

## CHAPTER XX.

*The Price of Corn not subject to material Fluctuations  
from the Supply.*

I THINK this proposition will, without hesitation, be granted,—that if the price of corn depended upon the supply, it would be governed by it; with an average crop it would be at an average price; and as the crop was above or below the average, the price would fall or rise.

By the evidence of Mr Hodgson, of the house of Cropper, Benson, and Co. of Liverpool, before the agricultural committee of 1821, (an extract of which will be found in the Appendix) it appears that crops are subject in quantity to considerable variations. That house is in the habit of taking an annual survey of the principal corn districts of the kingdom, at an expence, and with a pains and accuracy which leave the truth of their results perfectly unquestionable; and these, for six years, have been as follows:—

- 1815, 37 Winchester bushels per acre, quality good.
- 1816, 25 ditto, very bad in quality, nearly rotten.
- 1817, 33 ditto, the quality not very good.
- 1818, 52 ditto, quality very good.
- 1819, 27 ditto, quality very good, but not so good as the year before.
- 1820, 37 ditto, sound and dry, but not so good as the two preceding years.

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32 Average say of the 6 years.

It is also understood that 1821 was an average crop, and this year rather less.

It must, however, be observed, that their object being merely to obtain a comparative estimate for commercial purposes, they appear only to take the most productive districts—those which are most likely to affect the market; while they make no allowance for furrows, hedges, loss by vermin, waste in harvesting, &c. They compute that in order to get the real produce, one-sixth at least ought to be deducted from their calculations. This however, would be no average for the kingdom, as they do not take the hilly and poorer districts. The average actual produce of the whole kingdom is supposed to be about 20 bushels per acre; and their surveys seem to support this supposition. Intelligent agriculturalists, I find, generally concur in thinking



that the crops must at least be as variable in quantity as these surveys make them. I am further informed, that the variations must have been greater previous to the improvements which have taken place in agriculture: that great crops are now yielded upon soils which did not produce wheat before; and that a year which produces a good crop on these soils, is not favourable to those upon which, alone, above thirty or forty years ago, corn was grown, and *vice versa*: so that a failure on one description of soil is in some measure balanced by the productiveness of the other; and that there cannot be now such deficiencies as the crops must have been subject to in former times.

Now the average price of wheat during the last century, appears to have been about 40s. per quarter. Had the variations of price in that time therefore corresponded to the variations in supply, and had the difference in the crops only been equal to that exhibited by Messrs Cropper, Benson, and Co.'s surveys, taking 32 to be the average, the prices of that period must have presented fluctuations similar to the following:—

		Price per qr.		Ann. variations.			
		s.	d.	s.	d.	s.	d.
1815,	37 Winchester bushels	34	7			*34	7
1816,	25 ditto	51	2	a rise of	16	7	
1817,	33 ditto	38	9	a fall of	12	5	
1818,	32 ditto	40	0	a rise of	1	3	
1819,	27 ditto	47	4	a rise of	7	4	
1820,	37 ditto	34	7	a fall of	12	9	*34 7
1821,	32 said to be an average crop.	40	0	a rise of	5	4	

This presumes that the crop each season yielded alike. The quantity of flour however, would be greater per quarter in good seasons than in bad.

Now if we refer to the prices of the last century (see Appendix) we shall find that there are no fluctuations at all corresponding to this.

In 1709, wheat was 69s. 9d. from whence it gradually declined with trifling exceptions until 1724, when it was 32s. 10d. then rose at once to 43s. 1d. and then gradually declined again to 23s. 8d. and 25s. 2d. in 1732 and 3. It then suddenly rose again to 34s. 6d.; but ultimately fell, with the exception of a temporary rise produced by the scarcity of 1740, to about the same prices in 1743, 4, and 5, as in 1732 and 3; after which, in 1746, it experienced another sudden elevation. The prices of this period are as follow:—

\* The 1st and 6th year, had the price been determined by the supply, must have agreed in price as well as in quantity.



Variations every 5 Years,  
being 6, inclusive of the 2  
years enumerated.

Price per qr.		Ann. variations.			
s.	d.	s.	d.	s.	d.
1709, 69	9				
1710, 69	4 a fall of	0	5		
1711, 48	4 a fall of	11	0		
1712, 41	2 a fall of	7	2		
1713, 45	4 a rise of	4	2		
1714, 44	9 a fall of	0	7 a fall of	25	0
1715, 38	2 a fall of	6	7		
1716, 42	8 a rise of	4	6		
1717, 40	7 a fall of	2	1		
1718, 34	6 a fall of	6	1		
1719, 31	1 a fall of	3	5 a fall of	13	8
1720, 32	10 a rise of	1	9		
1721, 33	4 a rise of	0	6		
1722, 32	0 a fall of	1	4		
1723, 30	10 a fall of	1	2		
1724, 32	10 a rise of	2	0 a rise of	1	9
1725, 43	1 a rise of	10	3		

After this rise in 1725, prices continued high for a few years and then declined again:

1726, 40	10 a fall of	2	3		
1727, 37	4 a fall of	3	6		
1728, 48	5 a rise of	11	1		
1729, 41	7 a fall of	6	10 a rise of	8	9
1730, 32	5 a fall of	9	2		
1731, 29	2 a fall of	3	3		
1732, 23	8 a fall of	5	4		
1733, 25	2 a rise of	1	6		

They now experienced another considerable rise:

Variations every 5 years,  
being 6, inclusive of the 2  
years enumerated.

