

**Following in John Methuen's Early  
Eighteenth-Century Footsteps:  
Ricardo's Comparative Advantage  
Theory and the False Foundations of the  
Competitiveness of Nations**

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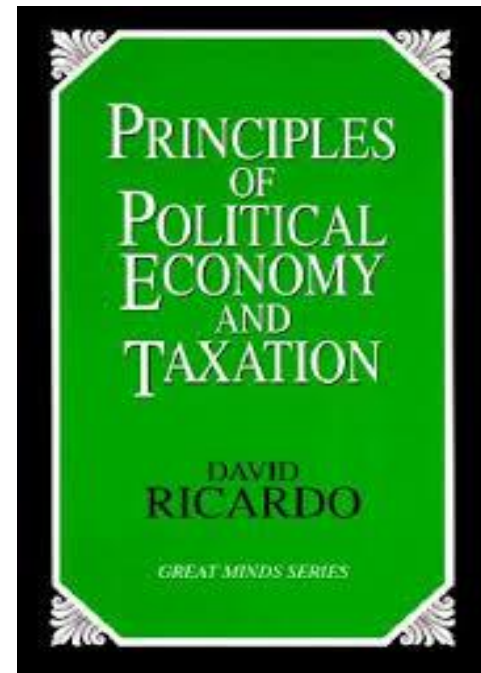


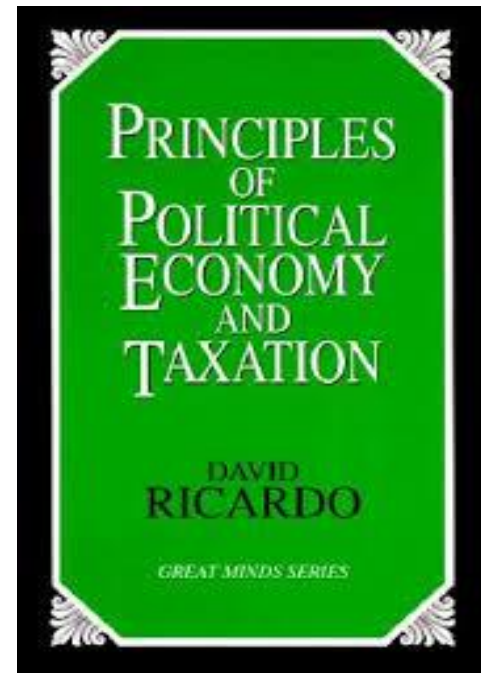


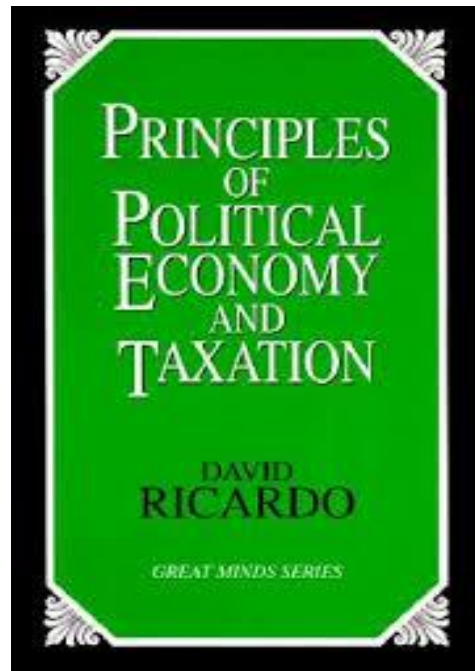
[FIGURE 1] RICARDO'S  
"COMPARATIVE  
ADVANTAGE"

Minimum Labor Hours Required for Production		
	Commodity	
	Cloth	Wine
Portugal	90	80
England	100	120

