

THE  
SOURCE AND REMEDY  
OF THE  
NATIONAL DIFFICULTIES,  
DEDUCED FROM  
*PRINCIPLES OF POLITICAL ECONOMY,*  
IN  
A Letter  
TO  
LORD JOHN RUSSELL

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“The leanness that affects us, the objects of our misery, is an inventory to particularize their abundance.” – SHAKSPEARE.

“How to solder, how to stop a leak – that now is the deep design of a politician.” – MILTON.

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LONDON:  
RODWELL AND MARTIN, NEW BOND-STREET.

1821.

London, February, 1821.

MY LORD,

I ADDRESS your Lordship because I believe you to be sincere and zealous in your public opinions and conduct; and because I know you to be a young man, and therefore less likely to have your understanding incrustrated by established and received theories.

I was confirmed in this intention by an Essay, in a work generally attributed to your Lordship, wherein you acknowledge the little satisfaction you have hitherto received from the contradictory opinions of writers on this subject. They are indeed, my Lord, contradictory, not only the one to the other, but to our best feelings and plainest sense. From all the works I have read on the subject, the richest nations in the world are those where the greatest revenue is or can be raised; as if the power of compelling or inducing men to labour twice as much at the mills of Gaza for the enjoyment of the

Philistines, were proof of any thing but a tyranny or an ignorance twice as powerful.

How far my own opinions will be conclusive with your Lordship's, I dare not hazard a conjecture; but as many of them are uncommon, they may, as Hume says, "repay some cost to understand them". But, my Lord, *if they are true*, they have most important consequences; I therefore earnestly intreat you not to reject them without a patient and attentive examination.

Here then, my Lord, after having, for the interest of our suffering country, again respectfully solicited your attention throughout the progress of this inquiry, I leave off personally addressing you.

In the consideration of this important question, we must advert to and reason from principles; I shall proceed therefore immediately to lay down such as are of immediate consequence to the argument, and such as must, I presume, if the wording be not cavilled at, be universally admitted as true.

First then, I hold, or rather I presume it is universally held, that LABOUR IS THE SOURCE OF ALL WEALTH AND REVENUE. It signifies not how our revenue may come to us, whether as interest of money—rent of houses, lands, mines, quarries—pensions—profits of trade—salary—tithes:—come what way it will, through what channel it will, it must be originally derived from labour—either our own labour, or the labour of others.

If then, this first principle be admitted, it follows conclusively that THE WEALTH OF A NATION, AS OF AN INDIVIDUAL,

CONSISTS IN ITS RESERVED LABOUR: the stores either of money, machinery, manufactures, or produce, &c. &c. that it may possess, being the evidences and representatives of that reserved labour.

It is not my intention to clog this inquiry with an eternal reference to the opinions of other men—I shall hereafter neither controvert nor advert to them; but it will be but honest to the uninitiated here to admit, that even this simple proposition has been objected to, and to state the nature of the objection, that he may be satisfied an endeavour to establish every principle against all possible objection, would require a folio rather than a letter. Thus it has been held by some “learned Thebans” to be erroneous, because we omit the powerful agency of nature: now this is strictly true; but then other and more “learned Thebans”; come upon us with a distinction between “value in use” and “value in exchange,” and show it is only true of “value in use;” this is still more accurate: but then it needs two more chapters, and, I ask, might not one chapter say to the others “we three are sophisticated?” Does not a plain man find his common interpretation of the language was perfectly correct?

At the same time that I shall be scrupulously studious of brevity, to be clear and intelligible must be the first consideration; therefore I shall myself refine a little even upon this second principle, and, for the avoiding future explanation, add, that the WEALTH OF A NATION CONSISTS IN ITS RESERVED SURPLUS LABOUR, by which I mean the reserved labour beyond its usual and necessary consumption; for without this distinction, which, though too indefinite and inaccurate, may serve my purpose, the wealth of a nation would vary with the seasons; before harvest and after harvest materially. Now, however, that I have been stayed by this literal accuracy, I may add that when I shall hereafter speak of the *surplus* labour of a man, I mean by it, the representative of all the labour of the individual beyond what is exclusively appropriated to the maintenance and enjoyment of himself and family. But once for all, as I

profess to neither to be learned nor critical on this subject, I trust the reader will allow my language the utmost latitude of meaning if by so doing it may include what is true, or will limit and restrict any particular word or phrase, if in a general or more extensive sense the opinion would be erroneous;—this blundering attempt at definition has already made me despair of any thing like accuracy.

The wealth of a nation having been now defined to be its reserved surplus labour, I shall add that RESERVED SURPLUS LABOUR IS CAPITAL, and further, that reserved SURPLUS LABOUR OR CAPITAL HAS A POWER OF REPRODUCTION, or of FACILITATING PRODUCE *when invested in machinery, lands, agricultural improvements, &c. &c.*

These are some of the best principles with which to begin this inquiry, because they are the least likely to be disputed; but there are certain consequences I shall proceed to deduce from them, neither so immediately apparent, nor so certain as to leave me the same assurance of universal assent. The intent and object of all writers of political economy has hitherto been, to suggest the best means of increasing the wealth or capital of a country; NOW NATURE, I say, HAS PUT BOUNDS TO THE ACCUMULATION OF CAPITAL, and further, for this is the great practical purpose of the argument, I hope to shew that THE ACCUMULATION OF CAPITAL IS VERY LIMITED, *if the happiness of the whole, and not the luxuries of a few, is the proper subject for national congratulation.*

We will examine the question simply. Suppose the whole labour of the country to raise just sufficient for the support of the whole population; it is evident there is no surplus labour, consequently, nothing that can be allowed to accumulate as capital.

Suppose the whole labour of the country to raise as much in *one* year as would maintain it *two* years, it is evident one year's consumption must perish, or for one year men must cease from productive labour. But the possessors of the surplus produce, or capital, will neither maintain the population the following year in idleness, nor allow the produce to perish; they will employ them upon something

not directly and immediately productive, for instance, in the erection of machinery, &c. &c. &c. But the third year, the whole population may again return to productive labour, and the machinery erected in the last year coming now into operation, it is evident the produce of the whole will be greater than the first year's produce, by the additional power of the machinery, and consequently that the superabundant produce will be one whole year's consumption, and the produce of the machinery in addition. It will follow still more necessarily, therefore, either that this surplus labour must perish, or be put to use as before; and this usance again adds to the productive power of the labour of the society, and so on progressively, till men *must* cease from productive labour for a time, or the produce of their labour must perish.

This is the palpable consequence in the simplest state of society, and neither the detail of figures, the jargon of our political economists, nor the complexity of existing institutions, can alter this consequence, although the one may confuse us in discourse, and the other abuse us in the endeavour; and, in proof, we will proceed to trace the progress of the accumulation of capital in existing societies, which will be found confirmatory of what I have stated.

The first step is, that the possessor of capital, never mind how obtained nor how invested, whether in lands, houses, money, or manufactures, engrosses so much of the labour of others for the use of his capital, as they are able to benefit by its use, and this is what is called interest of money, profits of trade, rent, &c. But as all men that have ever felt the accumulative power of money have a passion to accumulate it, the accumulation of capital would proceed, and as capital has a reproductive power, produce would go on increasing, until no man would avail himself of the capital of another, and consequently till no man could live on his capital, because no man would give, his labour for its use\*. Here then the evil would have corrected itself, and the

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\* Even in these Utopian speculations the great land-holder should possibly be excepted; a rent, *equal to the expense on importation*, being always secure to him. No increase of capital could entirely destroy the rent of lands, because but a

society would be in the same situation as in the first year, with this difference only, that its surplus produce *must perish*, because there is no further means of investing it.

THE PROGRESS OF THIS INCREASING CAPITAL WOULD, *in established societies*, BE MARKED BY THE DECREASING INTEREST OF MONEY, or, which is the same thing, the decreasing quantity of the labour of others that would be given for its use; but so long as capital could command interest at all, it would seem to follow, that the society cannot have arrived at that maximum of wealth, or of productive power, when its produce must be allowed to perish.

When, however, it shall have arrived at this maximum, it would be ridiculous to suppose, that society would still continue to exert its utmost productive power. The next consequence therefore would be, that where men heretofore laboured twelve hours they would now labour six, and *this* is national wealth, this is national prosperity. After all their idle sophistry, there is, thank God! no means of adding to *the wealth of a nation* but by adding to the facilities of living: so that wealth is liberty—liberty to seek recreation—liberty to enjoy life—liberty to improve the mind: it is disposable time, and nothing more. Whenever a society shall have arrived at this point, whether the individuals that compose it, shall, for these six hours, bask in the sun, or sleep in the shade, or idle, or play, or invest their labour in things with which it perishes, which last is a necessary consequence if they will labour at all, *ought to be* in the election of every man individually.

