourer be produced with so much difficulty that wages rise and therefore labour rises as compared with cloth and many other things. You would say then cloth has fallen one half in exchangeable value although it should exchange for precisely the same quantity of gold, silver, iron, lead, hats, tea, sugar and a thousand other things and you would use precisely the same language if by the

¹ 'the value of commodities is' replaces 'the commodities are'.

4 July 1821

discovery of machinery cloth was produced with great additional facility and consequently would exchange for only one half the same quantity of gold, silver, iron, lead, hats, tea, sugar and a thousand other things. Now the difference between you and me is this: in the latter case I should say with you that cloth had fallen to half its former exchangeable value and my proof would be that it would exchange for only half the former quantity of labour and of *all other things*, but in the other case I should say cloth has not altered in exchangeable value because it will exchange for precisely the same quantity of all other things. It is true it will exchange for more labour, and why? because labour has fallen in exchangeable value, and the proof is it will exchange for only half the quantity of gold, silver, lead, iron and all other things, excepting perhaps corn and some other necessaries, which have also fallen in value. I cannot approve of your saying that cloth has fallen in exchangeable value merely because it will exchange for less labour, no more than I can approve of the same terms being applied to the fact of its exchanging for less salt, or for less sugar. Surely such a use of the words exchangeable value tends to perplex and mislead. Labour rising in value is one thing, commodities falling in value is another, but once admit your language and these 2 different things are confounded. It would be quite accurate to say in both cases that cloth had fallen in exchangeable value estimated in labour, as it would be to say it had fallen in value estimated in salt if such should be the fact, but then the medium by which you measure exchangeable value is named and you only express a fact—this is very different however from saying that cloth has fallen in exchangeable value without mentioning the medium in which its alteration in value is specifically confined.

In what I have said respecting natural and market price

4 July 1821

I have obviated your objections in regard to the difference between cost and value. Cost is an ambiguous word and sometimes includes the profit of stock, and sometimes excludes it. In the way you use it, and I think properly use it, there is no ambiguity, you include in it the profits of stock.

I cannot but flatter myself with the hopes of a continuance of peace in Europe—the agitations which at present exist will I think subside, and we shall witness a general course of prosperity. When our purses are again filled indeed, we may as usual become quarrelsome, but I hope nations are becoming wiser, and are every day more convinced that the prosperity of one country is not promoted by the distress of another—that restrictions on commerce are not favorable to wealth, and that the¹ particular welfare of each country, as well as the general welfare of all, is best encouraged by unbounded freedom of trade, and the establishment of the most liberal policy. I must do our ministers the justice to say that I believe they view these questions in their true light and would make great improvements in our commercial code if they were not thwarted and opposed by the narrow and selfish policy of the particular interests which are so powerfully exerted in the H. of Commons to check improvement and support monopolies.—

Mrs. Ricardo unites with me in best regards to Mrs. Trower and yourself.

Ever Truly Y^{rs}

DAVID RICARDO

¹ 'individual' is del. here.

438. MILL TO RICARDO ¹
 [Answered by 441]

East India House July 5th 1821

My dear Sir

I am extremely sorry to announce to you what respecting myself is very bad news; my inability to visit you along with Mr. Tooke. It would have been difficult to arrange matters in this office in such a manner as to get away for at least another week; but I am called upon in another way, which fixes the inability upon other grounds. I am bound to Napier, for an article "Liberty of the Press", for his Encyclopedia. This I expected not to have any demand upon me for, during several months, because the N^o to which "Jurisprudence" belongs is not yet published, and I knew "Liberty of the Press" could only be included in the next. I had, however, a letter from Napier the other day in which he tells me that the present N^o has only been delayed on account of Dugald Stewart's Preliminary Dissertation; that in the mean time he has begun the printing of the subsequent N^o; that considerable progress has been made in it, and that my article will be wanted in a month. It would be impossible for me to have it ready in a month, if I had nothing else to do. But I cannot think of an excursion of pleasure, when I should be interrupting so many people by my delay. I must get relieved from my duties here, as quickly as possible, and bury myself at Marlow,² where my family now are, till I have completed my task. It will be of no small importance to put the subject upon a good foundation, and I am anxious to treat it as well as I am able. I am still not without hopes of stealing a week in which I can make a run down to you; but it must be somewhat late in the season. We shall hear from one another in the mean time, and may perhaps find a time

¹ MS in *R.P.*

² Great Marlow, Bucks.

