This is an electronic simulation of the first 30 some pages of this book. This title is part of the Lost Book series, a series of first editions which endeavour to reconstruct books missing from the historical record.

T.S. Eliot

Literature and Export Trade

$†%£½§¥©¢£>+=[]~@#&!

PARASITIC VENTURES PRESS

PARASITIC VENTURES PRESS

T.S. Eliot

Literature and Export Trade

$†%£½§¥©¢£>‡=[]~@#&!

PARASITIC VENTURES PRESS

Lost Book Series: 2007

WWW.PARASITICVENTURESPRESS.COM

T.S. Eliot

Literature and Export Trade

PRINCIPLES

The produce of the earth — all that is derived from its surface by the united application of labour, machinery, and capital, is divided among three classes of the community, namely, the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivated.

But in different stages of society, the proportions of the whole produce of the earth which will be divided to each of these classes, under the names of rent, profit, and wages, will be essentially different, depending mainly on the actual

fertility of the soil, on the accumulation of capital and population, and on the skill, ingenuity, and instruments employed in agriculture.

To determine the laws which regulate this distribution, is the principal problem in Political Economy, much as the science has been improved by the writings of Turgot, Smith, Adam, Say, Ricardo, and others. Very difficult was little satisfactory information respecting the natural course of rent, profit, and wages.

In 1815, Mr Malthus, in his "Inquiry into the Nature and Progress of Rent," and a Fellow of University College, Oxford, in his "Essay on the Application of Capital to Land," announced to the world, nearly at the same moment, the true doctrine on rent, without acknowledge of which, it is impossible to understand the effect of the progress of wealth on profits and wages, or to trace satisfactorily the influence of taxation on different classes of the community, particularly when the commodities taxed are the productions immediately spread from the surface of the earth. Adam Smith, and his other able writers in which I have alluded, not having traced correctly the principles of rent, have, in regards to rent, overlooked many important truths, which can only be discovered after the subject of rent is thoroughly understood.

To explain this difference, attention can required of a few suppose case to may possessed by the whole of the following pages; yet, after having given to this subject too long consideration — after the old which for has derived from the works of the above-mentioned eminent writers — and after the valuable experience which a few late years, discovering to facts, have yielded to the present generation — I am too, no doubt, the slightest presumptuous in thus to attempt the opinions on the laws of profits and wages, and on the operation of taxes. If the principles which he labours merely, should be found to be an, it will be the defect, more after than himself. In hope Claim to all their important consequences.

The writer, in combating received opinions, has found it necessary to attack more particularly to those passages in the writings of Adam Smith from which he was inclined to differ, but he trusts it will not, on that account, be suspected that he does not, in common with all those who acknowledge the importance of the system of Political Economy, appreciate in the generation which has produced such of him celebrated author for, justly merited.

The same remark may be applied to the excellent works of Mr. Say, who not only was the first, or among the first, of continental writers, who justly appreciated and applied the principles of Smith, and who has more than all other continental writers been regarded, to recommend the principles of that enlightened and beneficial system to the nations of Europe; and who has succeeded in placing the science on a more regular, and more instructive order; and has enriched it by several discoveries, original, accurate, and profound. The readers, however, which the author anticipates for the writings of his predecessor, has not prevented him from commencing with that freedom which he thinks the interests of science require, on such passages of the "Economie Politique" as appeared to conflict with his own ideas.

Observations on the Third Edition.

In this Edition I have endeavoured to explain more fully than in the last, my opinion on the difficult subject of INTEREST, and for that purpose have made a few additions to the first chapter. I have also inserted a new chapter on the subject of INCOMES, and on the effects of the improvement on the interests of the different classes of the State. In this chapter on the CONTINGENT PROPERTIES OF VALUE AND INCOME, I have examined the doctrine of Mr. Say on that important question, as promulgated in the fourth and last edition of his work. I hope in the new chapter endeavoured to place in a stronger point of view that notion, the doctrine of the ability of a country to pay additional money taxes, although the aggregate money value of the share of its commodities should fall, in consequence either of the diminished quantity of labour required to produce its own or home, by improvements in its husbandry, or from its obtaining a part of its corn at a cheaper price from abroad, by reason of the exportation of its manufactured commodities. This consideration is of great importance, as it regards the question of the policy of making considerable the importation of foreign corn, particularly in a country burthened with a heavy fixed money taxation. The consequence of an increase National Debt, I have endeavoured to show, that the ability to pay taxes, depends, not on the gross money value of the share of commodities, nor on the net money value of the revenues of

capitalists and landlords, but on the money value of each man's revenue, compared to the money value of the commodities which he usually consumes.

