

The GrEco Project

Grenville's Economics

Lord William Wyndham Grenville

Essay on the Study of Political Economy
Chapters 9

[1823]

Transcription: Christophe Depoortère

¹[f. 118r]

Chapter IX Of measuring the reward of labour in distant periods

[f.119r]

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¹ MS in British Library Add. MS. 59435 ff. 117-147. Watermarks 1823. f. 117r reads: "This Chapter is reserved to the 3^d book to which it more properly belongs".

² "such an effect may perhaps result" replaces "it results"

[f. 120r]

Chapter IX
Of measuring the reward of labour in distant periods

Section the first
Statement of the question.

The present condition of the English labourer stated to be worse than in the middle ages. Discouraging tendency of this opinion.

The author of a very able, and instructive work, on the state of Europe during the middle ages, expresses an opinion, an unpleasant one he justly terms it, that since the period of which he treats, the condition of the laboring classes in England has been considerably altered for the worse. Or in other words that in the fourteenth and fifteenth centuries our labourers, especially those employed [f. 121r] in agriculture were more highly rewarded than in the present age³.

Painful as such a persuasion must be to every well regulated mind, it is particularly discouraging to the political economist. The close of the fifteenth century is the precise æra from which we date the first commencements in this country of almost every thing which best contributes to national prosperity. Since that period we have been for more than three hundred years uninterrupted by advancing in every branch of profitable industry. Our agriculture has been improved, our manufactures [f. 122r] multiplied, our commerce widely extended, and our command over all the powers and agencies of nature immeasurably facilitated and increased. We have in the same interval accomplished that without which all the rest would have been valueless. The religion of our country, and its moral character, both public and private, have been ⁴ purified and exalted, the freedom of person, properly, and peaceful occupation has been made [f. 123r] the fundamental principle of our government; and equal laws have been ⁵ administered to all, under political institutions ⁶ calculated, as we had fondly hoped, not for the partial but for the universal diffusion of continually increasing

³ “than in the present age” replaces “than they are at present”.

⁴ “greatly” is deleted.

⁵ “justly” replaced “impartially” and is deleted.

⁶ “peculiarly” is deleted.

happiness⁷, [f.123v] and of that happiness most especially which results from wealth⁸.

How vain then is human reason, how nugatory the efforts of the best and wisest [f. 124r] of mankind, if in all this long period, so far from improving, we have actually deteriorated the condition of the most numerous classes of our community! With what despair must the statesman and the philosopher close their books, if the practice and theory of public happiness be really thus at variance with each other!

Such a fact might be probable whenever slavery exists.

Yet these considerations, much as they would weight in a doubtful question, are of no force whatever if opposed to direct and credible evidences. Our theories must conform to [f. 125r] facts, not our facts to theories. Nor can it be denied that social institutions may by possibly be so perversely framed, as to exclude from all share in the growing riches⁹ of a community some particular classes, even the most numerous, of those who compose it. This is, in fact the condition of every society whose wants are supplied by servile labour. The Roman slave, (so long as he continued such,) profited little from the luxurious opulence of his masters; though on the other hand the suffering of the negro [f. 126r] are in our own days often cruelly aggravated by the distress and ruin of the planter. Such is the detestable character of Slavery!

Its improbability in our own Country.

But what application, can these cases have to that of the English labourer after the discontinuance of villenage? By what unhappy law of distribution, has the growing wealth of a people so free as this, spread itself in numberless and imperceptible gradations from the highest ranks of our society down almost to the lowest, but denied to the labourer alone, all participation [f. 127r] in its benefits, reducing him and him only, to a worse condition now than in the former state of the almost universal poverty of the country¹⁰?

But such an effect may perhaps results from

These questions admit unfortunately of one¹¹ answer [f. 126v] to which very considerable weight is due¹². [f. 127r] The general spirit of our government [f. 126v] and most especially its anxiety for the equal diffusion of its benefits are¹³ entitled to all praise. But we still cling to

⁷ "happiness" replaces "wealth."

⁸ "and of that happiness most especially which results from wealth" is inserted.

⁹ "growing riches" replaces "generally increasing wealth".

¹⁰ "than in the former state of the almost universal poverty of the country" replaces "than in the midst of universal poverty"

¹¹ "one" replaces "a ready".

¹² "to which very considerable weight is due" is inserted.

