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**On political economy : Inaugural Dissertation for the attainment of the degrees of
Doctor of Philosophy and Master of Arts at the University of Rostock**

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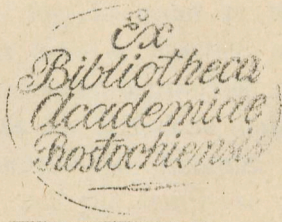
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ON
POLITICAL ECONOMY.

INAUGURAL DISSERTATION
FOR THE ATTAINMENT OF THE DEGREES
OF
DOCTOR OF PHILOSOPHY AND MASTER OF ARTS
AT THE UNIVERSITY OF ROSTOCK

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The Statics of the body politic, considered as a wealth-producing body, constitute Political Economy; its Dynamics are all comprehended in the one maxim, Laissez-faire. The physical science of Statics treats of equilibrium, its conditions and its hindrances; of friction, the stiffness of ropes, and whatever else must be counteracted or allowed for, in order to make dynamical theories applicable in practice. In like manner Political Economy treats of the equilibrium or the normal condition of the community or nation; of what must be done or undone, supplied, pre-supposed or allowed for, in order to make the laissez-faire principle as safe in practice as it is sound in theory. This statement legitimates our title, 'Political Economy'; for as the self-same statical laws require separate enunciations and different formulæ for the lever, the pulley and the screw, so may the self-same economical laws vary in the details of form and expression with the variable elements of climate, soil, race, culture and historical antecedents. Nay more,

Political Economy, in whatever guise it may appear in set treatises, is wholly an inductive science, and must have been elaborated solely by the collation and generalization of observed facts and phenomena. Its detailed application, therefore, furnishes the only possible test of its alleged principles, and it can best be kept from growing visionary by the perpetual recurrence of that test.

We have spoken of the normal condition of the community, and this is what we mean. The normal man is he whose powers are developed to the full extent of his means and opportunities, and to the full measure of his surroundings and his needs. The normal nation is that which has so far developed its industrial capacities as to have reaped the revenue of its past (at least of its recent past), to avail itself of its present resources, and to command its future. Thus Political Economy has close affinities on the one hand with Ethics, and on the other, with the science of Government. It applies itself to questions of duty, not indeed as they lie under the cognizance of conscience and the law of GOD, but as they affect the quantity and quality of labour, the security of its rewards, and the equitable distribution of its products. It concerns itself with Government, not in its names and forms, but in its mode and measure of taxation, its more or less stringent control over individual freedom, its regulations appertaining to monopolies, currency, finance and commerce, and the footing on which its international arrangements place its own citizens

and those of other nations respectively, as producers and consumers. The laissez-faire principle is in theory that which we apply to every individual man; but only to the normal man; not to the child, or the idiot, the spendthrift or the sot, the wanton wrong-doer or the powerless wrong-sufferer. Nor is it applicable to the nation sunk in ignorance or in vice, grasping and oppressive in the occupancy of its vantage-ground over weaker nations, or too feeble to cope on equal terms with encroaching and overbearing rivals. In all these cases there are deficiencies to be supplied, wrongs to be righted, or strength to be developed, before protective, restrictive or reformatory maxims can be thrown aside, industry be left to mark out its own course, and the currents of civilization, such as production, distribution and consumption, find their own channels, level and issues.

But in the normal nation, and under the freest policy, there still remain subjects of which Political Economy has the rightful cognizance. The charges of government must in some way or other be a burden upon industry. The question is, how can they be reduced to the lowest point of safety and honour? How can they be so adjusted as to detract the least from productive energy and enterprise? How can they be collected with the minimum of cost, whether in money, or in the number of agents whom this service withdraws from the industrial force of the community? There must also be, for the purposes of exchange, a common measure of values; and if a

common measure, it must be created and sustained under the auspices of the State, and on principles which shall ensure its adequate supply, its uniformity of standard, and its continuous or gradually progressive or declining value. What, then, shall be the material of money? where does the charge of coinage belong? Shall one of the precious metals be made the sole standard of value, and the legal tender for obligations, and the other be suffered, whether coined or uncoined, to find its market-worth as merchandise? Or shall both the precious metals be legal standards, and their variation in relative value be adjusted from time to time by an altered coinage --- while in the intervals that which has risen above its worth at the mint shall find its way from the mint to the crucible, and disappear from circulation as bullion? Shall representatives of value be legalized as currency? If so, in how small sums? Under what security? In what proportion to the means in hand for their liquidation? These are all concerns of the greatest importance, which cannot be abandoned to take care of themselves. They belong to the statics, without whose adjustment the dynamic forces of production cannot work freely. They cannot, in their very nature, be left to individuals; for their adjustment is an antecedent to hopeful industry and wisely-directed enterprise. Nor can they be altogether determined by a nation within itself; for, settled on a false basis, they place the nation at a disadvantage with foreign competitors. The questions relating to them are such

as admit of being answered on principles of intrinsic expediency and right; and it is the province of Political Economy to give them such answers as shall command the approximate, and ultimately the entire assent of the civilized world.