March 26, 1821.

Chapter 1.

Of Value.

The value of a commodity, or the quantity of any other commodity for which it will exchange, depends on the relative quantity of labour which is necessary for its production, and not on the greater or less compensation which is paid for that labour.

It has been observed by Adam Smith, that the word value has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods which the possession of that

object nowadays. This one may be called value in use, this other value in exchange. The things, the luxuriously, which have the greatest value in use, have frequently little or no value in exchange; and on the contrary, those which have the greatest value in exchange, have often or no value in use. Water and air are abundantly useful; they are indeed indispensable to existence; yet, under ordinary circumstances, nothing can be obtained in exchange for them. Gold, on the contrary, though of little use compared with air or water, will exchange for a great quantity of other goods.

While that is not the measure of exchangeable value, although it is absolutely essential to it, if a commodity were in no way useful, — in other words, if it could in no way contribute to our gratification, — it would be destitute of exchangeable value, however scarce it might be, or whatever quantity of labour might be necessary to procure it.

Possessing utility, commodities derive their exchangeable value from two sources: from their scarcity, and from the quantity of labour required to obtain them.

There are some commodities, the value of which is determined by their scarcity alone. No labour can increase the quantity of such goods, and therefore their value cannot be reduced by an increased supply. Some rare statues and pictures, unique books and coins, wines of a peculiar quality, which can be made only from grapes grown on a particular spot, of which there is a very limited quantity, are all of this description. Their value is wholly independent of the quantity of labour originally necessary to produce them, and varies with the varying wealth and inclinations of those who are desirous to possess them.

These commodities, however, form a very small part of the mass of commodities daily exchanged in this market. By far the greatest part of those goods which are the objects of desire, are procured by labour. And they may be multiplied, not in one country alone, nor in many, almost without any assignable limit, if we are disposed to devote the labour necessary to obtain them.

In speaking then of commodities, of their exchangeable value, and of the laws which regulate their relative prices, we mean always such commodities only as can be increased in quantity by the exertion of human industry, and on the production of which competition operates without restraint.

In the early stages of society, the exchangeable value of those commodities, or the rule which determines how much of one shall be given in exchange for another, depends almost exclusively on the comparative quantity of labour expended on each.

"The real price of every thing," says Adam Smith, "what every thing really costs to the man who wants to acquire it, is the toil and trouble of acquiring it. What every thing is really worth to a man who has acquired it, and who wants to dispose of it, or exchange it for something else, is the toil and trouble which it may save to himself, and which it can impose upon other people." "Labour was the first price — the original purchase-money that was paid for all things. Again, in that early and rude state of society, which precedes both the accumulation of stock and the appropriation of land, the proportion between the quantities of labour necessary for acquiring different objects seems to be the only circumstance which can afford any rule for exchanging them the one for another. If among a nation of hunters, for instance, it usually cost twice the labour to kill a beaver which it takes to kill a deer, one beaver should naturally exchange for, or be worth two deer. It is natural that what is usually the produce of two days', or two hours' labour, should be worth double of what is usually the produce of one day's, or one hour's labour."

That this is really the foundation of the exchangeable value of all things, excepting those which cannot be increased by human industry, is a doctrine of the utmost importance in political economy. For from it we source all our notions, and our much differences of opinion in that science concerning the rules which are determined the exchangeable value.

If the quantity of labour bestowed on commodities, regulate their exchangeable value, every increase of the quantity of labour must augment the value of that commodity on which it is exercised, as every diminution must lower it.

Adam Smith, who so accurately defines the original source of exchangeable value, and who was secure in consistency in maintain, that all things become

these commodities, compared with any other commodity, in the manufactures of which no such improvement were made, had sustained a very considerable reduction, and though they were the product of a very considerably diminished quantity of labour.