5 July 1821

that will be convenient for both. I hope the Ladies will not forget me in the mean time. My hopes of pleasure from their society, in the old scenes and occupations, were such that I do not easily submit even to postpone the realizing of them.¹

The news of the death of Bonaparte will have reached you. The only effect it will have here is that of relieving us from some expense. In France it will have some portion of the effect which the death of the Pretender has had here: to make the Government pursue despotism with somewhat less fear, and more effrontery.

I hear various accounts about the “august ceremony”.² There are rumours about the King’s head. The agitating of the question about the queen, too, is exciting apprehension, more, I am persuaded, than there is any ground for. In fact the people seem to understand the nature of the “imposing spectacle”; and in spite of the Marquess and Nicky Van,³ can see nothing in it but a subject of laughter and contempt. The thing might be endured, because it is old; but to attempt in the present day to puff it up into a matter of importance, and instead of performing it with the utmost simplicity, as a thing the day for which had gone by, to make it a draw for the public money, is only to compell people to consider how little it accords with the spirit of the times, how unworthy it is of the people of a civilised age, and how much more properly it would have been extinguished with the

¹ On 10 July 1821 Mill, from the East India House, wrote to Napier: ‘I have been hard at work upon the article Liberty of the Press, and for that purpose suspended the printing of my book on Political Economy...I have refused to pay my annual visit to Ricardo, that I may work for you, so that you must not blame me

if there is a little delay.’ (See *Selections from the Correspondence of M. Napier*, p. 27; Bain, *James Mill*, p. 194.)

² The coronation of George IV, on 19 July 1821.

³ The Marquess of Londonderry (Lord Castlereagh) and Nicholas Vansittart.

barbarous ages which gave it birth. The folly of it, by the ostentation of the present performance, will become so apparent, as probably to prevent a repetition. The effect of it seems likely to be, according to all I see and hear, to render monarchy more contemptible; by making it appear the principal piece of a harliquinade. 5 July 1821

I hope I shall hear from you soon, and am as at all times,

Most truly Yours

J. MILL

439. RICARDO TO M^cCULLOCH ¹

[*Answered by 474*]

Gatcomb Park 8 July 1821

My Dear Sir

At Mr. Mushet's request I write these 2 lines to say that he is busily employed in correcting his tables so as to render them correct in principle. You may expect he says to receive a copy of his New Edition in a fortnight or 3 weeks.—² 8 July 1821

Your observations on the Report of the Agricultural Committee are excellent.³ I am much flattered by knowing that I fought hard against the principle of the first passage which you quote,⁴ but without success. Mr. Huskisson did

¹ Addressed: 'J. R. M'Culloch / Buccleugh Place / Edinburgh'.

MS in British Museum.—*Letters to M^cCulloch*, XXVII.

² It was this ed. that M^cCulloch reviewed; see above, VIII, 392.

³ 'Report of the Agricultural Committee', leading article in the *Scotsman*, 30 June 1821.

⁴ In this passage the Committee suggest for the consideration of Parliament 'whether a trade in corn, constantly open to all nations of the world, and subject

only to such a fixed duty as might compensate to the grower the loss of that encouragement which he received during the late war from the obstacles thrown in the way of free importation, and thereby protect the capitals now vested in agriculture from an unequal competition in the home market,—is not, as a permanent system, preferable to that state of law by which the corn trade is now regulated. It would be indispensable, for the just execution of

8 July 1821

not himself quite agree with its correctness but the difference between him and me is this, he would uphold agriculture permanently up to its present height—I would reduce it gradually to the level at which it would have been if the trade had been free, for I should call the trade free if wheat was subject to a permanent duty of 8/- p^t q^t to countervail the peculiar taxes to which Land is subject. You have not noticed the passage in Page 16 beginning with “Assuming, therefore,” nor in page 17—“They can however have no difficulty in stating” which are both very objectionable. There is a great inconsistency in Page 11 with the former part of the Report. We say “Taking therefore as the basis” &c^a, here we say that steady prices are advantageous to the landlord, and we have before said that steady prices can only be obtained by permitting them to be low, and on a level with the prices of other countries—the conclusion then is that low prices are beneficial to landlords—to this I cannot agree—but I have not time now to write another word.