¹³ "and most especially its anxiety for the equal diffusion of its benefits are" replaces "is".

our poor
laws and
Corn-laws.

many ¹⁴ institutions of our ancestors which bear a very different character. Among these¹⁵ there is a great reason for believing that both our poor-laws and our Corn-laws must, inevitably tend,¹⁶ especially in their combined operation, to depress the condition of the labourer. [f. 129r] The one by an artificial increase of population lowering the reward of his labour; the other by artificial restraints on commerce¹⁷ enhancing the price of his subsistence. What cause for wonder then, he who thus thinks of these laws might in his turn ask, what cause for wonder is it if ignorance and injustice have worked political evils?

Of
ascertaining
the truth on
this point.

It is not my present purpose ¹⁸ to discuss these controverted¹⁹ topics. They will hereafter find their place in this work.²⁰ I have here introduced them solely to exemplify the [f. 130r] practical utility which would result from ascertaining, if it were possible, the fact itself with which they are thus closely²¹ connected. If it can really be demonstrated that the condition of the English husbandman is inferior now to what it was so many centuries ago, or even that he has not fully shared in all the subsequent increase of our prosperity, how powerful a motive would this afford for amending the laws to which such effects can with any probability be ascribed!²² If on [f. 131r] the other hand these assertions can be satisfactorily disproved, justice and policy require that the legislative system of our country should stand cleared, at last in this respect, from so heavy an imputation.

¹⁴ “of the” is deleted.

¹⁵ “Among these” is inserted.

¹⁶ “inevitably tend,” is inserted.

¹⁷ “commerce” replaces “importation”.

¹⁸ “certainly” is deleted.

¹⁹ “controverted” replaces “much contested”.

²⁰ “They will hereafter find their place in this work.” is inserted.

²¹ “closely” is inserted.

²² “for amending the laws to which such effects can with any probability be ascribed” replaces “for the change of any laws to which such effects could be ascribed”

Section the second Form of the enquiry.

The labourers reward can be accurately estimated only in the command of effective value.

How then²³ shall this enquiry be conducted? “In what medium,” to use Ricardo’s words, already cited^I, shall we estimate the reward of the English ploughman now and in the fourteenth century? To prove either a rise or a fall in the exchangeable value of his services, we must specify what the object is, of which they now exchange for a larger or smaller quantity than heretofore. Without this explanation²⁴ the proposition [f. 133r] contains only sounds without meaning. The answer is obvious. The labourer’s reward can be accurately estimated only in that which it really consists, in the ultimate command of effective value. Direct enjoyment is the object for which he toils: and that portion of it which his labour finally procures to him is the real amount of his reward^{II}.

But of this there can be no standard.

But how shall effective value itself be estimated? Like exchangeable value it is relative, and infinitely varied by time, place and [f. 134v] circumstances. No article of human use affords always the same gratification to any one individual, much less to all mankind. The food which in famine would preserve life, may in plenty be rejected with disgust. No fixed standard therefore of effective value can be found, nor is there any possible mode of comparing with certainty the proportions in which it is afforded to different men,²⁵ in distant times and places, by money, or by any article whatever²⁶ which money can procure.

^I See above p. 180

^{II} [f.183r] The real price of labour may be said to consist in the quality of the necessaries and conveniencies of life which are given for it... The labourer is rich or poor, is well or ill rewarded, in proportion to the real... price of his labour.

Smith Vol I p 49

²³ “How then” replaces “But how”.

²⁴ “explanation” is inserted.

²⁵ “and” is deleted.

²⁶ “whatever” is inserted.

Attempts at
a conjectural
estimate
through
money
prices

But a conjectural estimate [f. 135r] for the comparison both of exchangeable, and of effective value, has often been attempted by historians and political economists. With that probable approach to accuracy²⁷ we may judge by examining the principle on which they worked. Their process was this. In defect of any certain standard of either of these kinds of value, they had recourse for both to one confessedly imperfect, to money price; observing however to apply it always with such corrections and qualifications as might render it, they hoped, if not entirely to be relied on, [f. 137r] at least sufficient for practical use.

Deficiency
of money
price for this
purpose

But the perpetual fluctuation of money-price unfits it in a great degree²⁸ even for a proximate standard of any sort of value. If indeed all its variations were uniform, if they applied always as the same time, and in the same proportion, to all the articles of our use, it would in that case afford, at least for exchangeable value, a sure &²⁹ permanent measure. If for instance, when the money price of corn had risen tenfold, the money prices of all other things rose also in the same proportion, we should then know that the labourer, receiving for his labour [f. 138r] ten times his former wages, could procure by them exactly the same objects of use³⁰ as before. And if we could farther suppose that his desire for those objects³¹ remained invariably the same, it would follow that they would also³² continue to afford to him³³ the same direct enjoyment. So that the money-price of his labour would thus represent with accuracy not only its universal exchangeable value, but also its ultimate command of effective value³⁴. But both these suppositions are contrary to experience. [f. 139r] Between the variations in the money price of different articles there is very frequently no correspondence, and in some cases a necessary opposition; as when for instance the dearness of winter food lowers the price of sheep or cattle. Nor is the demand for the several objects of our use at all more uniform than their money price. There is on the contrary in every human society a continual, though seldom very rapid, change in the articles of its habitual consumption. The

²⁷ “accuracy” replaces “truth”.