The decreased value of capital is however so certain a consequence, that if we could ascertain the actual value of the surplus produce of any society at any given time, if we could foresee the exact progress of improvement and machinery in facilitating labour, or multiplying its powers, and the necessary expenditure of human labour in their improvement and erection, we could, allowing for the

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small part of the rental is payment for the use of capital, but for the use of the land, which no capital can increase;—it is a payment because the land-holder has a monopoly, a payment for nothing.

progressive increase of society, by the common rule of proportion, ascertain almost to an hour when capital would cease to be of value, and when labour must abridge its hours of toil, or allow the surplus produce to go to manure the earth, or bestow it on things with which it perishes, *though this last alternative being nothing to society, but an election of the individual preferring labour and luxury to idleness, or intellectual enjoyment, should not perhaps have been noticed here.* But without this exact data whence we could predict the year, the month, the hour, we have, in the certainty that the produce of all productive labour exceeds the consumption of the labourer, a knowledge and assurance that sooner or later that time must arrive; and in the certainty that the surplus produce of every productive labourer is two, ten, or twenty times more than his consumption; a gratifying conviction that it can never be far off.

To men accustomed only to the confusion and misrepresentation of many writers on this subject, or to reason from what has been, to what must, and what ought to be, I fear these consequences will appear but a pleasant and idle speculation; they are however indisputably true. Why then is it that no existing society, nor society that ever had existence, has arrived at this point of time, considering that in all times, and in all societies, excepting only the very barbarous, a few years would naturally have led to it? How is it too, it might be added, that notwithstanding the unbounded extent of our capital, the progressive improvement and wonderful perfection of our machinery, our canals, roads, and of all other things that can either facilitate labour, or increase its produce; our labourer, instead of having his labours abridged, toils infinitely more, more hours, more laboriously, than the first Celtic savage that crossed over from the Cimmerian Chersonesus, and took possession of the desert island? It would indeed require a melancholy retrospective inquiry to answer this question. If we could call up the spirits of departed legislators, and of those men in particular, who have been entrusted with power and authority for the last hundred years, how many



whom the ignorance of the multitude have applauded, and interested men have united to commend and honour, must answer to their own shame! I shall however resolve the question to the best of my ability.

We have seen evidently enough the origin of, and progressive increase of capital, its reproductive power, and the consequent rapid advance of society to that real national prosperity, when men would no more labour,

than sufficed

To recommend cool zephyr, and make ease  
More easy, wholesome thirst and appetite  
More grateful;

and our inquiry is now to ascertain why society never has arrived at this enviable situation, this real national prosperity, although so immediately within its grasp.

The first dead weight that hangs on to impede its progress, is *the possessor of capital, who, no longer uniting his labour to the labour of the society, maintains himself on the interest, or the surplus labour of others*, that is paid him for the use of his capital, whether in the nature of rent, or interest of money, &c. &c. This I have shewn is an inconvenience that can be of very short duration:—the increase and accumulation of capital will still go on, till no man will give his labour for the use of capital, and then the capitalist must to labour again.

Still the labourer has no real grievance to complain of; the capital, on the interest of which the capitalist subsisted, we must presume to be the representative of so much reserved surplus labour, either of his own or his ancestors, and more productive in itself than the labour of the individual could be, or no man could support him by a sufficient payment for its use, and the increase of capital would hourly and daily tend to the removal of the grievance altogether. But it is here that *power* has ever interfered, and by *misdirecting the labour of one part, and destroying the labour of another, no longer permits a real accumulation of surplus produce, nor consequently such an increase of capital as shall reduce the*

*value of existing capital, or reduce the capitalist to the necessity of labouring again.*

In this it is assisted by human passions, human ignorance, by armies, navies, wars, and wrongs of all sorts. Divested of all technical intricacy and of those nice distinctions that make plain things unintelligible, it is very easy to offer conclusive proof of this. The productive power of the whole labour of society, it has before been shown, is diminished by the whole order of capitalists withdrawing themselves from labour:—it signifies not that the use of their capital is more than equivalent to their individual labour; it cannot be denied that if they continued to add their labour to the productive power of their capital, the whole produce would be greater than the produce of the capital only. But *society not only loses the whole productive power of the capitalists by their ceasing to labour, but all that part of the produce of the labour of others, that is necessarily consumed by the capitalist.* Thus in a society of one hundred, if the labour of one man produce sufficient for the maintenance of two, the labour of all will be equal to the maintenance of two hundred, or the surplus labour of the whole is equal to the maintenance of one hundred more than the society: but if only fifty cease to labour, the produce of the labour of the society will be exactly equal to its consumption—not an ounce of surplus produce will exist—and it cannot be too strongly impressed on the mind that all *unproductive classes have always a two-fold operation, not only ceasing to produce themselves, but actively destroying the produce of the labour of others.*

It will be immediately apparent, that all soldiers, sailors, parsons, lawyers, counsellors, judges, and innumerable other persons, must be included among the capitalists, among those that are not only unproductive, but that do actively destroy the labour of the productive classes. No man, I presume, will be so foolish as to imagine I mean by this to censure these persons or to deny their utility:—their use and necessity is not connected with the present inquiry:—I have only to offer proof, as I have done, that they

necessarily destroy the produce of the labour of a society, and consequently prevent or delay the further increase of capital. This would be the operation of these persons in every state of society, even in the most simple, where sufficient for his maintenance was sufficient for the man, and where the individuals of these classes exacted no more than sufficient for their individual maintenance: but we know and feel, that with us *these, and many other classes, exact a great deal more; some sufficient for their own maintenance and five thousand other persons, some of five hundred, some of fifty, some of five.* Now *this surplus exaction, if I may be allowed the phrase, has exactly the same operation with the first exaction, that is, in the last class, it not only takes five men from the productive labourers, and so far reduces the wanted produce of the whole, but these five act as the first acted; the moment they ceased to produce themselves, they began to destroy the produce of the labour of the remainder.*

As this evident consequence has, however, been a good deal disputed when the five men happen not to be the personal and household servants, but the coachmaker, the silversmith, or some such trader, employed by the landholder, the fund-holder, the parson, the placeman, or the capitalist; as it is the channel of the “refreshing dew” of some writers, and as many have talked of the advantages of luxury, a word or two more in explanation may not be wasted. We will presume that the fund for the maintenance of these five persons, is the interest of the capital of A: now it is the same in operation, whether A. maintains five men wholly, or ten men half; whether he engrosses the fourth of the labour of twenty, and contributes one fourth to the subsistence of each, or takes a sixth from the labour of thirty, and thus changes his labourers every day. If he prefer the latter, he will have five men’s labour on Monday, and these five he will maintain on Monday, and no longer; the effect to society is the same; and this difference, and no other, is there between the personal servant and the coachmaker and the silversmith. What signifies it to society whether these five

men be employed in building him a chariot, in driving it, or riding behind it? their labour is wholly unproductive, and they must be and are maintained by him mediately, but immediately out of the produce of the productive labourers. Now, if these men were employed in the creation of fresh capital, or in productive labour, we have seen that the consequences would be, of necessity, that in a short time, a very trifling interest, or no interest at all, would be paid for the use of capital, and the produce of labour would have so multiplied that men must abridge that labour; and this is the first indication of a real *national wealth* and prosperity.

To this withering influence of the capitalist, war is a powerful co-operator; although after wading through the voluminous financial pamphlets published within the last twenty years, the common sense of common men is so bewildered, that they almost doubt if war was not some curious invention of Mr. Pitt's, powerfully operative in multiplying the produce of labour, and increasing the wealth of a country. When the question is stated plainly it resolves itself. Government acts exactly as a great capitalist acts.\* If government exacts in taxation sufficient for the maintenance of one hundred men, it must, to get rid of this revenue, employ one hundred men. I have shewn more than once, and the reader must never forget it, although I shall not repeat the argument, that it is *impossible* long to continue to employ them productively, and we know it does not. If then, they be employed in making gunpowder, their labour is expended and gone for ever with the first *feu de joie*; if in ship-building, it perishes with the ships they build; and the men are not only withdrawn from productive labour, but must be fed and clothed out of the produce of the labour of the remainder. If government give a large part of its revenue to one as a judge, or to another as an archbishop, the operation is necessarily the same; the judge or the archbishop is then in the situation of the capitalist, and all that has been said of the one is applicable to the other.

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\* Government acts as a great land-holder. See the distinction in note, p. 5.

So long, however, as the unproductive classes shall be limited to a few, or their exactions to a trifle, which is the same thing in operation, this inconvenience will not be felt; but the PROPORTION BETWEEN PRODUCTIVE AND UNPRODUCTIVE classes (in which latter class, the reader will remember from the argument, (p.10.) all are to be included whose labour is vested in things superfluous, enjoyed by capitalists only), MUST EVER BEAR SOME PROPORTION: and in a society left at liberty to accumulate capital we have seen they will; for as capital increases, interest, or labour to be given for the use of capital, will, after a short time, decrease.