Another department of prime importance, to which the ,laissez-faire', or ,let alone' principle is utterly inapplicable, and which imperatively demands scientific investigation and careful settlement, is the descent or disposal of the property of deceased persons. The doctrine of posthumous right is wholly exploded. No one now doubts that the nation is the true heir to every estate which passes from its owner by his death. On this ground alone can the legislative authority limit the freedom of bequest, or make arbitrary rules as to the division of intestate property. If the fee does not virtually lapse to the nation, its law-makers have no right to assign to the widow a larger dower than is given her by her husband's will, or to determine whether the estate of a childless intestate shall go to his parents, or to his collateral kindred. The question, then, is, ,how may the state so dispose of the property as most effectually to encourage industry?' And here two principles may be regarded as fixed beyond dispute. First, the right of posthumous disposal, though not a natural right, vindicates itself by its utility in an economical aspect, inasmuch as the power of regulating the disposition of one's property after death must needs be, to very many, one of the strongest incentives to industry and

enterprise. Secondly, as a father's property is, in a large number of instances (perhaps in the majority) a means of support, a source of capital, or a ground of reliance in contingencies, to his children, sudden embarrassment, bankruptcy and pauperism, to the serious detriment of the public weal, would be the very frequent result of any system which deprived children of the inheritance of their parents. The industrial interests of the state, then, legitimate testamentary bequests, and at the same time establish the general principle of hereditary descent. But these two principles may be in conflict. If so, which shall give way? Shall the disposing power of the Testator be unrestricted, or shall his natural heirs be in some measure defended against his caprice? And with respect to intestate property, the mode of partition has a most important bearing on the whole subject of capital and industry. Is the state best served by the concentration of wealth in few hands, or by its wider distribution and more minute subdivision? Especially, are large or small landed estates the most productive? As these questions are answered, the prestige of primogeniture will be allowed and respected, or disallowed and disrespected, and entail will be facilitated or discouraged. Nor has Political Economy, within its entire range, a subject which admits of a wider difference of opinion, demands more careful consideration, or exercises a more powerful influence upon the industrial statics of the community. We might enumerate other topics

properly falling within the scope of the science, which treats of the production and distribution of wealth; but not a few of them are properly enough left to sciences with which they have a still closer affinity; and were Political Economy to claim the right of eminent domain over all the territory, to which it could show a fair title, it may be safely affirmed that no single treatise could present a compendium of its doctrines, nor would any lifetime be long enough for the initiation of its students. Besides wages and profits, Taxes occasionally enter into cost of production. If a tax be laid on any commodity, its value is proportionally raised; — and this is why hitherto, there has been a great difference between Political Economy as taught in the American Republics, and that taught in Europe. Many writers, in advocating a protective revenue-system, take for granted the inexpediency of indirect taxation. And certainly the intrinsic advantages of direct taxation are undeniable. Direct taxes are collected much more economically than indirect, both as regards the percentage of cost, and the number of agents made useless for other purposes. While a single treasurer, with his deputy or messenger, may collect and disburse the taxes of a district of 20,000 inhabitants at a charge of two perCent, yet if that district is also a revenue district, the collection of duties not exceeding in amount the municipal taxes, will furnish places, sinecures etc. for twenty officials, who will consume more than half they collect! In ports like

Liverpool or London the discrepancy may be less; but it is still great. Nor is the moral effect a matter of insignificance, if we regard the large number of persons who, having once filled office in this department, are ever after mere drones or paupers, or mischief-makers. Direct taxation would reduce the public charges to their minimum; for citizens, hardly aware of the taxes which they never see paid, would demand something approaching a quid pro quo, if they were to fill the public exchequer from their own pockets.

It may also be doubted whether, on this system, a standing army would be possible, or whether a government would have it in its power to sustain any larger naval or military force or apparatus than was necessary for defence against actual or acknowledged danger. This last necessity also would be reduced to its lowest point, were the supposed system universal; for the very attempt to conduct a war by direct taxation would cripple and dishearten the aggressive power before the first blow could take effect upon a rival state.