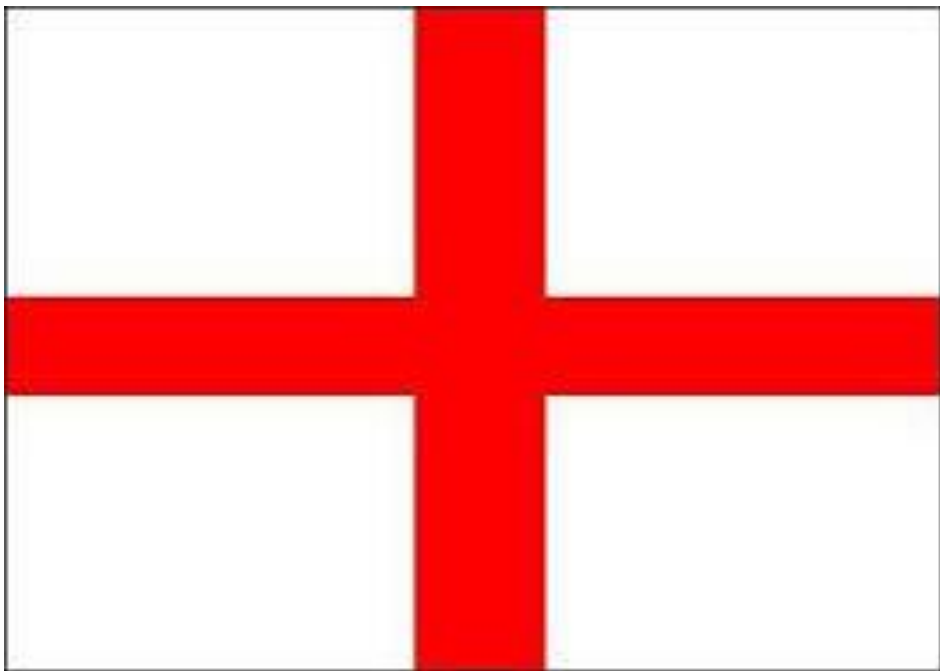


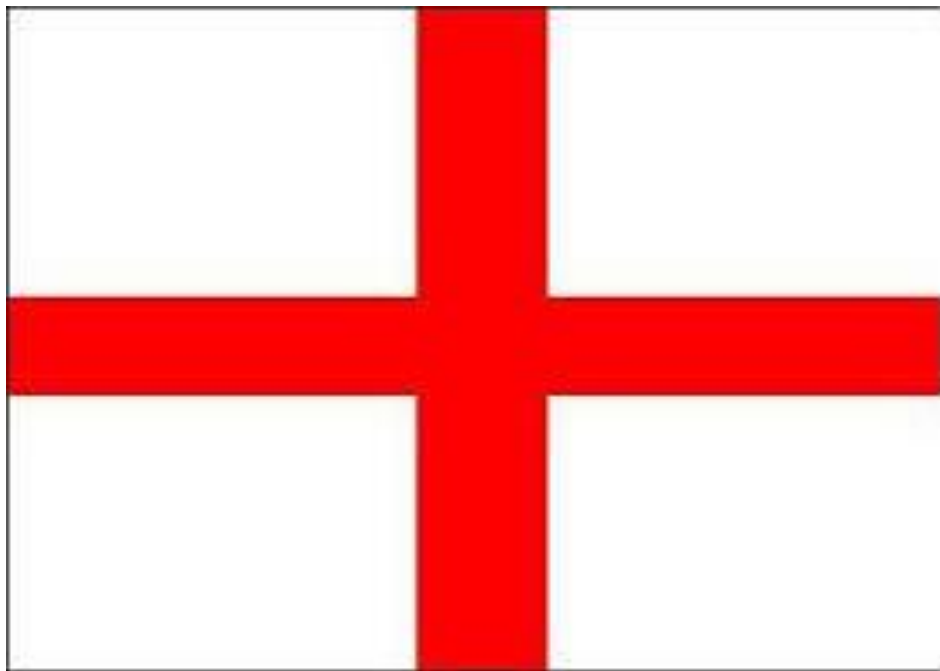


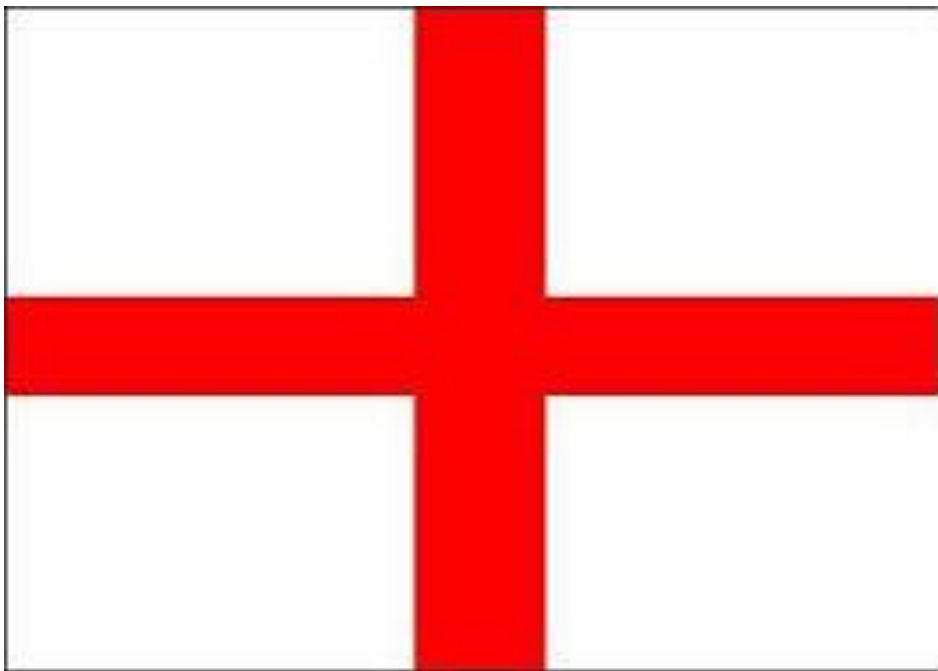


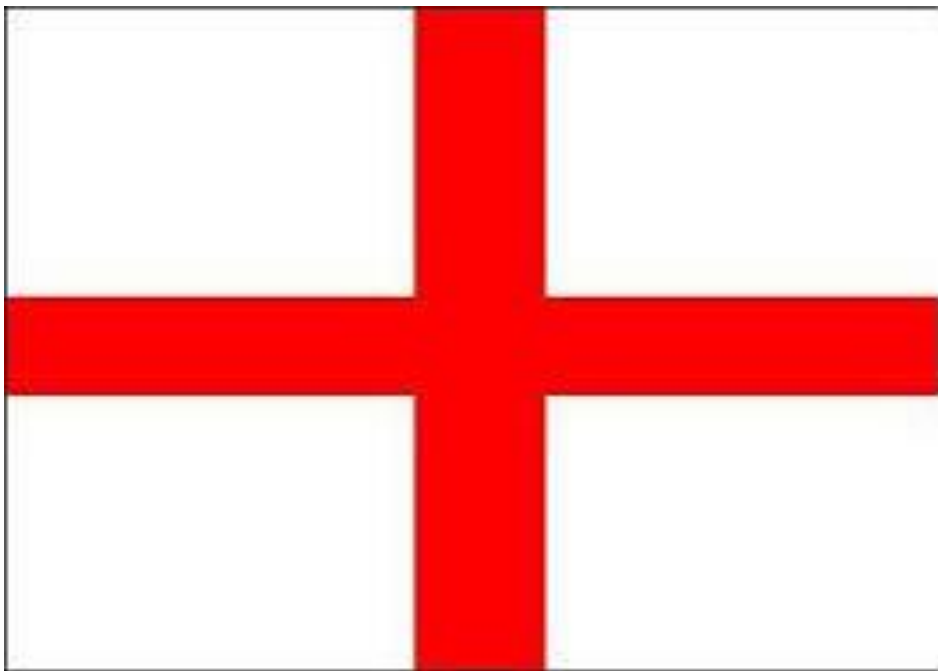




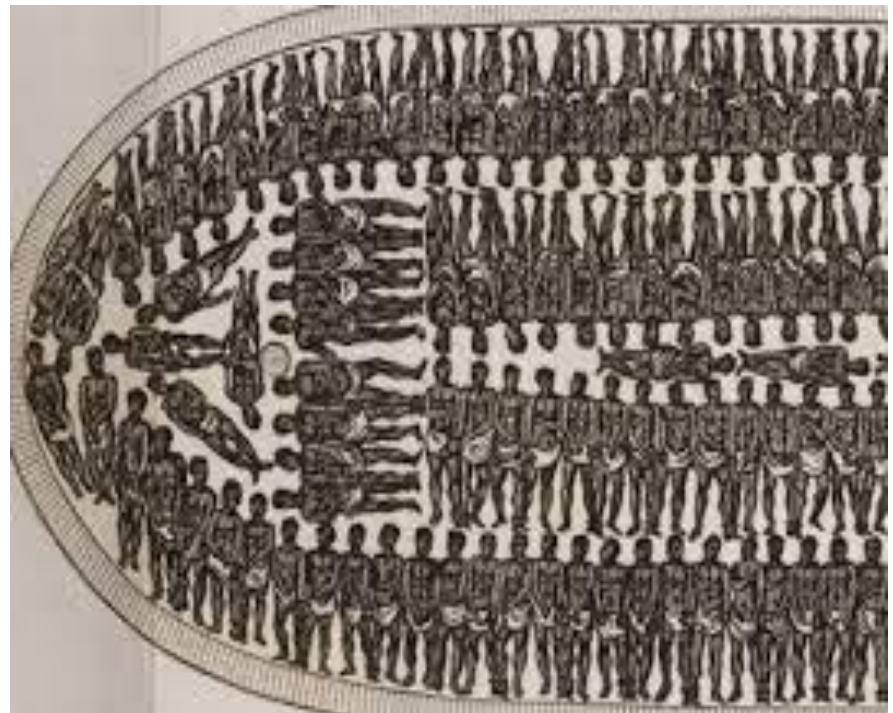






















#### PORTUGAL.

*Treaty of Commerce between Great Britain and Portugal, signed at Lisbon, December 2. 1703.*

Article 1. His Sacred Royal Majesty of Portugal promises, both in his own name and that of his successors, to admit, for ever hereafter, into Portugal, the woollen cloths, and the rest of the woollen manufactures of the Britons, as was accustomed till they were prohibited by the laws; nevertheless upon this condition;