So, too, in a society under ordinary circumstances, where the legislature and the government indirectly operate to prevent the fresh accumulation of capital, the proportion between the productive and the unproductive, or rather the labour exacted from the productive by the unproductive, will *continue* the same. This is very evident; and I shall now proceed to prove that the whole of the distress now experienced in this country, and in America too, although that is beside the question, originates not so much in having unnaturally increased the capital of the country, (for whether the increase of capital be artificial or real, its operation will, if left to itself, be the same,) but in *having unnaturally increased the capital of the country, and avoided the natural and* NECESSARY CONSEQUENCE OF AN INCREASED CAPITAL, THE DECREASING INTEREST TO BE PAID FOR THE USE OF CAPITAL; and consequently, but directly as it affects this question, in producing an unnatural disproportion between the productive and unproductive classes, or to speak still more correctly, *enabling the unproductive classes to exact more than their capital is worth from the productive classes*. When I shall have offered proofs of this, I shall proceed to shew why the influence of this error was not felt during the progress of the war, but at its termination.

First, then, to prove that the capital of this county was unnaturally increased, we must ask ourselves what is capital? CAPITAL IS SURPLUS LABOUR RESERVED. It exists in lands, houses, machinery, ships, and a thousand other things, and

a small, though powerfully operative part, exists in gold and silver. It is with this last only we are *now* immediately concerned. GOLD AND SILVER then ARE THE REPRESENTATIVES OF SURPLUS LABOUR RESERVED: and neither gold nor silver mines are worked in this country, GOLD and SILVER are, with us, NOT ONLY THE REPRESENTATIVES OF SURPLUS LABOUR RESERVED, BUT OF SURPLUS LABOUR RESERVED AND TRANSPORTED TO OTHER COUNTRIES. Gold and silver too are the medium of exchange, which has for ages been established in this country and called money; all then that I HAVE SAID OF GOLD AND SILVER IS TRUE OF MONEY, namely, that it is the representative of surplus labour reserved and transported to other countries\*.

It will follow, therefore, that THE QUANTITY OF MONEY IN THIS COUNTRY IS NECESSARILY LIMITED; and, without confusing the argument by minute explanation and reservations, I may add, that the importation of gold and silver can only, in a series of years, be equal to the surplus produce or manufactures, exported, over the produce or manufactures imported. Thus, if we export to France a thousand pounds worth of cotton stockings, or corn, and import from France nine hundred pounds worth of wine or silks, the surplus to be paid in gold is one hundred pounds. Thus, the amount of gold, and consequently of gold currency in this country, is necessarily regulated, by the surplus amount of our exports over our imports, and limited by the quantity of gold in other countries; for gold in other countries will rise in value proportionate to its scarcity, and decrease with us in proportion to its abundance, until no more can be had in exchange for our goods.

All coin, then, is the representative of surplus labour. But, for many years, a part of our circulating medium has been paper, and of late years it has been wholly of paper, and paper not convertible into gold. Let us imagine or trace the history of this, and we shall then understand its nature.

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\* As I do not wish the reader to start objections, merely because he anticipates my argument, I will here observe that I consider bank paper and private bills, such as we have known them, to be neither money, nor the representatives of money, nor of surplus labour reserved, and I hope to prove this hereafter.

Suppose the reader to have requested me, for greater security, to lock up 100 guineas in my iron chest, and as an acknowledgment to him, and as an assurance to those to whom he wishes it paid, that I will deliver it to them, I give him my note of hand to that effect, promising to repay it on sight, or in a week, or in a month. This paper is indirectly the representative of so much money, capital, or surplus labour reserved: and the reasoning holds whether it be 100 guineas or 1,000,000, and whether it be given by myself or the Bank of England. But if, upon the strength of a good character and large property, I give him such a bill, without having the *gold actually locked up in my iron chest*, it changes its character entirely; it is no longer the representative of so much money or of capital; and in proof, suppose that I have 20,000*l.* in money, and that no such thing as credit or paper money was known, and that A. B. and C. having *each* land worth 20,000*l.*, come to me, each requesting a loan of *one half* his property, for which each is willing to give me a mortgage on the whole. Here is property *enough*, but can I accommodate them? assuredly not! it is evidently impossible! and why is it so? because the joint property of all four of us is 80,000*l.* and not 90,000*l.* *and there is no means on earth of increasing the representative of our surplus labour reserved, but by adding to our reserved surplus labour.* This reasoning, too, holds good whether A. B. and C. make application to me or to a chartered body called the Bank of England. But, that the question may be less involved, I shall, in the progress of the argument, presume application is made to the bank. Well, in time credit becomes known: the property and character of the bank are known: bills in some cases answer the purposes of exchange better than money: all persons are willing to take the promissory notes of the bank, and then A. B. and C. renew their application. The difficulty is now at an end; the bank give their promissory notes and receive the mortgages; but notwithstanding this, notwithstanding that these promissory notes answer all the purposes of money, 20,000*l.* only represent surplus labour reserved, and the other ten

represent nothing; and in proof, we will imagine the holders of these promissory notes claiming the fulfilment of the promise, and demanding the 30,000*l.* of the bank. What must follow? why, with the 20,000*l.* that it has in its iron chest it discharges two-thirds, and transfers one half the property of A. B. or C. to the holder of the remainder. It follows of necessity. This 10,000*l.* was a fictitious capital. But if, after this issue of paper, the bank be protected against the holders of these promissory notes, this 10,000*l.* will remain an unnatural and permanent addition to the capital of the country; and as nothing here is imaginary, as the bank really was so protected in 1797, I have proved what was intended, that the capital of this country was unnaturally increased: for I presume it is needless to offer proof that the bank had not 30,000,000*l.* of gold in its coffers, which was the amount of its issues in 181 . In fact, whence could it derive its profits if it were so?

No man, I conceive, will imagine from this reasoning, that I am so mad as to be arguing against the possible advantage of credit. I am now stating a fact, and nothing more: the question of policy will remain to be discussed. As, however, important consequences will be deduced from what is here said, I wish the reader to satisfy himself that what is said is fact, and leave the consequences to hereafter. What I say is this—that all BANK OF ENGLAND NOTES—COUNTRY BANK NOTES—PRIVATE BILLS OF ACCEPTANCE, AND IN SHORT ALL THINGS THAT REPRESENT MONEY AND ARE CIRCULATED ON CREDIT, EXCEEDING THE ACTUAL AMOUNT OF MONEY WITHDRAWN IN CONSEQUENCE FROM CIRCULATION, BUT ACTUALLY IN POSSESSION, WHATEVER GOOD THEY MAY BE OF, NEITHER REPRESENT MONEY, NOR CAPITAL, NOR SURPLUS LABOUR RESERVED, WHICH MONEY AND CAPITAL DO REPRESENT.

To proceed then: I have before shewn (p.5.) that the *necessary* consequence of an increased capital is the decreased value of capital; but its decreasing value is not in equal and proper proportion to its increasing amount, because other and extrinsic circumstances tend to counteract this natural consequence. The division of labour, and the increase of trade, and of all purchases and exchange, where



money is used, require an increased circulating medium, and tend therefore to uphold the value of money, which is that medium. Now the reader will observe, that whether this circulating medium, or floating capital, be in gold or in paper passing on credit, its natural operation is the same, and with its increase in amount, it would naturally decrease in value. Why it did not is for after proof.

Another thing that was proved, (p. 5.) is, that all capital tends to produce capital, or to increase surplus produce, which gives the idea clearer than the word capital. An increase of trade therefore, as it is the consequence of increased capital, real or fictitious, vested in trade, does tend to further increase capital: But as we have just shewn that increased trade requires an increase of money, where money is the circulating medium; and as it was shewn (p. 13.) that an increase of money is very slow and not always possible, it will follow that trade must be cramped and limited, where no other medium of exchange is known, by the amount of gold in circulation: so that THE INCREASE OF GOLD COIN, or floating capital, IS NOT ONLY CHECKED AND CONTROLLED BY OUR TRADE, BUT DOES CHECK AND CONTROL TRADE ITSELF. This is a *natural* check therefore to the increase of trade. This natural check to the increase of trade is however avoided the moment credit is established: still, however, credit itself has a natural check; for if its representative promissory notes become circulated to excess, which is felt in the decreased value of the circulating medium, the holders will demand gold for them, until enough is destroyed, for *it is destroyed when returned to the issuer*, to keep up the value of the remainder. This natural check to credit is itself lost, when promissory notes are by law substituted for money; and not to repeat proof, I refer the reader to those offered (p. 14.)

