

550. RICARDO TO MALTHUS ¹

[Reply to 545]

Gatcomb Park

31 Aug^f 1823

My Dear Malthus

31 Aug. 1823

I have only a few words more to say on the subject of value, and I have done. You cannot avail yourself of the argument that a foot may measure the variable height of a man, altho' the variable height of a man cannot truly measure the foot, because you have agreed that under certain circumstances the man's height is not variable, and it is to those circumstances that I always refer. You say of my measure, and say truly, that if all commodities were produced under the same circumstances of time &c.^a as itself, it would be a perfect measure; and you say further that it is now a perfect measure for all commodities produced under such circumstances. If then under certain circumstances mine is a perfect measure, and yours is always a perfect one, under those circumstances certain commodities ought to vary in these two measures just in the same degree. Do they so? certainly not; then one of the measures must be imperfect. If they are both perfect mine ought to measure yours as well as yours mine.

There is no "impropriety in your saying with Adam Smith² that labour will measure not only that part of the whole value of the commodity which resolves itself into labour, but also that which resolves itself into profit," because it is the fact. But is not this true also of any variable measure you could fix on. Is it not true of Iron, Copper,

¹ Addressed: 'The Rev^d T. R. Malthus / East India College / Hertford'. Franked by Ricardo 'September One 1823'.

MS at Albury.—*Letters to Malthus*, LXXXVIII.

An earlier draft in Mill-Ricardo papers.

² *Wealth of Nations*, Bk. I, ch. vi; Cannan's ed., vol. I, p. 52.

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lead, cloth, corn &c.^a &c.^a? The question is about an invariable measure of value, and your proof of invariability is that it will measure profits as well as labour, which every variable measure will also do.

I have acknowledged that my measure is inaccurate, you say; I have so; but not because it would not do every thing which you assert yours will do, but because I am not secure of its invariability¹. Shrimps are worth £10 in my money—it becomes necessary, we will suppose, in order to improve the shrimps to keep them one year, when profits are 10 pc.^t, shrimps at the end of that time will be worth £11. They have gained a value of £1. Now where is the difference whether you value them in labour and say that at the first period they are worth 10 days labour and subsequently 11, or say that at the first period they are worth 10£ and subsequently 11?

I am not sure that your language is accurate when you say that “labour is the real advance in kind and [the]² profits may be correctly estimated upon the advances whatever they may be.” A Farmer’s capital consists of raw produce, and his real advances in kind are raw produce³. His advances are worth and can command a certain quantity of labour undoubtedly, and his profits are nothing unless the produce he obtains will command more if he estimates both advances and profits in labour, but so it is in any other commodity in which he may value his advances and returns. Does it signify whether it be labour or any other thing, provided there be no reason to suspect that it has altered in value? I know that you will say that provided his produce is sure to⁴ command a certain quantity of labour he is sure of being able to reproduce, not so if he estimates in any other thing, because that thing and

¹ ‘to which I say yours is still more subject’ is del. here.

² Omitted in MS.

³ Draft has here in addition:

‘, which he expects to have returned to him with a profit’.

⁴ In draft ‘can’ instead of ‘is sure to’.

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labour may have undergone a great relative alteration. But may not the real alteration be in the value of labour, and if he act on the presumption of its remaining at its then rate may he not be woefully mistaken, and be a loser instead of a gainer? Your argument always supposes labour to be of an uniform value, and if we yielded that point to you there would be no question between us. A manufacturer who uniformly used no other measure of value than that which you recommend would be as infallibly liable to great disappointments as he is now exposed to in the vulgar variable medium in which he is accustomed to estimate value.

And now my dear Malthus I have done. Like other disputants after much discussion we each retain our own opinions. These discussions however never influence our friendship; I should not like you more than I do if you agreed in opinion with me.

Pray give Mrs. Ricardo's and my kind regards to Mrs. Malthus

Y^{rs} truly

DAVID RICARDO

551. TROWER TO RICARDO ¹

[*Reply to 549.—Answered by 553*]

Unsted Wood. Sept^r 3. 1823.

My Dear Ricardo

3 Sept. 1823

Many thanks for your kind letter—You have placed a temptation in my way, which I find it very difficult to withstand; and which I should not feel quite satisfied with myself if I *did*. It would not be a very gracious return for your kind invitation; nor would it evince any great desire for the pleasure I shall have in visiting you.—I will, therefore accept your agreeable offer of passing a few days with You

¹ MS in *R.P.*

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at Gatcomb—I am afraid, however, I cannot contrive to be with You exactly at the times You mention—No doubt, I should rejoice in an opportunity of meeting Mr. Mill, of whom I think very highly, and whose company and conversation are edifying and agreeable to me.—

But, unfortunately, my engagements are such, that I should not be able to be with you before the end of the Month, say the 30th.—

Next week I am going into Sussex, first, to pass a few days with my Brother John at Muntham, and then to go to Newick Park to my Brother in Law Mr. Slater.—On our return from Sussex we have a short visit to pay in this neighborhood. So that I should not be able to go hence to London before the 29th and to start for Gatcomb the following day.—

If this period should be perfectly convenient to you have the goodness to suggest by what publick conveyance I had better travel; whence it sets out, and at what hour; and where I shall be deposited. I prefer travelling by *day* rather than by *night*; if there is an option in the case, and no strong arguments in favor of the Mail—I like to sleep when I am in bed, and to be awake when I am up; with full power to exercise those windows of the soul, which are the light and the life of our existence.—

I am looking over Malthus' Measure of Value again, and I confess I find it difficult to know what he would be at. To my poor capacity he is very obscure; and I think inconsistent.

To me it appears, that whatever is the measure of absolute value will be the measure of exchangeable value. Labor originally was that measure; or, more properly speaking, the necessities which labor requires; but now to these must be added the expences and profit on capital or in other words the *costs of production*. I think the subject is rendered more obscure by confounding with immediate labor, what is called

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accumulated labor, but which in fact is capital—It is most important, that these two ideas should be kept distinct; because labor and capital, are, if I may so express myself, in constant opposition to each other. The employment and the rewards of labor depending upon the amount of capital. How Malthus can satisfy himself of the unalterable value of labor, I cant conceive, to me it is a compleat puzzle. Nor can I subscribe to some of his doctrines with respect to profit. He appears to forget, that it is the residue, *the surplus* after all expences are paid. These expences must have a constant influence upon the rate of profit, yet I dont see how the rate of profit is to influence these expences. And yet he talks of the fall of value *on account* of the fall in profits.—

I have often thought, that a useful view of the subject might be taken by excluding profit from the costs of production, and by exhibiting it in its true light, as the *surplus produce*—

In point of fact, it may be truly said, that the payment of profits is not a *necessary condition* of production—Production, to a *limited* extent, would, and does take place without it. The production necessary to a man's support does not require profit, nor does it always obtain it. There may be no surplus produce; there may be just sufficient to support the labor during the process of production, and no more. But, of this sufficient for the present as I am happy in thinking, that, ere long, I shall enjoy the opportunity of entering with more freedom into these and other topicks—

Mrs. Trower begs to join with me in kind regards to Mrs. Ricardo yourself and family and I remain

Yrs very truly—

HUTCHES TROWER