Except so far as taxes on commerce may be regarded as incidental to, and inseparable from its needed regulations and surveillance, their chief advantage consists in their equalization. Of course they are a charge upon consumption; they enter into the price of commodities, and every purchaser thus pays his proportion. No actual system of indirect taxation is free from great practical injustice. The burden

rests upon such property as cannot be concealed; while distant investments, unacknowledged loans, paper-securities, which form no part of the assessor's schedule, and fraudulent inventories frequently exempt the richest members of the community from a large proportion of their rightful charge. The least objectionable mode of direct taxation would be that which should lay the entire assessment on real estate, according to its estimated value for the time being. Such a tax, like the customs, would distribute itself. It would form an element in rent, in wages, in salaries and in prices of every description, and would thus be paid by all the citizens, in proportion to their respective means and measure of expenditure.

It may be said that we are speaking of what is possible only in a remote future; and we admit that our reason for discussing it is, that every statement of a truth helps to hasten its realization. The governments of Europe and America at present depend on the Customs for a large portion of their revenue; and the question of immediate urgency is, 'Shall the duties on imports be indiscriminate, or discriminating?' and if the latter, on what principle? The French, Austrians, Germans, Americans and others contend that they should be so adjusted as to overcome the obstacles which foreign competition opposes to the natural development and course of home-industry. A protective revenue-system is generally defended on the following principles.

Independent communities are not always at war

with each other; but they are always rivals and competitors in the great market of the world. This feeling of rivalry is whetted by the different circumstances under which they are placed, by the peculiarities in the condition of each, and by the opposition of interests which often grows out of these peculiarities. The legislation of such country is primarily directed, of course, to the protection and promotion of the interests of its own subjects; and thus it often injuriously affects the interests of other nations. There is, therefore, a good deal of retaliatory legislation on the part of different governments. There is often, on both sides, a keen measure of wits in devising commercial regulations which shall affect, or render nugatory, measure adopted by the rival nation, not exactly with a hostile intent, but with an exclusive view to its own interests, and therefore, frequently with an injurious effect upon the interests of others. Reciprocity treaties, as they are called, are sometimes formed to obviate the evil effects upon both parties of this keen spirit of competition, when pushed too far. Now such retaliatory legislation, so far as it operates upon the members of the very community from which it emanates so far as it limits or restrains the action of all, or a portion of them, is not an infringement, but an application of the laissez-faire principle. It is designed to procure for them a larger liberty than they would otherwise enjoy; if it is effectual, if it answers its purpose, it removes an impediment created by a foreign

state, far more serious and extensive than the obstruction which it imposes. It may, indirectly and incidentally, turn industry from one channel to another, and make some changes in the investments of Capital. But this change is effected only by opening one channel, which would otherwise, under the effects of foreign competition, have remained entirely closed, and by rendering it possible and profitable to turn capital to other uses than those to which it was formerly limited.

If it be supposed that the application of native industry and capital is restricted in its range, not by the legislative policy knowingly adopted by a foreign state for this very purpose, but through the superior natural advantages possessed by that state, the same principle still governs the result. By submitting to a small restraint imposed at home, we get rid of a much larger obstacle to our freedom of action, created either by the commercial regulations, finer climate, more fertile soil, more abundant capital, or greater skill and experience of a rival community. The policy of states leads them to seek independence of each other in their economical, almost as much as in their political relations; or we might phrase it, that political independence, — the enjoyment of distinct institutions and laws, chosen and established by ourselves — makes it still more desirable and necessary than it was before, that we should not be entirely dependent upon foreigners for the supply of great articles of consumption of prime necessity; but that

we should have within our own borders, and under our own control, the means of satisfying all our natural and imperative wants. It is desirable that a nation should be independent, as far as possible, of the great powers of Europe or America, with whom (however earnestly we may desire it) we cannot be sure of continued friendly intercourse for any time beyond the present, and from whom they are always separated by breadth of ocean, and by dissimilarity of customs, institutions and laws.