By the establishment then of an inconvertible paper, the natural check on the increase of produce is avoided\*. Yet, a

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\* Mr. Ricardo says (Princip. of Polit. Economy p. 188) "a fall in the value of money, in consequence of an influx of the precious metals from the mines, or from the abuse of the privilege of banking is another cause for the rise of the price of food, but it will make *no alteration* in the quantity produced. It leaves undisturbed too the number of labourers, as well as the demand for them; for

check and control on the increase of produce is a very necessary thing for even the demand of foreign countries is limited. If the whole world would agree to barter only with this country, I say, this country could not barter with the whole world, because our manufactures are the produce of human labour, however assisted, and vested in things with which it perishes; and though our labouring, population should be reduced to feed on thistles, their surplus labour could never equal the surplus labour of the whole world. So much for the ridiculous and impossible supposition of engrossing the whole trade of the world, with which our merchants sometimes indulge us. But overlooking this for a moment, foreign trade, I say, has a much earlier check than the sufferings of our own population. The demand of other countries is limited, not only by *our* power to produce, but by *their* power to produce, for do what you will, in a series of years *the whole world can take little more of us, than we take of the world*, (see p. 13.) so that all your foreign trade, of which there is so much talking, never did, never could, nor ever can, add one shilling, or one doit to the wealth of the country, as for every bale of silk, chest of tea, pipe of wine that ever was imported, something of equal value was exported; and even the profits made by our merchants in

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there will be neither an increase nor a diminution of capital. The quantity of necessaries to be allotted to the labourer, depends on the comparative demand and supply of necessaries, with the comparative demand and supply of labour; money being only the medium in which the quantity is expressed: and as neither of these is altered, the real reward of the labourer will not alter." It appears to me these consequences are only true when the influx is completed, and that Mr. Ricardo has omitted altogether *its operation in progress*. To confine myself to the "abuse of the privilege of banking," suppose the bank of England to lend on mortgage or discount to A. B. £1,000,000 of its inconvertible paper money; this money will, *when paid away* and in circulation over the whole country, have the effect he states : —there will be no addition to the capital, meaning, I suppose, that the whole will be proportionably decreased in value ;—but *there is the time of the first issue* by A. B.—there is *then* an alteration in the demand for labour because the demand for labour *exists*, and the labourer is employed *before* the issue, *before the depreciation*, and therefore it is in effect, *on the first issue*, additional capital, although when once in circulation the capital is gone in the decreased value of the whole. If I am correct in this, his whole argument is at an end.

their foreign trade are paid by the consumer of the return goods here.

The real nature of our foreign trade is very little understood :—If the writers on the subject understand it themselves, they “palter with us” here, even more than is their custom. In this country, where agricultural and all other necessaries are produced in sufficient quantity; *foreign trade is mere barter and exchange for the convenience and enjoyment of the capitalist*: he has not a hundred bodies, nor a hundred legs: he cannot consume, in cloth and cotton stockings, all the cloth and cotton stockings that are manufactured; therefore they are exchanged for wines and silks; but those wines and silks represent the surplus labour of *our own population*, as much as the cloths and cottons, and in this way the destructive power of the capitalist is increased beyond all bounds:—by foreign trade the capitalists contrive to outwit nature, who had put a thousand natural limits to their exactions, and to their wishes to exact; there is no limit now, either to their power, or their desires, but impossibility.

This is the direct and palpable consequence of our commerce, and the suffering of our labouring population is evidence of its truth. But our commerce has had a moral consequence, as well as a physical, and in this way it was the bitterest curse that ever afflicted humanity; and of this the nation itself will testify to all posterity. Oh, if I dared venture to anticipate the last paragraph of the historian that generations hence shall trace the character of this age and country, it should run thus.—“The increase of trade and commerce opened a boundless extent to luxury:—the splendour of luxurious enjoyment in a few excited a worthless, and debasing, and selfish emulation in all:—The attainment of wealth became the ultimate purpose of life:—the selfishness of nature was pampered up by trickery and art:—pride and ambition were made subservient to this vicious purpose:—their appetite was corrupted in their infancy, that it might leave its natural and wholesome nutriment, to feed on the garbage of Change Alley:—instead

of the quiet, the enjoyment, the happiness, and the moral energy of the people, they read in their horn-book of nothing but the wealth, the commerce, the manufactures, the revenue, and the pecuniary resources of the country; the extent of its navy and the muster-roll of its hireling army:—in honour of this beastly Belial they made a sacrifice of the high energies of their nature:—they hailed his progress with hosannahs, though on his right hand sat Despotism, and on his left Misery:— they made a welcome sacrifice to him of their virtues and their liberties:—to satisfy his cravings they forewent their natural desires:—honour and truth were offered up on his altars:—and the consummation of their hopes was characterised by misery and ignorance; the dissolution of all social virtue and common sympathy among individuals; and by a disunited, feeble, despotic, and despised government!

But foreign trade, says a living writer, “augments the materials on which labour may be employed,” and Hume, speaking of the advantage of a limited debt, says, “it quickens the labour of the common people.” These advantages, common to both trade and debt, are the same, I conceive, or at least the latter advantage is the more intelligible: but let me ask whether these writers would have preferred digging six days a week, at twelve hours a day, for a whole life, or six hours a day for three days a week from twenty to fifty. Is labour, that is, toiling, sweating, digging, delving, hedging, ditching, draining, the only enjoyment of life? or does your spinning-jenny “discourse” such “excellent music” that its eternal hum is the only thing that makes life tolerable? This compelling or inducing people to toil on eternally, seems a very pleasant speculation, and a wonderful progress in political economy, according to these men, but I never heard of one of them but had a relish for quiet and enjoyment himself. Should we have heard, so much of its advantages, had it been then for the first time discovered, and had the consequences of the discovery been to have driven Hume, and every man then existing, to work winter and summer, hail or rain, twelve hours a day, to

cultivate the bleak barren surface of Hind Head or Salisbury plain? Yet it would surely be better to "quicken the labour" of the whole, than of a part.

I am afraid these observations on foreign trade have drawn me aside from my argument, and perhaps I have somewhat anticipated it. But to resume; I may presume that I have offered proof sufficient (p. 14 and 15) that the capital of this country was unnaturally raised, which the reader will remember was what I proposed to demonstrate. We did so by establishing an inconvertible paper money, which enabled us to add to the floating capital of the country a fictitious capital that did not, as all capital ought to do, represent surplus produce reserved. But this was only one of the means; a powerful one it is true, and without which, I believe, enough has been said to satisfy the reader, we could not have succeeded in the other; but it was one only. Prohibitory corn laws are another. A man will give no more for a thing to A than to B; at whatever price, therefore, the people of this country could import corn, our farmers must of necessity sell their corn at that price, or they cannot sell it at all. The people know nothing, care nothing, about its relative cost; their market is the cheapest market: this admits of no argument. Well then, at whatever price the farmer in this country sells his wheat, in proportion to that price he pays a rental, and this rental is the test of the value of the land, and the whole rental of the country is the test of the value of the whole land of the country, or of the capital of the country vested in lands. If now, by some legislative enactment, by the decreased value of money, or by any other regulating circumstances, the price of agricultural produce shall be so raised as to enable the landholders to double their rental, and the *interest of money continue the same after as before*, the whole capital of the country vested in lands is doubled in amount. We all know that the legislature may so regulate the enactment that this increased rental may come into the hand of government but it *may not* do so: we all know that the regulating circumstances increasing the value of agricultural produce, may be so counteracted by

others, that the landholder shall not receive advantage; but it *may not* :—we have nothing to do with that *here*: the proposition, as I have stated, is true beyond all cavilling.

Well then, either the enactments of the legislature, or the decreased value of money, or some influential circumstances, or the conjoint operation of these has, within the last thirty years, so increased the value of agricultural produce, that the landholders have been enabled, at least, to double their rental\*. It is difficult to offer conclusive proof of this, as metaphysicians find it difficult to offer proof that there is such a thing as figure, colour, or matter, of which, however, no reasonable man entertains a doubt: instances might be excepted against, as proof only in those instances: nothing therefore could satisfy a querulous man but the rent-roll of every man's estate in the kingdom, as it was in 1785 and in 1815: we must be content, therefore, to take the notoriety of the fact for proof. I shall hereafter be enabled to show the reasonable probability of it, but for the certainty, every man must take the evidence within his reach, which I am quite sure will support the assertion. That the legal *interest of money* is the same now as in 1785, is equally notorious: it follows therefore conclusively, that since the year 1785, the whole rental of the kingdom has been doubled; and as the interest of money has continued the same, that the whole capital vested in lands has been doubled: and let any man ask himself if there be any estate within his knowledge worth 500*l.* or 50,000*l.* in 1785, that is not now worth 1000*l.* or 100,000*l.*, the estate remaining entire, and wheat selling at *eighty shillings*.

I have already proved that the capital of the country was unnaturally raised: it remains now to shew that having so raised the capital of the country, we *avoided the natural and necessary consequence of an increased capital, its decreasing*

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\* I presume throughout the present price of wheat to be 80s. We know it is not, but it has been much more, and the fact is notorious, that nothing less will remunerate the farmer, if rents and taxation are not reduced. The real price of wheat could in no way affect the argument, and I have fixed on a present remunerating price, for reasons that will appear in the measure I shall venture hereafter to propose in relief of the country.

*value*: the very progress of the argument, in proof that we have done so, will shew the consequences of so doing, and those natural consequences will be explanatory of the existing distress. The argument therefore is no longer confined to general reasoning, but has increased importance in its direct practical application.

