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The distinction between 'value' and 'riches' was first highlighted by Ricardo (1821) in Chapter XX, 'Value and Riches, their distinctive Properties', of his *Principles*. Ricardo's aim was to clear up Smith's famous statement that "every man is rich or poor according to the degree in which he can *afford to enjoy* the necessaries, conveniences, and amusements of human life" (1776, Bk.I, Ch.V; italics added).

Indeed, Smith's statement was ambiguously worded in at least three different senses. First, because it is unclear whether the 'necessaries, conveniences, and amusements of human life' are all those which constitute 'wealth in itself' according to Cantillon's canonical definition or only those which are the result of 'human exertion'. Secondly, because the expression 'can afford to enjoy' is not as precise as the expression (which it seems to replace) 'can afford to *purchase* in order to *enjoy*'. Thirdly, because, in so far as it comes to 'human exertion' and this takes place in the context of the division of labour, what every man is 'to enjoy' are not, strictly speaking, *his* necessaries etc., but rather (and particularly so if one thinks of the verb 'to purchase' before the verb 'to enjoy') *a share* of the necessaries etc. available in the economy in a period of time (namely a share of the 'wealth or revenue' -to use Smith's repeated expression- of the whole society). In this sense the eventual impact of Smith's statement was to obscure, rather than to clarify, what Smith himself brings to light in other parts of his work, namely the distinction between the wealth of an *individual* and the wealth of the whole *society*: whilst the former consists of *exchange values* (the typical object of *purchase* and *sale*) the latter consists of *use values* (the typical object of *production* and *consumption*).

The scope of this distinction, on which Malthus was to cast his own ray of light when he pointed out that value "is not only the great stimulus to the production of all kinds of wealth, but the great regulator of the forms and relative quantities in which it shall exist" (Malthus, 1836, Ch.VI), is blurred by Smith one page later when he writes that "wealth, as Mr. Hobbes says, is power". For, granted that Smith qualifies this statement by pointing out the obvious, namely that the power conveyed by wealth is not a *political* but just a *market* power, he fails to qualify it to the extent of making it clear that the power conferred by wealth in this sense is -to be as precise as Smith himself is with regard to the distinction between a political and a market power- the power of *purchasing* rather than the power of *enjoying* goods.

The relationship between wealth in the sense of purchasing and wealth in the sense of enjoying, and therefore between wealth in the sense of exchange values and wealth in the sense of use values, was highlighted by De Quincey (1844, Ch.I). After arguing that value in use, 'the original element', may be viewed in two states, i.e. either totally disengaged from 'the secondary element', value in exchange, or as *not* disengaged from this element; this author proceeds to ask: "What name does it take in the first state, where it is wholly disengaged from the power of purchasing? *Answer* -[and let the reader weigh this well]- it takes the name of *wealth*". De Quincey's argument is aimed to stress that there is a complete coincidence between the terms *wealth* and *use values*, and that the difference between riches and value is nothing but the difference between *wealth* and *exchange values*. Since, however, De Quincey adds that this difference may also be expressed in the sense that the concept of value in exchange *does*, while the concept of wealth does *not*, involve the idea of *property* (an important point usually neglected in the literature on value and riches and in turn obscured by Smith's use of the verb 'to enjoy' instead of the verb 'to purchase') it follows that the concept of use values is associated in his argument with the idea of *national* wealth as much as the concept of exchange values is associated with the idea of *individual* wealth.

De Quincey's insight serves to bring to light two crucial aspects of this crucial question. One is that Smith's concern in his famous statement is with the concept of value in exchange (as indicated by the very title of the chapter where this statement is put forward) rather than with the concept of value in use (and therefore with the wealth of an individual rather than with the wealth of society). Another is that the meaning of the whole statement would be best conveyed if it were reworded, for instance, as follows: '*unlike the whole society,* a *man is rich or poor according to the degree in which he can exchange the articles of wealth in his possession for the articles of wealth annually available in the economy and normally (i.e. in so far as they are the result of human exertion) in the possession of other men*'.

It should be added, however, that Smith's obscurities may lie less in his text than in the minds of his followers and critics. Consider, for instance, Ricardo himself. In his attempt to clear up this issue Ricardo rightly argues that "the man in possession of a scarce commodity is richer, if by means of it he can command more of the necessaries and enjoyments of human life" and that "as the general stock out of which each man's riches are drawn is diminished in quantity, by all that any individual takes from it, other men's shares must necessarily be reduced" (which implies that changes in exchange values alter the distribution of national wealth amongst individuals). But he continues by stating that "riches do *not* depend on value", and by rewording Smith's statement in the different sense that "a man is rich or poor according to the abundance of necessaries and luxuries which he can *command*; and whether the exchangeable value of these for money, for corn, or for labour, be high or low, they will equally contribute to the enjoyment of their possessor" (italics added). Now it cannot be denied that wealth as power of enjoying does not change when the exchange values of its elements do. But, if this were the case, Ricardo's very sentence should in turn be reworded in the different sense that "a man is rich or poor according to the abundance of necessaries and luxuries which he can *enjoy*". For it is true that, once the *amount* of these necessaries etc. is *given*, the enjoyment they procure to their possessor remains unchanged whatever happens to their exchange values. But the real problem tackled by Smith in his ambiguous statement concerns the question of how this amount is determined, and not of whether, once this amount is determined, the corresponding wealth changes with any change in the exchange values of its elements. In this sense the essence of Smith's statement seems to be that the amount of necessaries etc. that a man can *enjoy* depends on how much of them this man can *command* by giving in exchange the articles of wealth (be they money, corn or labour, to use Ricardo's examples) which are in his possession.

It can be concluded, therefore, that wealth *does* depend on (exchange) value in so far as it is intended as the wealth of an *individual*, and does *not* depend on (exchange) value in so far as it is intended as the wealth of the whole *society* (use values): while wealth in the second sense can increase -as Ricardo quite consistently points out- only as a result of the accumulation of capital and of technical progress, wealth in the first sense may increase or decrease as a result, for instance, of an increase or decrease in the difficulty of production of particular commodities owned by particular individuals or social classes (rentiers, in the first place).

Ricardo's discussion of the distinction between value and riches attains a maximum of consistency when he turns against Say's 'unfortunate' discussion of this very distinction (Say, 1814). It should be pointed out, however, that this maximum is reached not so much in the passage where Say is criticized for considering these two terms as synonymous (for what Say has here in mind is the wealth of an individual and not, as Ricardo and De Quincey do, that of society) but in the final part of Chapter XX of the *Principles* where Say is shown to overlook the "essential difference" between value in use and value in exchange. In this final part of his chapter Ricardo seems to imply that what Say ultimately overlooks is, behind the essential difference between value in use and value in exchange, the even more essential difference between the wealth of an individual and that of society. This implication is developed, first, with regard to the role assigned by Say, in contrast with Smith, to "natural agents" in the determination of values (for, as Ricardo points out, natural agents may add to use values but not to exchange values); and, secondly, to the contradictions resulting from Say's notion that "the riches of a society" are composed of "the sum total of the values which it possesses", a notion which incorporates all the ambiguities discussed above and particularly the confusion between value in use and value in exchange (Ricardo, 1821, 287-8, n.1).

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