True independence, in an economical point of view, does not by any means require us to forego all commercial intercourse with other nations; this would indeed be a most foolish policy, and would prove rather a curse than a blessing. But it does require that each nation should be able to exercise, within its own limits, all the great branches of industry, designed to satisfy man's wants, or minister to his comforts. It must be able to practise all the arts which would be necessary for its own well-being, supposing it to be the only nation on the earth. If it be restricted to agriculture alone, or to manufactures alone, a portion of the energies of its people is lost, and some of its natural advantages run to waste. To be so limited in its sphere of occupation, to be barred out from some of the natural and necessary employments of the human race, through the overwhelming competition of foreigners, is a serious evil, which it is the object of a protective policy to obviate or redress. On whatever other grounds this

policy may be objected to, it is surely not open to the charge of being an infringement of the laissez-faire principle, or a restriction of every man's right to make such use as he pleases of his own industry and capital. Its object is not to narrow, but to widen the field for the profitable employment of industry, and to second the working of the beneficent designs of an allwise Providence in the constitution of society, by removing all artificial and unnecessary checks to their operation.

Such is a résumé of the Protective view of a branch of Political Economy; but we are inclined to think that the whole subject of protection may be disposed of more summarily, and that the cases in which it is a legitimate policy may all be resolved (as they are by John Stuart Mill), into the same category with patent rights and copyrights. It is clearly for the interest of every nation that the number of skilled artisans should exceed, by a constantly increasing proportion, that of rude labourers. The commodities produced by the latter are manifestly of less value than those created by the former. They are generally also of greater bulk, and cannot reach a distant market without a large proportional cost of transportation. This description of industry therefore, tends to keep the population sparse, and, for lack of readily exchangeable values, to bring within narrow limits its enjoyments of aught beyond the necessaries of life. Thus a purely agricultural nation will do little more than sustain a

scanty and stationary population in a rude way; while the establishment of manufactures will stimulate even agriculture by multiplying home - markets close at hand; -- and the very same soil, with diminished labour of improved quality, may feed three or six times its former inhabitants, and still leave a greater surplus than before. On this ground every nation should comprehend within its own borders all those modes of skilled industry, the materials of which are indigenous, or as easily procurable as elsewhere; the processes of which are unobjectionable in point of health or morals; and the products of which can find a ready, adequate and remunerative market. All kinds of industry, to which this description applies, can sustain themselves in the long run, and can need no permanent protection. Yet they may, and often do need to be initiated and fostered into maturity by a protective policy. It is only by an expenditure of Capital that they can be established, and this cannot at the outset yield a satisfactory return to the capitalists. For a season they must be conducted awkwardly, and as an experiment, till the skill which grows only from practice, can be acquired in their operative details, and extended to their general management. Meanwhile, left to themselves, they may be crushed in birth, by foreign rivalry. That, then, would seem to be a sound policy which for a time protects them, with a view to their becoming independent of protection, -- which shelters them in infancy and nonage, that they may be brought into a con-

dition in which they may safely be trusted to the laissez-faire principle.

But a moment's consideration will show us that it is inexpedient for a nation to produce commodities, the permanent cost of which, in her own markets, will exceed their cost elsewhere, plus the charge of transportation. The price of a commodity is made up of rent, interest on capital, and labour; and in most of the manufactures, for which permanent protection is demanded, the proportion of the value of the raw material is so small, as compared with that of the manufactured article, that we may, without any great error, omit rent and interest from our calculations. (And if we compute these two items, their joint amount would be nearly equivalent in England and the United States: the higher rent-charge in England being fully balanced by the higher rate of interest in the latter country.) If, then, it cost more to make a given article in Glasgow, and place it in the market of London, than to furnish the same article from Germany, it must be because labor of a less amount and value is bestowed upon it in the latter case than in the former. But home-labor, in some form, must regulate the price of the German or American commodity. It is, then, procured by a less amount of home-labor than if manufactured in Glasgow. The same amount of labor, therefore, which would produce it in Glasgow, will procure it from Germany or the United States, and leave a surplus for other purchases to be added to the general Ca-

pital. For a nation to persist in producing what she can never manufacture as cheap as she can buy in a foreign market, is economy, surely, of the wrong sort; -- of the same description, in fact, as that of the shoe-maker, who should expend the labor of three days, and the wages of three more in producing a coat, which five days' wages would buy of the tailor.