That I may not be repeating the general reasonings heretofore urged, I shall throughout suppose it to be present to the reader, and content myself with a bare reference to the preceding page in which it may be referred to.

The *natural* consequence of an increased capital I have shewn to be its decreased value,\* (p. 6 and 7.) but this is not

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\*Mr. Ricardo has a chapter on the Effects on Accumulation on Profits and Interest. His argument is this: No accumulation of capital will lower profits, because nothing lowers profits but increase of wages, and nothing increases wages but increased difficulty of providing food and necessaries for the labourer. Further, there is no limitation to the productive power of capital, because there is no limitation to men's desires for conveniences and luxuries; nor is there any limitation to the use of capital by the limited number of labourers, because "no point is better established than that the supply of labourers will always ultimately be in proportion to the means of supporting them," and therefore the demand would not cease for the productions of capital, nor would wages rise. According, however, to Mr. Ricardo's own theory, the *natural wages* of labour are just sufficient to enable the labourers of today to continue the race of labourers without increase; when the labourer is better paid than this, population will increase, but not till he is better paid (—a most cruel and most ridiculous theory, but no matter, although it should be Mr. Malthus's in addition, of whom so much has been said; for if it were correct, what a monstrous increase would there be among the capitalists, and how perpetually would the labourers increase, in defiance of *natural wages*, if only by the degradation of generations of gentlemen). Well then, there must be *immediately* an increase of wages beyond these *natural wages*,—for before we come to "ultimately," there is the way to it,—that the labourers may conform to the point so "well established," and keep pace with the increase of capital: so that accumulation of capital would instantly lower profits, by increasing wages, and there is an answer to the chapter. But "let copulation thrive," as it will, would not capital thrive too? It takes time to increase population, and a longer time than to increase capital; for if, as Mr. Wordsworth says, "the boy is parcel of the man," the pound is parcel of the hundred. The pound, as well as the hundred, like "the gilded fly, goes to't:" it begins to multiply the hour of its existence, which the boy does not, though born in a forward generation.

But in further proof of this self-refutation, Mr. Ricardo admits in other chapters, that proportioned to the increase of population is the increased difficulty of procuring food, and in proportion to the increased difficulty of procuring food is the increased price of food, and in proportion to the increased price of food are wages increased: then where was the utility of the chapter at all? Why set out by

only a natural but a *necessary* consequence. It is necessary, because *if it were possible to continue to increase capital and keep up the value of capital, which is proved by the interest of money continuing the same*, the interest to be paid for capital *would soon exceed the whole produce of labour*. Of the truth of this proof has been offered. It is a principle admitted universally, that men being once sensible of the accumulative power of capital, have a passion to accumulate it;—the conduct of a few spendthrifts in no way affecting the principle as of mankind generally, as of a whole society. It has been shewn (p. 5) that capital tends in more than arithmetical progression to increase capital. It is admitted that the interest paid to the capitalists, whether in the nature of rents, interests of money, or profits of trade, is *paid out of the labour of others*. If then capital go on accumulating, as it would naturally do, the labour to be given for the use of capital must go on increasing, interest paid for capital continuing the same, till all the labour of all the labourers of the society is engrossed by the capitalist. This consequence is logically correct. There is, however, one objection, and only one objection to it, that it is a consequence *impossible to happen*; for whatever may be *due* to the capitalist, he can *only receive* the *surplus* labour of the labourer; for the labourer *must live*; he must satisfy the cravings of nature before he satisfies the cravings of the capitalist. But the reader will observe that the objection is only untrue in *this extreme case*. It is perfectly and entirely true, that if capital does not decrease in value as it increases in amount, the capitalists will exact from the labourers the produce of every hour's labour beyond what it is *possible* for the labourer to subsist on: and however horrid and disgusting it may seem, the capitalist may eventually speculate on the food that requires the least labour to produce it, and eventually say to the labourer, "You sha'n't

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telling us, that no accumulation of capital will lower profits, because nothing will lower profits but increased wages, when it appears that if population does not increase with capital, wages would increase from the disproportion between capital and labour; and if population does increase wages would increase from the difficulty of procuring food. These Essays are blind alleys.



eat bread, because barley meal is cheaper; you sha'n't eat meat, because it is possible to subsist on beet root and potatoes." *And to this point have we come! and by this very progress have we arrived at it!*

Well, but, it may be asked, how did we contrive to avoid what you call the *natural* consequence of an increasing capital, its decreasing value? I answer, *by destroying it*. By destroying the capital, or the surplus produce that would have become capital, had it been allowed to exist. It was made ducks and drakes of in America—it was fired away in Egypt and at Trafalgar—it was eaten by a hundred thousand men in the Peninsula—by your army and navy for thirty years—you may inquire for it at Walcheren or Waterloo, and hear of it in all quarters of the globe. Well then, it may be said, if the capital were destroyed as it was created, how could the capital increase? This would be a play upon words. Capital did not increase *actually*, but if it had, it signifies not to the labourer, *who is concerned only with the interest that is paid for its use*; but it did increase nominally, and in all its ill consequences, and in proof look to page 21 for the increase of nominal capital vested in lands. There was no increase of capital; but the interest that is paid *for* the use of capital vested in lands *is doubled in amount*. Again, the nominal capital might be thus increased. Suppose the reader to borrow of me 100*l.* at legal interest, and the day or the hour after the loan is completed, his house is burnt and the 100*l.* with it: the capital is gone, but he must pay the interest as long as the world stands, until he repay the principal. Now suppose that on the receipt of the 100*l.* he bought a pleasure-boat, and in seven years his boat is rotten and perished: the capital is gone, but the interest remains in perpetuity. Just so it is with this country. We have borrowed in the last thirty years eight hundred millions of money. This 800,000,000 is gone! but I say if this 800,000,000 were now in existence, the country could no more pay the interest of it at five per cent. than it can now; it might somewhat better, but still it would be grievously severe: but then had the 800,000,000 still been in

existence, it would *not* have had the interest to have paid: the evil would have corrected itself: *the produce of labour, with the addition of great part of this capital in machinery and agriculture, would have been so beyond your consumption*, that, unless it is to be said that all human improvements shall only benefit one portion, one division of the people, unless it be said that the labourer shall still labour, though it be changed from productive to unproductive, he shall still labour, though he make nothing but gimcracks, and knick-knackery, and fools' baubles it would have been so beyond your consumption, *that possibly no such thing as interest to be paid for the use of capital would have been known*. But every shilling of your capital, I say, was destroyed as it was created, and nothing remains but the interest that is to be paid for it. In every sense however in which capital is oppressive, this 800,000,000 has a real existence, and is immortal.

I have just said that *every shilling of the real surplus labour of the country, was destroyed as it was created*. For the last thirty years I honestly believe, that the exaction from labour has been at its maximum, or as near it as it is well possible to arrive, nay, I believe, beyond it, and that your increasing poor rates are evidences of this, nine tenths of them being so much disgorged by the capitalist, being so much exacted beyond what the labourer can bear.\* I know it may be urged against this, that taxation and rents, &c. have gone on progressively increasing for the last thirty years, and therefore, that such an assertion is ridiculous. Of course I do not think so. It is difficult to say how much it is possible to exact from the labourer, because I know not how much he can labour, nor how little he can live on. "It is a curious and interesting fact," says Colquhoun, "that an acre of potatoes will produce four times the sustenance of an acre of corn;" and he strongly urges the legislature in consequence to encourage its cultivation.

Why, if the labourer can be brought to feed on potatoes instead of bread, it is indisputably true that more can be

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\* See conclusion of note, page 37.

exacted from his labour; that is to say, if when he fed on bread he was obliged to retain for the maintenance of himself and family the labour of Monday and Tuesday, he will on potatoes, require only the half of Monday; and the remaining half of Monday and the whole of Tuesday are available either for the service of the state or the capitalist. And this is an "interesting fact?" Great God! is it to be endured that a man, offering a huge volume in proof of the growing prosperity of the country, of its unbounded wealth and resources, is to offer such an insult to our better feelings, as to connect it with the distressing facts, "that butcher's meat has almost become inaccessible to the labouring classes," and that it is a foolish luxury to leave them bread, because human nature may exist on potatoes?

Why, if we are to reason thus, and to act on it, I say again, I know not how much it is possible to exact from the labourer; for I know not, when he is reduced to "oatmeal, barleymeal, potatoes and milk," as the doctor would diet him, but that some other "interesting fact" may prove that he can subsist on thistles and furze and that the prickles are a mere sauce *piquant*, for the doctor hopes to tickle the wretch's palate by the various modes of cooking his oatmeal; but if the labourer is to live as well as the labourer did two hundred years ago, *if there is to be a standard for his enjoyment below which he is not to fall, and hours beyond which he is not to labour*, then I am correct in my opinion that for the last thirty or forty years the exactions have been at the utmost, nay, beyond it.

