Abstract

What is to be underlined in characterizing the Ricardo's quantity theory, is that it is a theory of determination of the value of money in a particular situation where money, whatever the form may be, shall be prevented from freely entering or leaving circulation. For Ricardo, the regulation of the value of money by its quantity is a particular case in which the adjustment of the market price to the natural price requires a long period of time. The quantitativist determination is not valid unconditionally, but only when the time of observation is shorter than that of this adjustment. The determination of the value of money is, in any case, barely linked to his theory of the value of commodities. Contrary to the commonly accepted interpretation, Ricardo did not apply to the determination of the value of money any theory of value different from that applied to commodities in general.

Keywords

Value of money, quantitativist, quantity theory, circulation, commodities.