Prices per qr.		Ann. variations.			
s.	d.	s.	d.	s.	d.
1734, 34	6 a rise of	9	4 a fall of	7	1
1735, 38	2 a rise of	3	8		
1736, 35	10 a fall of	2	4		
1737, 33	9 a fall of	2	1		
1738, 31	6 a fall of	2	3		
1739, 34	2 a rise of	2	8 a fall of	0	4

1740 is the year of scarcity spoken of by Dr Smith, prices therefore now rose, but fell immediately after.

1740, 45	1 a rise of	10	11		
1741, 41	5 a fall of	3	8		
1742, 30	2 a fall of	11	3		
1743, 22	1 a fall of	8	1		
1744, 22	1 the same,		a fall of	12	1
1745, 24	5 a rise of	2	4		

They now suddenly rose again:

1746, 38	4 a rise of	10	3		
1747, 30	11 a fall of	3	9		
1748, 32	10 a rise of	1	11		
1749, 32	10 the same,		a rise of	10	9
1750, 28	10 a fall of	2	0		

I need not go through the whole table, which the reader can refer to in the Appendix. I take the early part of the century, more particularly, as there was then probably very little paper in circulation. Here may be said to be four periods, each of which commenced with a



sudden rise, followed with trifling exceptions, by a gradual decline; and it thus clearly appears, that though there were great changes in price, there were no such variations as would have been produced by prices depending upon the state of the crops, admitting them to be then as variable as now. Neither is it possible to account for these changes, on the theory of cycles of seasons referred to in the report of the agricultural committee of 1821. The changes are not sufficiently regular and periodical for the work of nature: Besides the principle of population would equally tend to destroy their effect upon prices; and as the crops of 1815 and 1820, were just of the same amount in quantity, those six years of accurate admeasurement upset the hypothesis.

During the last century, there appears to have been two years which were years of scarcity, 1740 and 1767. The first is spoken of by Dr Smith, and is proved by the table of exports and imports. The last is proved by the table of exports and imports, and by the fact that the expedient of suspending distillation from corn was resorted to that year for the first time. The stoppage of distillation has been repeatedly resorted to since when prices were high; but under the presumption that high prices were always a proof of scarcity. That these were scarce years is also proved by the

fact, that in both instances the rise was temporary. The prices from 1766 to 1769, were as follow:—

Price per Qr.		Ann. Variation.	
s.	d.	s.	d.
1766,	43 1		
1767,	57 4	a rise of	14 3
1768,	53 9	a fall of	3 7
1769,	40 7	a fall of	13 2

I do not doubt, however, that this rise was aggravated by the present system of currency having become more general.

In 1740, the rise was 11s. per quarter; and in 1767 it appears to have been 14s. 9d. Now, if every rise in price during the last century had proceeded from want of supply, every rise to an equal extent must have been the result of scarcity. That this was not the case, however, is proved by the table of exports and imports. A rise, no doubt, in the countries to which our corn was exported, would have the effect of increasing both our prices and exports at the same time. But when it appears that a rise took place, and our exports continued to a limited extent, or suffered no material increase, it is a proof that such rise was neither the result of scarcity in other countries, nor in our own; for in the first case, our exports would have been increased, in the last entirely suspended.



In 1702, 3, and 4, and also 1745, and subsequent years, rises as great as in these years of scarcity took place, without our exports being materially affected. Sudden elevations of price, produced by an alteration in the value of money, may take place, however, with a metallic currency, from increased demands for money by government, quickening its motions; but all declensions of price must be gradual, produced through the medium of the balance of trade, unless government were to take money out of circulation, and remit it abroad. The latter rises in price to which we have referred, were sudden, and just after the commencement, or during war; whereas the reductions which followed were gradual. We may consequently infer, that these alterations in price were changes in the value of the currency, produced by the sudden demands of government for money; that they were not fluctuations from variations in supply must be evident.

I shall not attempt, however, to account for changes in price at so remote a distance, and with a metallic currency. The precious metals are regardless of lines of demarcation; and a change in the value of money in one country will equally affect its value in all those which trade with it. In order to account for such changes, it would be necessary to know the economical history of other countries as well as

our own; while a correct knowledge, at this distance, is hardly possible of either. But within the last 30 years our currency has been principally paper, consequently the causes of the leading changes which have taken place in that time, may perhaps, in some measure at least, be accounted for.