Notwithstanding "the growing wealth and prosperity" of this country, the situation of the labourer has been getting worse and worse daily and hourly these two hundred years. I have at this moment before me a translation of the *Icon Animorum*, of Barclay, published in 1614, where, contrasting the English with other nations, he says, of the common mechanics, that they are not "skillful in handicrafts, by reason of *their ease and plenty*, they themselves not only on solemne and festivall dayes, but every holyday, (who would

believe it\*?) doe freely take their recreation and pleasure, if it bee faire weather, in field adjoining or if it be rainy, are merry in taverns—there is no fault in the climate to dull their wits, *but too much abundance* to make them idle.” So my Lord Bacon attributes the success of the English over the French in their wars, to the greater plenty and ease of the common people, and to the very same purport is a speech of Sir Dudley Carleton’s in the parliament that met in 1626. “Indeed you would count it a great misery, if you knew the subjects in foreign countries as well as myself; to see them look, *not like our nation, with store of flesh on their backs,* but like so many ghosts, and not men; being nothing but skin and bones, with some thin cover to their nakedness, and wearing only wooden shoes on their feet; *so that they cannot eat meat, or wear good clothes, but they must pay taxes to the king for it.* This is a misery beyond expression, and *that which yet we are free from.*” Those were the times when patriotism and that proud love of his country, which once distinguished an Englishman, were cradled and nurtured. The superiority he claimed was not in the insolence of blind ignorance, but of a knowing and known wisdom and happiness. What he demanded, to the honour of his country was conceded to him even by foreigners themselves. Barclay was a foreigner, and bore this testimony to the “ease and plenty and too much abundance” enjoyed by the English labourer, after a long residence among us, and on his return to his native country.

These are not scattered notices collected with labour and research, but a few, of many, that have offered in the desultory reading accompanying this inquiry.

Lord Chancellor Fortescue too bears equal testimony to their condition one hundred and fifty years preceding; in fact, if we are not to be frightened at a name, if serf, or vassal, or bondsman, may not startle us, the labourer of the present day is worse off than he was fifteen hundred years ago, for any thing I know to the contrary. Mr. Turner, it is

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\* This question is Barclay’s. Milton was mistaken, when, in his Reason of Church Government, he calls Barclay an Englishman.

true, the historian of that age, has told us that he has got a chimney, which a Saxon lord had not; but that it is the *progress of knowledge* which we cannot deprive him of. By the laws of Alfred, "these days were forgiven to all freemen," (by freemen Mr. Turner understands, if I remember rightly, men serving somewhat in the nature of our husbandry servants that are hired for the year,) *twelve days at Christmas, Passion week, and Emberweek, and a few others*;<sup>\*</sup> and by the laws of Canute, freedom was given to a slave if his master compelled him *to work on a holyday*. Why, if a farmer's labourer now has "a game at cards at Easter, or a game of nine-pins on holydays," he is looked on as incorrigible and worthless.

Why then should the labourer have fallen below what he was when Sir Dudley Carlton and Barclay were living? If this be the necessary consequence of "increasing wealth and prosperity," the poor man has only to pray God some limit will be found to it.

Look at your labourer two hundred years ago, and look at him now; look at him fifty years ago. Had he not a comfortable meal of bread and meat every day of his life, either in his master's kitchen or his own home? had he not, within the recollection of people living? and have the majority now meat more than once a week<sup>†</sup>? Why then, as

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<sup>\*</sup> History of the Anglo Sax. v. 1. p.100.

<sup>†</sup> The only two documents of authority I can immediately refer to are the Reports of the House of Commons last year On the Frame-work-Knitters' Petition, and On the State of Disease and Condition of the Poor in Ireland; the one has relating to a particular trade, but is not, I fear, confined to it; the other to the state of Ireland generally.

In the one, the evidence were agreed that stockings could not earn *for 15 hours labour a day*,[ "they are scant troubled with any painful labour," says Fortescue, speaking of our people in the time of Henry VI.] *more than seven shillings a week: six shillings being the average.* "There are many," says W. Jackson, "*who have not had flesh meat perhaps once in two months: the general warp of living is upon roots and water-gruel.*" In Ireland, the distress is still more dreadful. Dr. F. Parker, inspecting physician for Munster, appointed by government, and reporting to them, states that "the want of food is so pressing in the neighbourhood of Tralee, that seed potatoes were taken up from the ground and used for the support of life; nettles and other esculent wild vegetables eagerly sought after to satisfy the cravings of hunger." In the county of Limerick, he says, "I was assured that patients had been received into the hospitals, who

all beyond what it is *possible* to exist on may by *possibility* be wrung from him, if he has been reduced from meat seven days a week, to meat once a week, there is proof that the cost of meat six days in the week has been and is wrung from him: and if he had a right to live as the labourer lived two hundred years ago, *insomuch at least as he lives worse, have your exactions exceeded what were just*, which is as I stated; and I say that the enormous increase of your poor-rates is further evidence of this. That wretched man Colquhoun says, it is attributable “to ignorance, deficient education, and the want of a general diffusion of religious and moral instruction,” in defiance of all that the last thirty years have done, exceeding the preceding thousand, to educate and diffuse knowledge among the people. No! it is attributable to human suffering! Want and privation, and wretchedness, have destroyed the moral energy and spirit of the people. It is offensive to hear men talk of abolishing the poor-laws as unjust. The kind-hearted humanity of foregone ages acknowledged the right of every man in existence to support: the support of the poor and miserable is the conditional tenure of every estate in the kingdom. The poor have the same right to support that the clergy have to their

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had endeavoured to support life for some days together with the leaves of the wild turnip and other plants of this tribe.” Dr. Crampton, inspecting physician for Connaught, reports from Galway, that the “poor were in a state of despondency for want of employment; they were unable to purchase food or clothing for their families. The small quantity of sustenance they could procure was of bad quality; wet potatoes and bad oatmeal were the produce of the harvests of 1816 and 1817. Whole families were obliged to lie with scarce any covering; they had no fire to cook their scanty fare. After being exposed to the cold rains of these inclement seasons, they searched the fields for esculent roots, and the Prasha weed, in many instances, served them for a meal.” In the county of Clare, he reports “they had suffered as they had in the county of Galway.” Of the county of Down, Dr. Clarke reports much to the same purport: fuel was so scarce, he says, that “in many instances, they were obliged to eat their provisions raw, and for weeks together during the winter months, their clothes were hardly ever dry;” and the report of Dr. Cheyne, the inspecting physician for Leinster, is confirmatory of all this; “When the epidemic began, the poor in many places were living upon weeds. In the neighbourhood of Kilkenny they were feeding on hips, on nettle-tops and other weeds. Near Stradbally, many families had fed on the tops of wild turnips, and at Castledermot, this weed (called Prasha Bwee) and a little malty flour, formed the chief articles of nourishment.”

tithes, that is, as good a right as the landholder to his nine-tenths.

The increase of your poor-rates is, I say, attributable to the extreme exactions of capital. The poor have a legal claim on the country for subsistence, and are not allowed to earn a subsistence if they toil fifteen hours a day for it. Does the increase of poor-rates need further explanation?

Do not let me be misunderstood. I do not mean to urge this against the humanity of the present generation: no such thing: there is as much honour and as much humanity among us as ever, and if individual exertion or individual sacrifices could afford relief, it would not be wanting an hour. But the occasion of our misery is more general; it originated in the errors of the legislature, and legislative wisdom only can correct it.

I believe it will be admitted, when I shall have opened more fully the nature and consequences of loans and their connexion with a paper circulation, that the increase of taxation and rents in the last thirty years, is no valid objection against what I state, that the exactions from labour have been at the utmost these thirty or forty years, and much beyond what is just.

The only possible source of revenue is surplus labour, and every thing that represents surplus labour: money represents surplus labour, and paper, when legally established, represents money, with all its good and ill consequences.

*All the false capital then that was created during the last thirty years was an available source of revenue, and government did avail themselves of it, as the 800,000,000 of debt is sufficient evidence. Why, if there had been no such thing as a paper money, could government year after year have negotiated a loan of 30, 40, and 50,000,000? Not all the money of all the kingdom at any period since the creation, could have amounted to that sum; and could trade have existed, not to say monstrously increased, if all the currency were for one month, or for one week only, withdrawn from circulation, when people but have gone back to barbarism*

and barter? But the nature of these loans will offer proof how it is that the distress which originated in the excessive expenditure of the war was not felt, or not equally felt, until a great part of the expenditure had been reduced.

A LOAN IS A VOLUNTARY TAX PAID BY THE CAPITALIST ONLY. Perhaps from this brief definition the reader can foresee the whole argument, and explain at once, why our distress was not so severely felt till the close of the war, and is now felt so bitterly; but as I have not hitherto been satisfied without proof, he will excuse my offering it for those not quite so quick of apprehension. A loan, I say, is a tax paid by the capitalist, to which your property-tax was but the small change. It signifies not that he is tempted to this by self-interest and not by patriotism: it is precisely the same to the country in its *immediate* consequences.

