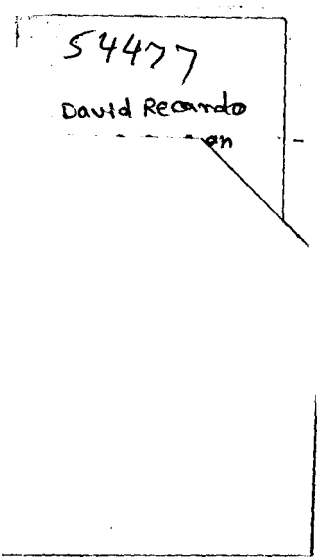
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David Ricardo

MINOR PAPERS ON THE CURRENCY QUESTION

DAVID RICARDO

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MINOR PAPERS ON THE CURRENCY QUESTION 1809–1823

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Edited with an introduction and notes

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INTRODUCTION.

The recovery and publication, in 1928, of the long missing and much desired manuscript of David Ricardo's "Notes on Malthus" was welcomed by close students of the Ricardian economics, as filling gaps and as clearing doubts in the doctrinal differences of its chief figures. In conjunction with the "Notes on Malthus" a considerable body of additional Ricardo material, manuscript and printed—referred to below as "Ricardo MSS."—was brought to light. This matter is now made accessible through the continuing courtesy of Frank Ricardo, Esq., of Bure Homage, Christchurch, Hants., a great grandson of the economist.

The Ricardo MSS. include some items of purely private interest as well as some routine correspondence etc. belonging to the weeks immediately preceding Ricardo's death (September 12, 1823). Beyond this the material centres about the currency question, to a degree at least, that warrants the title of the present volume. The condition of the material is various. Some of it is clearly titled and paged. A considerable part is almost scrap-like, and the editorial task of identification and assignment has presented unusual difficulties.

It has always been a matter of perplexity to students of Ricardo's currency writings that the economist should have taken no more active part in the Bullion controversy than appeared to have been the case. Malthus's critique of "The High Price of Bullion" in the *Edinburgh Review* (February, 1811) provoked a reply inserted as Appendix to the Fourth Edition. The "Reply to Bosanquet" was avowedly a rejoinder to what McCulloch described as "the mazy intricacies of practical detail" ("Works", xxi). But with these exceptions there has been no evidence of authorship. In the months between the issue of the Bullion Report, and the publication of Bosanquet's semi-official challenge, a period marked by the most active controversy, Ricardo's pen seemed to have rested.

It now appears that such was not the case. Ricardo's *Morning Chronicle* letters on "The Price of Gold"—the authorship of which was promptly identified—appeared in August-November, 1809; the Introduction to "The High Price of Bullion" was dated December 1, 1809; the Bullion Committee was appointed on February 19, 1810; Mushet's "Enquiry into the Bank Restriction Bill" appeared soon after ('this tract preceded the publication of the Bullion Report'; cf. McCulloch, "Literature of Political Econ-

omy", p. 173); and the Bullion Report itself was presented on June 8, 1810 ". . . very clumsily and prolixly drawn; stating nothing but very old doctrines on the subjects it treats of, and stating them in a more imperfect form than they have frequently appeared in before . . . a motley composition by Huskisson, Thornton and myself" (Horner, "Memoirs", vol. ii, p. 47).

No mention was made in the Bullion Report of Ricardo's—or Mushet's—prior exposé. The omission may have been dictated by expediency or be assignable to oversight. Years later Joplin recorded, "I once had a conversation with Mr. Ricardo on the subject, and he did not appear to think that he had been rightly treated" ("Analysis and History of the Currency Question", 1832, p. 9; cf. F. A. Walker, "Money", 1883, p. 353 n.). A color of truth is lent to this reproach by Horner's belated intention, communicated (July 16, 1810) to Francis Jeffrey, then editor of the *Edinburgh Review:* "I will do a short article for you this time, to do justice to Mr. Ricardo and Mr. Mushet who called the public attention to this very important subject at the end of last year" ("Memoirs", vol. ii, p. 51). But the purpose was never realized. Even the article in the *Edinburgh* of August, 1811 ('Pamphlets on the Bullion Question'), which Dr. James Bonar ("Malthus and his Works", p. 285 n.) inclines to ascribe to Horner, contains no other reference to Ricardo than a brief approval of the early version of the 'economical and secure currency'.

Public attention was however less inert than Horner assumed. Ricardo's joint — perhaps major — part was promptly credited, and in this judgment posterity has increasingly concurred. Impeccable or otherwise as the Bullion Report may be, responsibility for the essential doctrines of what Smart has described as "a great historical document" ("Annals", p. 254 n.) has always been given Ricardo.

Certainly Ricardo did not sulk in his tent. He wrote to Horner in criticism of a tepid parliamentary presentation. He made running comment upon the text of the Bullion Report. He published three letters (heretofore unidentified) in the *Morning Chronicle* on the Report itself, on Sinclair's apology and on Randle Jackson's speech. He dissected Vansittart's "Propositions" and he analyzed Trotter's, Huskisson's (missing), Copleston's, and Rutherford's tracts. "It grieves me to see so much labour and sweating about this Bullion Report"—sputtered one robust member of the House of Commons, who believed that "we can make coin of leather or oyster shells" (Hansard, xx, 139). The

Bullion Committee might rest on its dignity and Horner might be held in leash by political expediency. Ricardo did not propose that "the true doctrine" should be discredited by default.

With the further evidence here presented, the explanation ventured some years ago as to why the Bullionist doctrine should figure in the history of economic thought as a distinctively Ricardian doctrine, may be repeated with even greater confidence: "A theory which had a distinguished parentage was refurbished, defended from doctrinal attacks, justified by contemporary events, vitalized by urgent timeliness, and vindicated against current criticism. A standard was planted, the field cleared and an alert and resourceful champion held the lists."

In one other particular, the Ricardo MSS. in aggregate are an important contribution. It has been conventional to regard Ricardo's opinions as shaped largely by his experience as a man of affairs, with slight relationship of indebtedness to or even acquaintance with other economic writings. A distinct service of the Ricardo MSS. is to correct this tradition. To a far greater degree than had been supposed Ricardo appears herein as a reader of economic texts. The "Wealth of Nations", as in the case of Dugald Stewart, Say and Malthus, was his starting point, and controversial need supplied the later momentum. But a growing interest in economic and political philosophy bridged the interval. Ricardo might lament to Malthus "My acquaintance lies so little amongst political economists" ("Letters to Malthus", p. 62); but this certainly did not apply to what they had written.

Ricardo moreover appears as a careful reader. If the book lay within his special interest he was likely to make a running critique. If it were more general, his habit was, instead of pencil interlineation or marginal annotation, to copy off—in a 'commonplace book', on a single sheet, on the verso of an unimportant letter—sometimes with comment; as often without—the passage that appeared to him faulty, or that attracted him by soundness of reasoning or forcefulness of statement. The practice was begotten of his intellectual habit; it was nurtured by his zeal as controversialist; it matured with his parliamentary activity. He was in no sense a man of letters. But few men have read a limited number of books to greater advantage.