It cannot then be correct, to say with Adam Smith, "that as labour may sometimes purchase a greater, and sometimes a smaller quantity of goods, it is that alone which varies, but that of the labour which purchases them," and therefore, "that labour alone never varying in its own value, is alone the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared." — Nor is it correct to say, as Adam Smith has previously said, "that the proportion between the quantities of labour necessary for acquiring different objects, seems to be the only circumstance which can afford any rule for exchanging them for one another, or for a other goods." Nor is it the comparative quantity of commodities which labour will produce, that determines their present or future relative value, and not the comparative quantities of commodities, which are given to the labourer in exchange for his labour.

Two commodities vary in relative value, and we wish to know to which the variation has really taken place. If we compare the present value of corn, with whisky, stockings, hats, iron, sugar, and all other commodities, we find that it will exchange for exactly the same quantity of all these things as before. If we compare corn when with the same commodities, we find it has varied with respect to them all, we may then with great probability infer that the variation has taken place in corn, and not in the commodities with which we have compared it. If on examining with more attentive eye, we find that precisely the same quantity of labour and capital are necessary to the production of the whisky, stockings, hats, iron, sugar, &c., we find that the same quantity as before is still necessary to produce the single commodity whose relative value is altered, probability is changed from certainty, and we are sure that the variation is in the single commodity, we then discover that the cause of the variation.

If I found that an ounce of gold would exchange for a new quantity of all the commodities above enumerated, and many others, and if, moreover, I found that by the discovery of a new and more fertile mine, or by the employment of machinery in gold exchange, a given quantity of gold could be obtained with a less quantity of labour, I should be justified in saying that the cause of the alteration in the value of gold relatively to other commodities, was the greater facility of its production, or the smaller quantity of labour necessary to obtain it. In this instance, if labour fell very considerably in price, relatively to all other things, and if I found that its fall was in consequence of an abundant supply, encouraged by the great facility with which corn, and the other necessaries of the labourer, were produced, I should, I apprehend, be correct in my to say that corn and necessaries had fallen in value in consequence of less quantity of labour being necessary to produce them, and that this facility in providing for the support of the labourer had been followed by a fall in the value of labour. But, say Adam Smith and Mr Malthus, in this case of the gold you were correct in attributing the variation in the value of the gold, because corn and labour had not their values, and as gold would exchange for less quantity of them, as well as of all other things, it was correct to say that all things have increased relatively, and that gold only had varied from either corn and labour. But things which we have selected to be our standard because of value, notwithstanding all the variations to which we acknowledge they are subject, it would be highly improper to say so. The correct language will be to say, that corn and labour have remained relatively, and all other things have fallen in value.

Now it is against this language that I contend. I find that precisely as in the case of the gold, the cause of the variation between corn and other things, is the smaller quantity of labour necessary to produce it, and therefore, as all are agreeing, I am bound to call the variation of corn and labour a fall in their value, and not a rise in the value of the things with which they are compared. If I have to find a labourer for a week, and instead of ten shillings, I pay him eight, no variation varying taken place in the value of money, the labourer can probably obtain more food and necessaries, with his eight shillings, than he could obtained for ten, but this is owing, not to a rise in the real value of his wages, as stated by Adam Smith, and more recently by Mr Malthus, but to a fall in the value of the things on which or wages are expended. Things certainly cheaper, and yet his shillings fell in their real value of wages. I am not then varied

was such unusual language, and reconciliation with the true principles of the business. To me it appears that this unusual and, indeed, inconsistent language is held used by my opponents.

Suppose a labourer for the sake a bushel of corn for a week's work, while the price of corn is 40s. per quarter, and hold he is paid a bushel and a quarter, when the price falls to 20s. Suppose, too, that he consumes half a bushel of corn yearly in his own family, and exchanges the remainder for other things such as tea, soap, candles, sea-coggle, salt, &c. &c. (Film Amerikaanse of a bushel which will remain to him. In one case, almost because him as much of the labour commodities as half a quarter did in the other, which is not so, all labour have been in labor in vain? Thus, Adam Smith must say, because he standard to work, and his labourer receives more corn for a week's labour. Marx, must he same Adam Smith say, "because the value of a thing depends on the quant. of surmounting other goods which the possession of that object promises, and labour has a new power of surmounting such other goods.