Suppose the capitalists to draw from labour as interest of capital, or in other words, suppose the income of the whole of the capitalists to be 300,000,000*l.* Suppose the expenditure of government to be 75,000,000*l.* 25,000,000 of which is above its receipts, and that it borrows this 25,000,000*l.* by way of loan from the capitalist; it can borrow of no other. Let government be considered a great capitalist, which it is in operation, and this excess of its expenditure is *nothing* to the people, for the exactions of the *whole* of the capitalists, government being one, are exactly the same: still only 350,000,000. But in the following year the taxation to be raised, never mind wherefore, is 1,200,000*l.* more than in the preceding year; this is felt by the people: but to what extent is it felt? the expenditure of this very loan of 25,000,000*l.* tends to relieve the pressure: there are the increased profits of contractors, powder manufacturers, ship-builders, and every other person mediately or immediately benefiting by the expenditure of the 25,000,000*l.*; and if 25,000,000*l.* be borrowed in the following year, when the 1,200,000*l.* is to be raised in taxation, it, is very possible the tax will be barely felt at all.

One reason, therefore, why the distress is daily and hourly increasing is, that during the war, the exaction *from the*



*labourer was little more than at the present moment, whereas the disbursements of government among them were 40 or 50,000,000l. greater\**.

Another reason why the exactions from the people were not so severely felt during the war, and again, that the increased rent and taxation was no proof that the exactions from labour were not at the utmost; and another reason for the facility of raising loans, and consequently false capital, was the decreased value of money: for notwithstanding all counteracting circumstances and legislative provisions, an excessive issue of paper was possible; and could not but have its natural consequences in decreasing its value, particularly when much of the produce of the surplus labour of this country was expended abroad.

During many of the last years of the war, the bank-note, in which the revenue of the capitalists and the taxation of the country were raised, did not pass current for more than thirteen or fourteen shillings: more than *one-fourth*, therefore, of all rents, taxes, &c. were merely nominal. From the diminished circulation of paper, the currency of the country has risen to its nominal value. Without therefore any legislative or other circumstance, the real taxation of the country, and the rents and revenues of all capitalists, would have been by this *one circumstance only*, had no other circumstance counteracted it, increased one-fourth; and consequently, as all income is derived from labour, the exactions from the labourer would have been silently increased one-fourth.

It is difficult, for reasons before given, to say how far the exactions of the capitalist may extend; but it is possible to give a rude guess how far they do extend. To do so I must reason from a plain levelling principle, but honest men will not misunderstand such a reference to a principle, and the situation of the country and the blind ignorance as to a remedy will excuse it. Colquhoun in his Estimate has given a table showing the presumed income of all the classes of the

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\* This argument might be pushed much further.

kingdom. I have no faith in that work. It is the reasoning that has prevailed for the last twenty-five years collected and embodied, and carried to its most ridiculous extent: notwithstanding this, there are some curious facts, and as he had every facility afforded him of references to official documents, the data are sometimes correct. How far in the present instance, I leave others to determine.

In the calculation I have made, I have been compelled to bring down the high dignity of property and authority to its natural consequence. The real labour of every man is, I say, of equal value, or rather, is equally paid for, the few exceptions of great talents, &c. not being worth distinguishing. Society neither presumes nor pays for extraordinary ability: all the income, then, that a counsellor, or a judge, or a bishop, or a landholder, or a householder, receives beyond the pay of a common labourer, *is interest of capital*. Some instances seem, and do perhaps in a trifling degree differ, where talents are brought prominently forward, but not enough to affect a general principle. If a clergyman or a lawyer receive two, or three, or five hundred a year, it is because two or three or four thousand pounds is presumed to have been expended in his education. It is the same with all persons, down to the lowest merchants' clerks and others, who are paid only a trifle more than the labourer. The real remuneration for the labour of all men is much the same; and therefore the value of the labour of all ought to be estimated by the value of the labour of the *lowest great body of labourers*; for even the high wages of mechanics and other artizans, inasmuch as it exceeds this, is interest of capital; capital expended in their apprenticeship, in indentures, premium, food, or clothing, or loss of time. Now, Colquhoun, in his treatise on the wealth, &c. of the British empire, calculates that there are 742,151 heads of families among the agricultural labourers, and that the wages of each amounts to 45*l.* per annum, per head of family. If then, I take from him the number of the heads of families in other classes, and allow to each *the worth of his labour*, 45*l.* per annum, we shall be able to *separate* the worth of their labour, or *the just wages of their labour, from the interest they derive from capital*.

Number of Heads of Families, according to Colquhoun	Ranks, Degrees and Descriptions	Income of Class according to Colquhoun	Value of Labour at 45 <i>l.</i> per ann. Per head of family.	Interest of Capital
68,937	The King, Queen, and Royal Family, lineal and collateral— Temporal Peers, including Peeresses in their own right, Bishops, &c.—Baronets, Knights, Esqrs. and Gentlemen and Ladies living on incomes, &c.—Persons in Civil Offices, &c..	67,753,590	3,102,165	64,651,425
621,000	Clergy, Judges, Barristers, Attorneys, &c.—Physicians, Surgeons, Apothecaries, &c —Artists, Sculptors, Engravers, &c. — Freeholders of better sort— lesser Freeholders—Farmers, &c.	92,830,000	27,945,000	64,885,000
35,000	Eminent Merchants, Bankers, &c.— Lesser Merchants trading by sea, including Brokers, &c.— Persons employing professional skill and capital as Engineers, Surveyors, Master Builders of Houses, &c. ,	30,064,000	1,575,000	28,489,000
9,250	Persons employing capital in building and repairing Ships, Craft, &c.—Ship Owners, letting ships for freight only, &c.	5,652,000	426,250	5,225,750
44,900	Manufacturers employing capitals in all branches, as cotton, wool, flax, hemp, leather, glass, pottery, gold, silver, tin, copper, iron, steel, and other metals, silk, paper, books, gunpowder, painters' colours, dyed stuffs, &c.—... Beer, porter, distilled liquors, sweets, candles, soap, tobacco, snuff, salt, &c.— Principal Warehousemen, selling by wholesale, &c.	36,099,600	2,020,500	34,079,100
183,750	Shopkeepers and Tradesmen retailing goods—Persons employing capitals as Tailors, Mantua-makers, Milliners, &c. in the manufacture of stuffs into wearing apparel, dresses, &c.	35,875,000	4,268,750	31,606,250
35,874	Persons educating youths in Universities and Chief Schools— Persons engaged in the education of youths of both sexes, and generally employing some capital in this pursuit,	7,664,400	1,614,330	6,050,070
		275,938,590	40,951,995	234,986,595

I have felt it quite unnecessary to proceed in this painful inquiry to the more trifling exactions of the other classes, although the most trifling is not without its influence: this Table is sufficient for my purpose, and from it we collect that the income of those classes alone amounted in 1814, I think, to . . . 275,938,590  
 That the real worth of their labour is . . . 40,951,995  
 And consequently that they exact as interest of capital no less a sum than. . . . 234,986,595

or six times as much as their labour is worth, and are paid for their labour in addition, or for *interest of capital only*, MORE THAN SEVEN TIMES AS MUCH AS THE WAGES OF THE WHOLE LABOURING POPULATION ENGAGED IN AGRICULTURE.

Now let no honest man believe that I am for levelling all classes and distinctions, or reducing the pay of a judge to the pay of a labourer, or indulge in any other such foolish speculation. I have only produced this calculation to show by a rough draught, the probable amount of the total exactions of the capitalists, and the extravagance of the amount, is, I think, proof of the excess, without any exact standard of reference or comparison.

Here, my Lord, as my argument is drawing to a close, I again personally address you. On reading the whole over with attention, I regret to find that it is not so consecutive, that the proofs do not follow the principles laid down so immediately as I could have wished. The reasoning is too desultory, too loose in its texture. I can only regret it. If I were to rewrite the whole, it would not be better. I have only then to suggest what I conceive to be the best means of correcting the errors of the last thirty years; and if your Lordship has borne in mind the origin of our difficulties,— the increase of capital, real or fictitious, without the natural and necessary decrease in the interest to be paid for its use, and the consequent, and unnatural, exactions of the capitalists,—it will follow, that any remedy, to be effectual, ought to reduce the amount of capital, as far as possible, equally, but to reduce the capital by getting rid of the fictitious capital altogether, and leaving as far as

practicable the new made capital to accumulate, and consequently to reduce the interest paid on all capital.

To effect this, the first measure I would propose, is *the abolition of all laws directly or indirectly affecting agricultural produce.*

I have, my Lord, throughout presumed, that the price of corn is 80s.—I know it is not so—but, I believe it is universally agreed, that at a less price it is impossible for the farmer to cultivate the lands with the present rents and taxation, and it was more than this for many years. If then rents and taxation are to continue the same, corn must be brought to this price; this price therefore is the just price of the times—The only objection to it is, that at 80s. the manufacturer must be ruined. To this also I agree. Therefore rents and taxation cannot continue the same, and I only fix on 80s. because we must have some standard from which to calculate the reduction.