Y^{rs} truly

DAVID RICARDO

this principle, that such duty should be calculated fairly to countervail the difference of expense, including the ordinary rate of profit, at which corn, in the present state of this country, can be grown and brought to market within the United Kingdom, compared with the expense, including also the ordinary rate of

profit, of producing it in any of those countries from whence our principal supplies of foreign corn have usually been drawn, joined to the ordinary charges of conveying it from thence to our markets.’ (‘Report from Committee on the Agriculture of the U.K.’ 1821, p. 16.)—*Scotsman’s* italics.

440. MALTHUS TO RICARDO ¹
 [Answered by 442]

S^t Catherine's July [7th, 1821]²

My dear Ricardo

Your letter³ did not reach me so soon as it ought, from the irregularity of the post or the servants, here, where the family is but just settled. 7 July 1821

Mrs. Malthus and I are much obliged to you for your very kind invitation which it would give us great pleasure to accept, if we could; but having come here later than we intended, and being obliged to return the 24th or 25th of this month we shall not be permitted still further to shorten our visit to the Eckersalls, as I hinted to you in Town. We must therefore defer our visit to Gatcomb till a better opportunity.

Pray has Maculloch specifically objected to your new doctrine relating to Machinery? From the manner in which you proposed the question to the Club I conclude he has.⁴ I thought he would at all events be much disappointed to see your new chapter, after having written the article on machinery in the last Edinburgh.⁵

I fear I must have expressed myself very clumsily throughout the whole of my long final chapter in my last work,⁶ as both in your notes and conversation you appear quite to have

¹ Addressed: 'D. Ricardo Esqr MP. / Gatcomb / Minchinhampton / Glosteshire'. Postmark, Bath 7 July 1821.

MS in *R.P.*

² Omitted in MS.

³ Ricardo's letter is wanting.

⁴ At the meeting of the Political Economy Club on 25 June (when Malthus's question 'Can there be a Glut of commodities?' was discussed) Ricardo had proposed for consideration at the next

meeting the query 'Whether Machinery has a tendency to diminish the demand for labour?' Owing to Ricardo's absence from the next two meetings, the discussion was deferred till 4 Feb. 1822. (See *Political Economy Club, Minutes of Proceedings, 1821-1881*, pp. 43-6.)

⁵ See above, VIII, 366, n. 2.

⁶ Ch. VII, 'On the Immediate Causes of the Progress of Wealth.'

7 July 1821

misunderstood me. You constantly say that it is not a question about the motives to produce. Now I have certainly intended to make it almost entirely a question about motives. We see in almost every part of the world vast powers of production which are not put into action, and I explain this phenomenon by saying that from the want of a proper distribution of the actual produce adequate motives are not furnished to continued production. By inquiring into the immediate causes of the progress of wealth I clearly mean to inquire mainly into motives. I don't at all wish to deny that some persons or others are entitled to consume all that is produced; but the grand question is whether it is distributed in such a manner between the different parties concerned as to occasion the most effective demand for future produce: and I distinctly maintain that an attempt to accumulate very rapidly which necessarily implies a considerable diminution of unproductive consumption, by greatly impairing the usual motives to production must prematurely check the progress of wealth. This surely is the great *practical* question, and not whether we ought to call the sort of stagnation which would be thus occasioned a glut. That I hold to be a matter of very subordinate importance.

But if it be true that an attempt to accumulate very rapidly will occasion such a division between labour and profits as almost to destroy both the motive and the power of future accumulation and consequently the power of maintaining and employing an increasing population, must it not be acknowledged that such an attempt to accumulate, or that saving too much, may be really prejudicial to a country. Do look at my chapter again after this explanation.

With regard to the question you put to me at the club, I should distinctly answer that under all common circumstances, if an increased power of production be not accompanied by