The principle of Population forms a most important item in the scheme of Political Economy, the main doctrines of which have been ably treated by Dr. Malthus, under the name of the Malthusian theory. This theory is, that wherever in any country the actual increase of population is less than the possible increase, it is, and can only be by some one of these causes or checks, viz. Celibacy, Prostitution, Sterility, Preventive intercourse, or Premature Death; in short, that the tendency of population is always to outstrip the means of subsistence. We are willing to admit that in theory this tendency exists; but while millions of uncultivated acres all over the world leave a margin of centuries before the apprehended result can be realized, the improvement of the masses in knowledge and virtue is applying what Malthusians call the 'preventive check', which must diminish the ratio of increase, always most rapid near the starvation-point, and the slowest where the standard of self-respect and of domestic comfort is the highest. It would be no difficult matter to prove that even in the most thickly-populated countries on earth, the number of the people is yet very far from coming

with in the limit of the subsistence which the land is capable of affording, even if we look only to the capacities of their own soil; and not to the immeasurable supplies, which their wealth and commerce might pour in upon them from other shores. Still further, we do not believe there is any danger that mankind, even in the lapse of future centuries (should the world last so long), will ever multiply up to the limit which the terraqueous globe is able to contain and nourish. To adopt the favourite metaphor of the Malthusian, the weights which are now actually keeping down the spring of population — that spring which they think is always ready to fly up with the full force of a 'geometrical progression' — are war, vice, unnecessary disease, ignorance, idleness, bad habits, bad government, and inequality of wealth fostered by evil laws. Remove these, one by one, or in a mass, and there will be room for almost indefinite expansion of the compressed force, and a consequent increase of human happiness, before the ultimate check (which may be considered as a weight hanging much higher up), can come into action through the absolute inability of the earth to contain and support more. In truth it is demonstrable, both from reason and experience, that population never can rise to the point where it will meet an insuperable obstacle. Among the lower weights to be first removed are ignorance, vice, bad government, and a virtual division of society into castes through unnatural, yet fixed inequalities of wealth and condition. Take away these, and you

remove along with them the widely-spread misery which they foster, and which is the great cause why the population multiplies unduly, or under circumstances which are not suitable for it, — because such hopeless misery renders men imprudent and reckless, and leads them to burden themselves with a family, though they are already starving, because they cannot be worse off, and there is no hope of improving their condition. To adopt the phraseology of Mr. Malthus, take away the 'positive check', and the 'preventive check' will come into play naturally, inevitably, of its own accord, and without compulsion; not as the consequence of a theory, but as the easy, beneficent and necessary result of the laws of Nature and of Nature's GOD. Whatever tends to keep men hopelessly poor is a direct encouragement, the strongest of all incentives, to an increase of population. Take away the causes of misery, remove the barriers which now keep apart the various classes of European society, and educate the people (soundly and religiously, we mean) — and there need be no fear of an excess of population. Take away the lower weights which keep down the spring, and it will never rise high enough to meet the upper one. The bounty and the wisdom of Providence never fail. It is not the excess of population which causes the misery, but rather the misery which causes the excess of population. A long-continued depression, down to the destitution-point, of a people, will in the long run, be revenged on itself and those who caused it, by the super-

fluous and unmanageable pauper population, which it is certain to generate'. Such is the conclusion of Mr. Thomas Doubleday in his 'Treatise on the True Law of Population' (published in 1847) — a treatise which has been said to display great research and acuteness.

The law of Rent, as propounded by Ricardo, Dr. Anderson and others is, that the worst land under cultivation pays no rent, but that rent consists in the excess of produce yielded by all lands of a better quality; rising as this excess of produce rises, and falling as it falls. It is one of the cardinal doctrines of Political Economy, but divested of its portentous significance, very much in the same way in which Malthusianism is disarmed. Undoubtedly with a limited supply of land, and a population rapidly multiplying about the centres, the joint ratio of productiveness and ready access to a market must determine the rent of land; and as with increasing demands, poorer and less advantageously situated land must be brought into cultivation, rent must perpetually rise, till at length every acre of good soil must pay a rent-charge, which shall represent the entire difference in value between the market-worth of its own annual products, and the proceeds of equal labor on the acre of bleak hill-side, or arid sand-waste that lies the farthest from a market. Thus not only must population outstrip the means of subsistence, but famine-prices must even precede the sure steps of actual

dearth. But the period when the distressing stages process will intervene, lies in those dim depths of an unimaginable future, to which the exhaustion of our coal-beds belongs. Even the most densely-peopled countries of the East have large tracts of cultivatable, but uncultivated land, nor in one of them has science rendered any essential aid to practical skill; yet they feed their inhabitants, and at the same time rease tea, indigo and spices for the world. But a small proportion of the world is as yet subdued to agricultural uses, and only here and there a market-garden in England, Holland, France or Belgium furnishes a suggestion of the productive capacities of the soil; nor is it inconceivable that even these favored spots fall short of the productiveness, which improved modes of culture and the application of new agencies may develop universally. However this may be, the cultivation of the worst soils, with the consequent elevation of rent-charges for the better soils, is now a more remote contingency than it might have seemed a century ago. With the existing marvellous facilities for locomotion, and the present migratory habits of the civilized world, population must need tend to accumulate wherever it can best be sustained. Men will no longer vex sterile fields with unprofitable labor, simply because their fathers delved in them; nor yet can mere proximity to a market afford sufficient encouragement for the cultivation of a poor soil, now that easy conduits of internal commerce, and maritime freights reduced to a point that seems

fabulously low, are equalizing near and distant markets, and rendering the possession of saleable commodities the only pre-requisite to their prompt and advantageous sale.