2. That is to say, that her Sacred Royal Majesty of Great Britain shall, in her own name and that of her successors, be obliged for ever hereafter to admit the wines of the growth of Portugal into Britain: so that at no time, whether there shall be peace or war between the kingdoms of Britain and France, any thing more shall be demanded for these wines, by the name of custom or duty, or by whatsoever other title, directly or indirectly, whether they shall be imported into Great Britain in pipes or hogsheads, or other casks, than what shall be demanded from the like quantity or measure of French wine, deducting or abating a third part of the custom or duty: but if at any time this deduction or abatement of customs, which is to be made as aforesaid, shall in any manner be attempted and prejudiced, it shall be just and lawful for his Sacred Royal Majesty of Portugal again to prohibit the woollen cloths, and the rest of the British woollen manufactures.

3. The most excellent Lords the plenipotentiaries promise, and take upon themselves, that the above named matters shall ratify this treaty, and that within the space of 2 months the ratifications shall be exchanged.

Given at Lisbon, the 27th of December, 1703.

JOHN METHUEN.

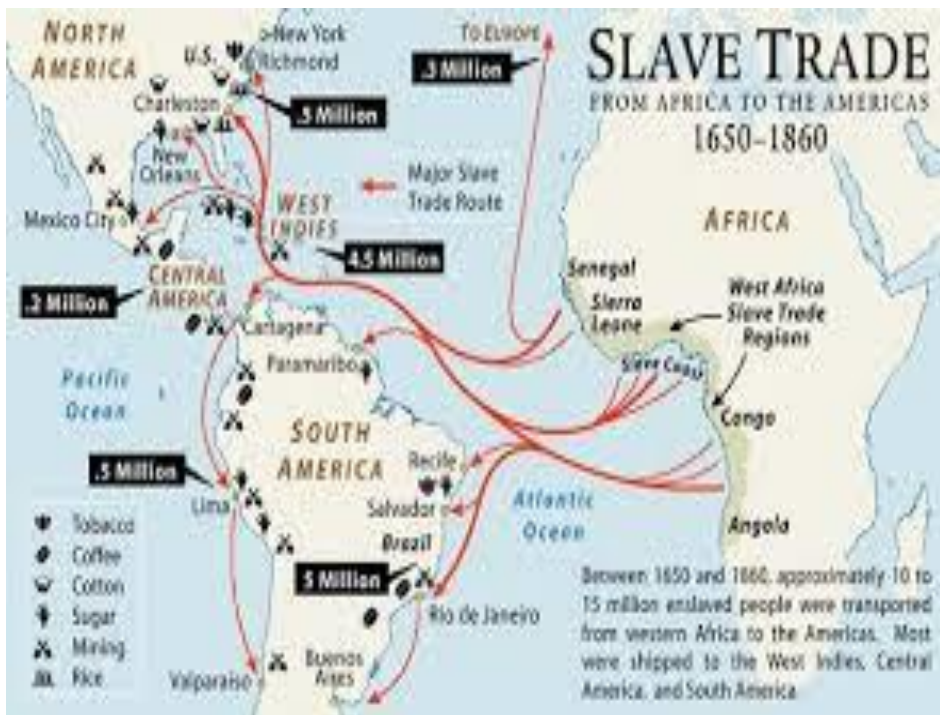
MARCHIS ALBERTISS











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