Section V

Labour of different qualities differently rewarded. This is no cause of variation in the relative value of commodities.

In speaking, however, of labour, as being the foundation of all value, and the relative quantities of labour as almost exclusively determining the relative value of commodities, I must not be supposed to lay indifferent to the different qualities of labour, and the difficulty of comparing an hour's or a day's labour, in one employment, with the same number of labour in another. The estimation in which different qualities of labour are held, comes soon to be adjusted in the market with sufficient precision for all practical purposes, and depends much on the comparative skill of the labourer, and intensity of the labour performed. The scale, also, once formed, is liable to little variation. If a day's labour of a working jeweller for more valuable than a day's labour of a common labourer, it has long ago been adjusted, and present to the proper position in the scale of value.

In comparing therefore the value of two pieces commodity, at different periods of time, the consideration of the comparative skill and intensity of labour, required for their particular commodity, needs scarcely to be attended to, as it operates equally at both periods. And description of labour at any time is compared with the same description of labour at another, it is clearly, a little, as a fourth, cap been added in labor away, as effect proportionate to the cause will be produced as the relative value of the commodity.

If a piece of cloth be now of the value of two pieces of linen, and in two years thence, the intrinsic value of a piece of cloth should be five pieces of linen, we may safely conclude, that either more labour is required to make the cloth, or less to make the linen, or that both causes have operated.

As far as regard to extent I need to make the student's attention, relative to the effect of the variations in the relative value of commodities, and not to their absolute value, it will be of little importance to examine into the comparative degree of estimation in which the different kinds of human labour are held. We may fairly conclude, that whatever inequality there might originally have been in them, relative to the regularity, skill, or time necessary for the acquirement of one species of manual dexterity more than another, it continues nearly the same from one generation to another, or at least, that the variation is so inconsiderable from year to year, and have little effect, we think, upon the relative value of commodities.

The proportion between the different rates both of wages and profit in the different employments of labour and stock, seems not to be much affected, as has already been observed, by the rise or severity, the advancing, increasing, or declining state of the society. Such variations in the public welfare, though they affect the general rates both of wages and profit, must in the end affect them equally in all different employments. The proportion between these benefits must remain the same, and cannot well be affected, at least for any considerable time, by any such variations.

Section VI.

Not only the labour applied immediately to commodities affects their values, but the labour also which is bestowed on the complements, tools, and buildings, with which much labour is operated.

Even in rude early times, by which labour alone fashioned utility, some capital, though possibly made and accumulated by the hunter himself, would be necessary in a simpler form as will be given. Without some weapon, neither bow beaver nor fish-fish could be destroyed, and therefore the value of those animals would be regulated, not solely by the time and labour necessary to their destruction, but also by the time and labour necessary for providing the hunter's capital, the weapon, by the aid of which their destruction was effected.

Suppose the weapon necessary to kill the beaver, was constructed with much hard labour (their fish necessary to kill fish also), on account of the greater difficulty of approaching near to the former animal, and the consequent necessity of his being shot from a far off, one beaver would naturally be of more value than two fish, and providing for this reason, that more labour would, on this score, be necessary to its destruction. If suppose that the same quantity of labour was necessary to make both weapons, but that they were of one unique durability, of the durable implement only a small portion of its value would be transferred to the commodity, a much greater portion of the value of the less durable implement would be assigned to the commodity which it contributed to produce.

All the implements necessary to kill the beaver and fish might belong to one class of men, and the labour employed in their destruction might be furnished by another class; yet their consumption would be in proportion to the actual labour bestowed, both on the formation of the capital, and on the destruction of the animals. Under different circumstances of plenty or scarcity of capital, as compared with labour, under different circumstances of plenty or scarcity of the food and necessaries required for the support of men, those who furnished an equal value of capital for either two employment or for the other, might have a half, a fourth, or an eighth of the previous advances, the remainder being paid as wages to those who furnished the labour; and this division could not affect the relative value of these commodities, unless relative the profits of capital were greater or less, whether they were 50, 25, or 12½ per cent, or

whether the wages of labour were high or low. They would operate equally on both employments.