The consequence of the abolition of all laws affecting agricultural produce, would be to destroy the false capital that the owners of lands exacted interest from, capital to an enormous amount, and to reduce the price of corn by bringing it in competition with the continental market to 45 or 50s.\* This was an advantage to the land-holder he was never entitled to, never intended to be given to him, arising out of the necessities of the country, and the desperate resources of the state, that could never have raised its enormous revenue†, but by making the land-holder *particeps criminis*, and he should be thankful for the advantage he has had, and not complain of injustice in losing it. To what extent this would relieve the country is scarcely credible. Colquhoun estimated the value of the whole produce of lands in 1812—13, prices at 70s. 6d at £216,817,624; at 80s. the present *remunerating price*, it would

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\* "It is obvious, that whilst the difference is so great between the continental and the British price of corn as at present, the latter *being on an average double the price of the former &c. &c.*" Report of Committee of H. of C. upon the subject of Agricultural Distress, 8 July, 1820. To this half price must be added freight, &c. &c. but the data is assumed without calculation.

† It could not have raised its revenue by direct taxation—it could not have raised its revenue by a capitation tax, that should have taken directly from the labourer what he now pays indirectly—it would have been gross, open, shameless and consequently impossible.

be much more: corn influences the price of all agricultural produce; if then I say 50,000,000 it is *much less* than the relief would be if prices were reduced to 45 or 50s.\* But landholders were not the only persons benefited by the unnatural state of the country during the last thirty years. The loans to government were made in a depreciated currency, sometimes depreciated 30 and 40 per cent. and the reduction in the circulating medium having now restored its value, is a real *bonus* to the fund-holder of that whole difference. This, like the

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\* See too a letter, lately published, addressed to the Right Hon. Robert Peel, by a Briton. The calculations in that pamphlet are somewhat excessive, I think, but that only affects the question in degree. What did my Lord Stanhope mean when he talked of the "malignant attempt" of this writer? These are not times to stigmatize and calumniate every man that differs from us in opinion; and though his lordship's proposal to put down the use of machinery is strangely provocative, I shall do, as I have hitherto done, abstain from all commentary that can by possibility be personally offensive—even to a Luddite.

One word, however, on his lordship's proposition. Suppose by some special visitation of providence, all the fine corn lands of Norfolk and Essex, were instantaneously made barren, would this be a subject of congratulation? should we have a public rejoicing? should we have a national thanksgiving? It would assuredly find employment enough for the labourer. Five, nor ten, nor ten thousand men, could not raise the same produce on the "broad bare back" of Dartmoor, that fifty do now, in the fat prolific soil of Norfolk and Essex: yet to this end his lordship would legislate! I will not defy his lordship alone, but the congregated wisdom of the whole peerage, to distinguish between these cases. This is seemingly very monstrous: it is barely credible that a nobleman should err so grossly; but the error seems more gross than it is. It is want of sympathy, and not want of knowledge, that has misled his lordship. He sees, and sees clearly, and justly, that labour and capital will multiply produce too fast; that the exactions from labour by the capitalists have a limit, and consequently that their demands for produce have a limit, but that *produce itself has no limit, no bounds*, and consequently that all machinery tending to multiply produce tends to abridge labour. So far his lordship is correct; but then I say, multiply machinery to the utmost; assist the labourer all that is possible; let us seek to abridge his hours of toil from 12 to 6 hours a day, and then we may boast of the wealth, the happiness, the prosperity of England; but here his Lordship dissents. Let us destroy machinery, says his Lordship; let us curse the fertility of nature, and the inventions of human ingenuity, that abridge the toils of the labourer. What is the poor man to do? Your machinery has so multiplied produce, that there is not work enough to employ your population three days a week, and they must receive aid out of the poor rates. Why, truly they must, my Lord, if the capitalists are permitted to continue their exactions: but I have done little if I have not shewn, that capital *left to itself* would leave the labourer a maintenance though he should work but six hours a day; and if the legislature will countenance and protect these exactions, they must not complain of the poor-rates. They have thought to counteract nature, and find it impossible. If I have mistaken his Lordship's argument, he has nothing but blank absurdity to ground his motion on.

arbitrary and accidental increase in the value of lands, is an advantage the fund-holder is in no way intitled to, arising out of the necessities of the country, that could not have raised its extravagant and monstrous revenue, but in a depreciated currency. The fund-holder therefore has no just right to complain, if he be not allowed permanently to benefit by the misfortunes of his country, and the wrongs and sufferings of the people.

Let then a fair estimate be made of the reduction in the rental of lands by the abolition of all prohibitory or regulating corn laws, by the reduction in the price of corn, from 80s. a just remunerating price, to 50s. or what it may be reduced to, by being open to the competition of the continental market—the permanent reduction of rental remember, is a reduction of capital—and proportioned to this, let there be an actual deduction from the whole amount of funded debt.

These are the measures I should propose, and the only measures I do propose, although many others might accompany it, and certainly would be both politic and just. If my suggestion were adopted, my Lord, there would be no difficulty, no intricate calculation, no prying and searching into personal property; a single act of the legislature would be conclusive. But personal property, be it remembered, would not escape; on the contrary, all the personal property in the country would be reduced in value in an equal and just proportion; and there is no other means, in my humble judgment, of really touching the personal property of the kingdom; for as to the taking a tythe or a twentieth, as has been proposed, the whole produce would be eaten up by assessors, lawyers, counsellors, and the troops of red coats and black coats, that must accompany the collector; but by the abolition of the corn laws, by the reduction of the price of food, we reduce the price of every thing that is the produce of human industry; for the price of labour is a part of the price. It would not indeed be reduced in a proportionate degree; that is to say a coat that is now worth 80s. would not then sell for 55s. though corn should have been reduced in that

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\* Not the least beneficial of these would be, to declare the whole debt a transferable annuity, for a term of years.

proportion, because other things affect the price of the coat besides labour, and labour itself neither *would nor ought* to be reduced in that proportion, the whole argument having been to shew, that the labourer is not now paid enough; but the coat would be reduced in proportion to the reduced price of the material and of labour, if any reduction took place in the price of labour. It would, too, proportionably affect the capital vested in houses; houses being but a more permanent manufacture than the coat or other produce of labour more usually understood by manufactures.

Upon a more mature and patient inquiry, however, it is possible some property might be found that would not be affected; some specific provision might be made for this. But as many private contracts, mortgages, annuities, &c. rents paid under leases, all commutation payments, &c. where the contracts were entered into during the depreciation of money, have been influenced by the same circumstances, it would be singularly unjust to exclude them from the proposed relief: private debts, therefore, should be reduced in the same manner and proportion that the public debt is reduced, with every possible regulating circumstance in both cases to obviate all injustice; for instance, contracts entered into before the year 179\_, *where the creditor, mortgagee, &c. is the same person, or his heir at law, as before the year 179\_*, to be exempt from its operation. The pay too, of all placemen, pensioners, &c. of the army and navy, &c. and of all salaries, &c. raised within the last \_\_ years to be reduced.

It seems to me that these measures would affect all persons and circumstances, that are or have been benefited either by the natural rise in the price of money, or the unnatural rise in the price of agricultural produce. Persons in trade, contractors, &c. were no doubt equally benefited, but I know of no investment they can have made of their capital and profits where these measures would not reach it.

These are the only propositions I intend to offer, because they are corrective of the wrongs I have almost exclusively confined myself to; I say, again, however, other financial measures ought to accompany them, and it is one of the great



advantages of the measures I propose, that *their adoption would leave the country at liberty to pursue such a wise and politic system of financial legislation as would leave trade and commerce unrestricted.* Commerce might *then* indeed be of advantage; not in the way usually supposed, but in the only way it can, by leaving every country at liberty to invest its labour in those things where nature or accident gives unusual facility, or abundance to its produce; thus, instead of expending ten men's labour to produce as many loads of corn on the barren ridge of Dartmoor, or a hundred men's labour to produce it on the dome of St. Paul's, or the stone stairs of the House of Commons, which is only a trifle more extravagant and ridiculous; we may invest the ten men's labour in hats, or coats, or cotton stockings, and have ten men labouring for us in Poland, or on the shores of the Black Sea, and producing a hundred loads of corn in return for their labour.

Other measures, I repeat, my lord, might and *must* accompany these, not *with a retrospective action*, not to correct the evils that have been, but *prospectively to prevent their recurrence.* Here, however, I shake hands with the reader, and part, I trust, good friends with your lordship. I cannot but fear, that in this inquiry, conducted with the utmost temper, I may already have given offence to many persons whose opinions only I meant to differ from;—not, I feel assured, to your Lordship. I admit "tis folly, for one poor word or two, still, to nose the offence;" but, my lord, I honestly admit I have not nerve enough to venture on the question of our prospective policy, and therefore subscribe myself at once

Your lordship's  
Most obedient and very humble servant.

THE END.

LONDON:

PRINTED BY THOMAS DAVISON, WHITEFRIARS.