Having spoken of the materials of money, we would now refer to its uses. Money, as before remarked, is merely a contrivance for diminishing the friction of exchange; and though a safe and convenient, it is also a very costly contrivance for this purpose. It is absolutely unproductive, except for this object; it is a portion of the wealth of the country, it is true; but it is a portion of our unproductive wealth, not of our capital. We are the poorer by the loss of profit or interest on all of it, which we are obliged to keep on hand. Money, paradoxical as the assertion may seem, yields neither profit or interest. It is only the goods or commodities that are transferred or exchanged by means of money, which yield profit; and this profit or interest depends upon the mutations or changes of form that they undergo. The very reason which Locke gives for the high estimate put upon money, in comparison with other objects of wealth, viz. its durability, or the fact that it cannot be consumed, is the cause why it is not productive. The specie which a merchant or a banker holds in store, to provide against sudden calls or daily emergencies, is the only unproductive portion of his capital; he is subject to a loss on all the amount thus retained. It is only by the constant transformations of Capital, through its repeated con-

sumption and reproduction, that it is made to yield a profit. And even as an article of unproductive wealth, it may be said of money that it gratifies no taste; and in its capacity as money, apart from its character as a portion of wealth, its yields no enjoyment. The coin which a man keeps in his pocket, does not, like his shoes or his hat, contribute to his comfort; it is a convenience to him, only as it supplies immediate means for making small purchases, or satisfying small demands. Thus it answers this useful purpose, it facilitates exchanges. In this respect it corresponds to land which is used for roads, streets and transportation. The land thus appropriated affords no rent; it cannot be used for the purposes either of building or agriculture. We cannot do without the roads any more than we can do without money; but the necessity of devoting much land to this use is a tax upon the community, and that, too, to a serious amount, for it yields no profit, and costs a considerable sum to keep it in repair. So the cost to a community of the money which it needs, is a serious drain upon its resources. For money also must be kept in repair; the loss by abrasion, by actual rubbing down through continual handling is considerable. The deficiency in weight of the old, well-worn coins, when they are called-in to be recoin'd, has to be made up by the public. An operation of this kind in William and Mary's time, recoin'd all the specie currency of Great Britain and issuing it again of the proper weight, cost

the Government about two - and - a - half millions sterling. M'Culloch estimates the whole loss from abrasion, and from such accidents as shipwrecks, fires, and forgetting where hoards of it have been buried, at one per Cent per annum; and estimating the whole metallic currency of England at £ 30,000,000 (Thirty millions stg.) the annual cost of maintaining this currency in repair is upwards of half a million sterling.

The laws which regulate the succession to the estates of deceased persons form also an important feature in Political Economy. In America the system of free bequest and equal distribution, as against the right of primo-geniture, exists. But the avowed objects of all English laws which regulate the descent of property are the concentration of wealth in the hands of a few, and the support of an hereditary, territorial aristocracy. And there can be no doubt these ends have been obtained. The inequality in the distribution of wealth in England is greater than in any other civilized nation; and her nobility and gentry are wealthier, more influential and more secure in the possession of their power and property, than the corresponding classes now existing, or that ever have existed, in any country in the world. Five noblemen possess nearly a fourth of the land and revenue of all Scotland; and two thousand proprietors possess among them about a third of the land of England, Ireland and Scotland. About sixty thousand families own all the territory which is occupied by about thirty millions of inhabitants. In France, on the other