²⁸ “in a great degree” is inserted.

²⁹ “sure &” is inserted.

³⁰ “of use” is inserted.

³¹ “those objects” replaces “all those things”.

³² “also” is inserted.

³³ “precisely” is deleted.

³⁴ “universal exchangeable value, but also its ultimate command of effective value” replaces “value in exchange for such objects, but also its ultimate power of procuring for him effective value”

earthenware of the present day has successively replaced, down even to our poorest cottages, the wooden trenchers which were familiar to the palaces of our [f. 141r] forefathers¹. In distant periods therefore the same articles not only vary much in money price, but are in very different degrees the objects of desire.

How
supplied.

What power then can money have to measure permanently either the effective value of their things, or their exchangeable value³⁵? Evidently none. And if of no one of them separately, then surely not of all collectively. Yet it is for this last purpose that the writers of whom I speak have principally endeavoured [f. 142r] to avail themselves of money price. In order to fix and generalize this variable and partial standard, they selected from the great mass of marketable articles some one or more, such as³⁶ appeared to them of the most extensive use, or paramount importance. From the money prices of these, at each successive period, they ventured³⁷ to infer those of all the rest: not indeed of each of them separately, that was plainly impossible, but of the whole collectively [f. 144r] considered. And in this manner they finally³⁸ arrived at the formation of a scale, possessing to exhibit the average, or general command, as it was termed, of money, in the different³⁹ stages of society, over the necessaries and conveniencies of life. Such have been the principles of all the estimates or tables proposed with more or less confidence by different authors for ascertaining the real value, in every period of our history, of wages, salaries, & other money payments⁴⁰. [f.145r]

Example
from Hume

It is on some such grounds as these that Hume for instance, instructs us to “conceive every sum of money mentioned by historians

¹ [f. 141v] The Earl of Northumberland and his Countess (1511) breakfasted on trenchers. It is probable, that they dined on pewter. Eden State of Poor. vol 1; p 119

³⁵ “the effective value of their things, or their exchangeable value” replaces “their effective or their exchangeable value”.

³⁶ “such as” replaces “which”.

³⁷ “ventured” replaces “next proceeded”.

³⁸ “they finally” is inserted.

³⁹ “the different” replaces “each”

⁴⁰ The last sentence replaces “Such have been the principles on which various estimates or tables have been constructed and proposed with more or less confidence by different authors as universal and as permanent measures of the real value, in all periods of our history, of any wages, salaries, or other money payments.”

for some reigns after the conquest, as if it were multiplied more than a hundredfold above a sum of the same denomination” at the time when he wrote, that is about the middle of the last century^I. Which rule, if we apply it to our present enquiry, would prove that the labourer, who under [f. 146r] Henry the first received one Pound, four schillings, and four pence (£1.4.4) by the year, (the earliest wages of labour which I find on record,)^{II} enjoyed as large a real reward, and was on the whole, “all circumstances considered”, as rich, as he would have been, if, in 1761,^{III} when the common yearly wages of such labour were about twenty pounds, (£20),^{IV} he had been paid at the rate of more than a hundred and twenty (£120).

This sample of such calculations does not at first view [f. 146r] much recommended them to our confidence. But it will be proper to examine more particularly the principal articles which have been selected for this purpose, and to point out some of their most obvious deficiencies: and this will be attempted in the following chapter.

^I Hume Vol I. p 228 8^{vo} Edition 1796

^{II} The wages here referred to are those of an inferior Abbey servant. The Abbey Baker received in addition to the same money wages, his diet, which we may estimate perhaps at as much more.

Eden Vol 3. App^a p. IX

^{III} The exact date of the publication of this part of Hume’s history.

^{IV} See Malthus Pol. Econ. p.279, where the average wages of labour from 1767 to 1770 are put at 7s. 4 1/4 d. by the week⁴², which is something more⁴³ than £20 per annum. This period is a few years later than that stated in the⁴⁴ text, but the difference seems immaterial.

⁴¹ “the common yearly wages of such labour were about twenty pounds, (£20)” replaces “the common wages of labour were scarcely twenty pounds, (£20), a year”.

⁴² “by the week” replaces “a week”.

⁴³ “more” replaces “less”.

⁴⁴ “the” replaces “my”.