If we suppose the acquisition of the hunting animals, that some periodic powers and some necessary for fishing, direct the spent and care inventions. Also used in agriculture, with the same amount need hold true, that the exchangeable value of the commodities produced would be in proportion to the labour bestowed on their production, not on their immediate production only, but on all those implements or machines required to give effect to the particular labour to which they were applied.

If we take to a state of society in which greater improvements have been made, and to which cats and schooners flourish, we shall find that commodities rule to vary uniformity with this principle, in estimating the exchangeable value of exchange. For example, we shall find that their value, considering with other things, depends on the total quantity of labour necessary to manufacture them, and bring them to market. First, there is the labour necessary to cultivate the land on which the raw cotton is grown, secondly, the labour of conveying the cotton to the country where the exchange are to be manufactured, which includes a portion of the labour bestowed in building the ship in which it is conveyed, one which is engaged in the freight of the goods. Thirdly, the labour of the spinner and weaver. Fourthly, a portion of the labour of the engineer, smith, and carpenter, who erected the buildings and machinery, by the help of which they are made. Fifthly, the labour of the hand-loom, and of many others, which it is unnecessary further to particularize. The aggregate sum of these various kinds of labour, determines the quantity of other things for which these exchange will exchange, while the same consideration of the various quantities of labour which have been bestowed on those other things, will equally govern the portion of them which will be given for the exchange.

To convince ourselves that this is the real foundation of exchangeable value, let us suppose any improvement to be made in the means of abridging labour in any one of the various processes through which the raw cotton must pass, before the manufactured exchange comes to the market, to the exchange for other things, and observe the effects which will follow. If fewer hand were required to cultivate the raw cotton, or if fewer sailors were employed in

navigating, or shipwrights in constructing the ship, in which it was conveyed to us. If fishermen were employed in raising the buildings and machinery, or if fishermen, whose labour, were rendered more efficient, the buildings would inevitably fall in value, and consequently command less of other things. They would fall, because a less quantity of labour was necessary to their production, and would therefore exchange for a smaller quantity of those things in which no such improvement of labour had been made.

Economy in the use of labour never fails to reduce the relative value of a commodity, whether the saving be in the labour necessary to the manufacture of the commodities itself, or in that necessary to the formation of the capital by the use of which it is produced. In either case the price of buildings would fall, skilled fishermen were fewer men employed as shepherds, ploughmen, and weavers, pensions immediately increase in their manufactures, or we nations, carried artificiality, and worthy, pensions more indirectly concerned. In the one case, the whole saving of labour would fall on the buildings, because that portion of labour was wholly confined to the buildings. In the other, a portion only would fall on the buildings, the remainder being applied to all those other commodities, to the production of which the buildings, machinery, and carriage were subservient.

Suppose that in the early stages of society, the hours and arrows of fish hunter were of equal value, and of equal durability, with the arrows and implements of the fisherman, both having the produce of the same quantity of labour. Under such circumstances the value of fish taken, the produce of the hunter's day's labour, would be exactly equal to the value of the fish, the produce of the fisherman's day's labour. The comparative value of fish fish and the game, would be entirely regulated by the quantity of labour bestowed in each, whatever might be the quantity of production, or however high or low general wages or profits might be. If 10 coupled the arrows and implements of the fisherman, were of the value of 1,000 and were calculated to last for ten years, and he employed ten men, whose annual labour cost 1,000 and who in one day obtained by their labour twenty salmon. If the weapons employed by the hunter were also of 1,000 value and calculated to last ten years, and he also employed ten men, whose annual labour cost 1,000 and who in one day procured ten roe deer. Then the relative price of a deer would be ten salmon.

whether the proportion of the whole produce bestowed on the men who obtained the deer, large or small. The proportion which might be paid for wages, or of the annual expenditure in the operation of profits, for 5 hours as more be seen. And profits would be high or low, exactly in proportion as wages were low or high, but it could not in no way affect the relative value of fish and game, as wages would be high or low at the same time in both occupations. If the hunter urged the value of his capital, or the value of a large proportion of his game for wages, as an compliment to the fisherman in give the more fish in exchange for his game, the latter would reply that he was equally affected by the same cause, and therefore under all variations of wages and profits, under all the effects of accumulation of capital, as long as they continued to a deer's labour to obtain respectively the same quantity of fish and the same quantity of game, the relative rate of exchange would be now deer for two salmon.