hand, under the laws requiring the equal partition of the property of persons deceased, the aristocracy have virtually ceased to exist, and out of a population of 35 millions, at least five-and-a-half millions are landholders. Considering these as heads of families, and allowing upon an average four persons to a family, we find that twenty-two millions, or nearly two-thirds of the whole population, are owners of the soil. Making the same allowance for the families of British landholders, we have but two hundred and forty thousand individuals, or about the 1—12th. part of the people, who share among them the total rental of the United Kingdom, which amounts to more than 60 millions stg. In France it is estimated that there are two-and-a-half millions of proprietors, whose estates do not exceed, on an average, more than ten acres each, and three millions of others whose properties average about thirty acres. These results of a comparison of the two countries, in respect to the distribution of landed property, are very startling, and would almost exceed belief, if it were not the evident policy of the law strongly to favor aggregation in the one case, and partition in the other. And such consequences sooner or later are inevitable. A race of husbandmen living on their own small properties, and constituting what was called the Yeomanry of the land, were formerly the cultivators of England and Wales. The larger portion of the population were at that time engaged in tilling the soil, which produced more than enough for the national con-

sumption, and there were no complaints that the country was over-peopled. But the race of small proprietors is now extinct, large estates and large farms have absorbed the small ones, and the agriculturists, who were once two thirds, now form but one fifth, of the whole population. The doctrine of the dominant school of economists in this country is, that farming must be carried on like every other trade; that large farms, like large machine-shops, large cotton-mills, and large iron-works, can produce cheaper than small ones, and therefore very properly, supersede and obliterate them. And whatever may be thought of this doctrine, it has certainly been carried out in practice; for, according to the Census of 1851, there are in Great Britain 1,132 farms containing over 1000 acres and upwards; and 2,816 others over 600 acres in extent. There are but 190,500 farms of less than 100 acres each, while in France, as we have just seen, there are 2½ millions, which do not exceed ten acres. The chief argument in favor of the monster-farm system is, that it economizes labor, and admits of the application of Capital on a large scale, so that machinery can take the place of human beings, great operations in draining and manuring can be effected, and the most improved processes of agriculture can be carried out in their full extent and perfection. It may be so, if by rent we understand only that portion of the produce which accrues to the exclusive benefit of the landlord. In many cases his estate will give

him a larger income if devoted to pasturage than to tillage; for in the former case, only a few herdsmen are required to perform all the labor that is needed on a thousand acres. But it does not produce so much food -- it does not afford sustenance to so many people. He who turns his land into a sheep-pasture or a deer-park, acts upon the same principle as our corn-monopolists did, when having a monopoly of the grain, they destroyed a portion sometimes, in order to increase the value of the remainder. It behoves the landholders, however, who reason thus, to ask themselves if they do not lose as much by the increased cost of pauperism as they possibly gain by the enhancement of their rents.

The foregoing description of the main points of Political Economy, though brief, gives the pith of the science. The remaining portions of economical treatises are, for the most part, occupied with the theory of currency, credit, foreign trade, poor-laws, emigration, national debt, partnership, insolvency, usury etc. Now although these questions have engrossed much attention, and are doubtless of very great importance, they are in reality insignificant when put in comparison with the subjects herein referred to.

We are unwilling to quit the subject of Political Economy without remarking upon one circumstance, which more than any other, hinders the diffusion of this most useful science, and of the inestimable practical benefit which would result from its diligent study.

We allude to the very unfortunate prejudice against both it and its writers, which exists in the minds of so many otherwise intelligent people. No enquiry can be more natural than this, why is it there are comparatively so few students on a subject upon which the physical well-being of man mainly depends? Is it from the abstruseness of its doctrines? That cannot be; for with moderate attention and industry, all may comprehend them. Is the subject, then, uninteresting? Scarcely, we should think; since national vigour or national decrepitude is an alternative interesting to the meanest citizen. Is it because the science is suspected by the people of being no science, but a mere scheme for cunningly extracting the last pennyworth of labor from the artizan without paying him the penny? We very much fear such is the fact. The intelligent artizans of this country have heard existence treated as a crime, and the right to life itself denied, by men calling themselves Political Economists: they have seen laws devised and enacted in this spirit; and while wealth has been gathered together in enormous accumulations, and the globe itself ransacked, in order to minister to splendid luxury, it has been decreed, that those whose only property is labor, must live on a coarser kind of food. It has been seen too, that this same class of pretended philosophers, while inventing and promulgating pretended Laws of Science, which were to be received as the utterances of infallibility, or as the stern decrees of fate, have all