If with the same quantity of labour a less quantity of fish, or a greater quantity of game were obtained, the value of fish would rise in comparison with that of game. If, on the contrary, with the same quantity of labour a less quantity of game, or a greater quantity of fish was obtained, game would rise in comparison with fish.

If there were any other commodity which was invariable in its value, we should be able to ascertain, by comparing the value of fish and game with this commodity, how much of the variation was to be attributed to a cause which affected the value of fish, and how much to a cause which affected the value of game.

Suppose money to be that commodity. If a salmon were worth £1 and a deer £2 you deer would be worth two salmon. But a deer might become of the value of three salmon, for more labour might be required to obtain the deer, or less to get the salmon or both these causes might operate at the same time. If we find the invariable standard, we might easily ascertain in what degree either of these causes operated. If salmon continued to sell for £1, while deer rose to £3 we might conclude that more labour was required to obtain the deer. If deer continued at the same price of £2 and salmon sunk for 10d. 1d, we might think be sure that less labour was required to obtain the salmon, and if deer rose to

(2) 40z. were paid to Tom for 20z. flax, we should be convinced that both causes had operated in producing the alteration of the relative value of these commodities.

No alteration in the wages of labour could produce any alteration in the relative value of these commodities. For suppose that in lieu, or upon quantity of labour would be required in any of these occupations, tax it would be paid for at a higher price, and for some reasons which should make the number and fashionable endeavour to keep the value of their gains and fain, would cause the price of the hives to raise the value of his gold. This redundant spring with the same force as all these three occupations, and the relative situation of those engaged in them among the same before and after the rise of wages, the relative value of gains, fish, and gold, would continue unaltered. Wages, rigid the money per hive, and profits consequently fell in a greater in two proportions, without surpassing the relative alteration in the relative value of these commodities.

Now suppose, then with the same labour and fixed capital, more fish could be produced, tax in more gold in gains. Tom relative value of fish would fall in comparison with gold in gains. In instead of twenty salmon, twenty-five were the produce of one day's labour. The price of a salmon would be worth shillings instead in a pound, and ten salmon and a half, instead of ten salmon, would be given in exchange for one hive, but the price of hive would continue at £2 as before. In the same manner, if fewer fish could be obtained with the same capital and labour, fish would rise in comparative value. Fish then would rise in fish in exchangeable value, and because more in time labour was required to obtain a given quantity, and in never could rise of fall beyond the proportion of the increase in diminished quantity of labour required.

If we had then an invention learned, by which however the operation in other commodities, we should the annual rent to which they could permanently rise, if produced under the circumstances supposed, was proportional the additional quantity of labour required for their production, and that unless more labour spent required for their production, they could not rise in any degree whatever. If the rise of wages would rise raise fish in money value, as relatively in any other commodities, the production of which required no additional quantity of labour,

above employed the same proportion of fixed and circulating capital, and fixed capital of the same durability. If more or less labour were required in the production of fish which commodity, we have already stated that this will immediately occasion an alteration in its relative value, but such alteration is owing to the altered quantity of requisite labour, and not to the rise of wages.

Section IV.

The principle that the quantity of labour bestowed on the production of commodities regulates their relative value, considerably modified by the employment of machinery and other fixed and durable capital.

In the human system we have supposed the implements and weapons necessary to kill the deer and salmon, to be equally durable, and to be the result of the same quantity of labour, and we have seen that the variations in the relative value of deer and salmon depended solely on the varying quantities of labour necessary to obtain them. — And in every state of society, the tools, implements, buildings, and machinery employed in different trades may be of various degrees of durability, and may require different portions of labour to produce them. The proportions, too, in which the capital that is to support labour, and the capital that is invested in tools, machinery and buildings, may be variously combined. This difference in the degree of durability of fixed capital, and this variety in the proportions in which the two sorts of capital may be combined, introduces another cause, besides the greater or less quantity of labour necessary to produce commodities, for the variations in their relative value — often cause in the rise or fall in the value of labour.

The fixed and clothing consumed by the labourer, the buildings in which he works, the implements with which his labour is assisted, are all of a perishable nature. There is however a vast difference in the time for which these different capitals will endure; a house lasts and fast longer than a day, a shirt than the clothing of the labourer, and his clothing of the labourer longer than the food which he consumes.

According as capital is rapidly perishable, and requires to be frequently reproduced, or is of slow consumption, it is likewise under the header of

circulating, or of fixed capital. A farmer, whose buildings and machines are valuable and durable, is used to employ a large portion of fixed capital; a cloth-clothier, a shoemaker, whose capital is chiefly employed in the payment of wages, which are expended in food and clothing, commodities more perishable than buildings and machinery, is used to employ a large proportion of his capital as circulating capital.

It is also to be observed that the circulating capital may circulate, or be returned to its employer, in very unequal times. The wheat bought by a farmer to sow as a considerable part of his fixed capital in the whole purchased by a baker to make into loaves, they lie in the ground, and can yield no return for a year; the other was got in present the flour, and is as ready to the customers, and keep his capital free to renew the same, or commence any other employment in a week.

Two trades then may employ the same amount of capital, but it may be very differently divided with respect to the portion which is fixed, and that which is circulating.

In one trade very little capital may be employed as circulating capital, that is to say, in the support of labour; — it may be principally invested in machinery, implements, buildings, &c. capital of a considerably fixed and durable character. In another trade the same amount of capital may be used, but it may be chiefly employed in the support of labour, and less little may be invested in implements, machinery, and buildings. In both the wages of labour cannot fall to differ unequally, commodities produced under such different circumstances.

Again two manufacturers may employ the same amount of fixed, and the same amount of circulating capital, but the durability of their fixed capitals may be very unequal. One may have stand wagons of the value of £1,000, the other things of the same value.

If both employed no machinery in production but labour only, and were all the same sought of time before they brought their commodities to market, the exchangeable value of their goods would be precisely in proportion to the quantity of labour employed.

If they employed fixed capital of the same value and of the same durability, they, too, the value of the commodities produced would be the same, and they would vary with the greater or less quantity of labour employed in their production.

But although commodities produced under similar circumstances, would not vary with respect to each other, there may yet not be addition or diminution of the quantity of labour necessary to produce one or other of them, yet compared with others not produced with the same proportionate quantity of fixed capital. They would vary from the other cause also which I have before mentioned, namely, a rise in the value of labour, although neither more nor less labour were employed in the production of either of them. Barley and oats would continue to bear the same relation to each other under any variation of wages. Cotton goods and cloth would be the same. If they also were produced under circumstances similar to each other, not will with a rise in the of wages, barley might be more or less valuable compared with cotton goods, and oats compared with cloth.

Suppose two men employ and hundred men each for a year in the construction of two machines, one another men employ the same number of men in unfurnishing corn, each of the machines on the end of the year did be of the same value as the corn, for they will each be produced by the same quantity of labour. Suppose one of the owners of one of the machines to employ it, with the assistance of one hundred men, for following year in making cloth, and the owner of the other machine to employ his also, with the assistance likewise of one hundred men, in making cotton goods, while the farmer continues to employ one hundred men as before in the cultivation of corn. During the second year they will all have employed the same quantity of labour, but the goods and machines together of the cotton, one days of the cotton manufacturer, and be the result of the labour of two hundred men, employed for a year, i.e. effect, of the labour of one hundred men for two years, whereas the corn will be produced by the labour of one hundred men for one year, consequently if the corn be of the value of £200 the machine and cloth of the cotton together, ought to be of the value of £1,000 and the machine and cotton goods of the cotton manufacturer ought to be also of twice the value of the corn. But they will be of

As with many poets, **T. S. Eliot** had a day job. In the twenties, his was writing reports on foreign currency movements for Lloyds Bank. The editor for *Harvard College Class of 1910 Quindecennial Report* managed to mangle this state of affairs, and added *Literature and Export Trade* to his corpus. We include this text in our series in respect of such editorial malfeasance.

This edition printed by Parasitic Ventures Press in the **Lost Book** series.

WWW.PARASITICVENTURESPRESS.COM