the while lacked the honesty to deal with, or even to recognize the fact, that by vicious laws of distribution, by enormous legalized and parliamentary plunder, contributions equal to the subsistence of a nation have, year after year, been wrung from the wages of labor and the profits of Capital. These things the intelligent artizan has seen, and at the same time he has seen, that while life and property, in the form of the human organization, has thus been treated with a cool ferocity of philosophy, mere material wealth, however obtained, has been treated with a grovelling idolatry, which exhibits human nature at its lowest point of degradation. Hence the loathing of the very terms Political Economy felt by a large number of intelligent men of the artizan class. Other causes have, no doubt, contributed to the neglect of Political Economy in the world of general thinkers. Metaphysics, and polemics; a shallow or even spurious theology; questions, and half-questions, discussed for ages, but in the wandering mazes of which no end has ever been found, have more attractions for the general public than the facts of political science. Nearly all men love better to debate on what is conjectural and uncertain than upon what is positive and certain. This may sound like a paradox, but it is unfortunately true. Again, the pursuit of Truth through the labyrinths and quicksands of conjecture is a more exciting chase, than the regular and certain, but slow ascent of the graduated stair of demonstration. But

well will it be for the human race when they shall prefer the latter, without despising the former; and bring those habits of skill and foresight acquired in the one process, to assist in passing through, to a happy issue, the perils and temptations of the other. Still, to us, notwithstanding the explanation of the fact, which has been attempted, it is a matter of astonishment that men should have so extensively neglected to study the Science of Political Economy. For it comes home to every man. It enters into all his domestic duties. It sits by his fireside, and presides over his cup-board and his cellar. In every transaction, in every exchange with his neighbour, its principles are either violated or obeyed, to his injury or advantage. It comes to us holding the key of wealth in its hand, and bearing the science of the acquisition of riches in its brain. At every step of our lives it stands by the way-side, and importunes us to take our principles from its dictation. It appeals in every commission of bankruptcy, in every disastrous speculation, to the principle of self-preservation within us. But from all these warnings, as regulative of national and of the individual policy, we turn thoughtlessly away. 'Commerce is all a chance', exclaims the unenlightened ruler, or the prejudiced mechanic, 'it is guided by no absolute principles; it is all a lottery'. Thus the smart men, and the wise men, who do recognize the absolute principles upon which, as on granite foundations, commerce reposes, are left masters of the field to

arrange and rule as they think best for their own interests. Thus quacks of all kinds, taking advantage of public ignorance and inaptitude, palm off on nations laws, at once restrictive and destructive to commerce. And so selfishness is left to triumph, and the many suffer for the gain of the few. It is only when suffering becomes national, and threatens the edifice of the state with ruin, — when dire experience drives us to principles, that we condescend to accept and enforce what they dictate as our remedy. The maxims of Political Economy have been thus aggregated into a Science. They have been discovered by immense toil, and purchased at an immense price, even the endurance and the sufferings of the European peoples.

It would be a natural, though very erroneous inference, that in Universities, among the learned and polite, the study of this most important Science, and the constant accumulation and marshalling of facts from which principles were to be inducted, would have at least the second place, and engage no small share of attention. But it has happened that while Political Economy has been caricatured into a Fury by some of her disciples, learning has been reduced to mechanical ignorance, and Theology divorced from Religion. True Religion, practically considered, and Political Economy, purged and perfected, will be found to be most intimately connected. If, as our Divine Master has taught us, the sum of practical religion be, ,Thou shalt love thy neighbour as

thymself', it is also true that Political Economy, when not imperfect or spurious, teaches how that great and all-comprehending law of benevolence can be best carried out. If it does not literally feed all, it teaches how all may best be fed, and its injunction also is, 'gather up the fragments that nothing be lost'. We would fain hope that our English Universities, — those ancient seats of learning, where thousands of young men, of the most influential classes, congregate from year to year, will even yet bestow that amount of time and study upon this noble Science, which its acknowledged importance loudly calls for; a Science, which has indeed been of slow growth, though now a goodly tree; — and perhaps the soundness of the inductive method was never more severely tested than in the establishment of its fundamental principles. It has been overshadowed so often by a rank growth of error, that each successive investigator has had to employ as much of his intellectual vigour in clearing away the surrounding weeds, as in cultivating the tree itself. Or (to adopt another simile) the progress of Political Economy has been like the production of a statue, the work of various artists and no-artists, from a marble block. Hewed out into a rough resemblance by the artists, a crowd of no-artists have seized the chisel, and each in turn blurred the fair proportions of the figure; so that it required as much labor and skill to destroy the faulty workmanship, as to bring out a truthful resemblance to nature. Let our imaginary block of

marble be sentient and animate, capable of enduring pain and enjoying pleasure, and its similitude to the evolution of the Science of Political Economy from the agony and happiness, the depression and prosperity of human society, will be complete. Political Economy is quite a modern science. Three centuries ago it was but an infant struggling in the swaddling-clothes of ignorance and folly. The mass of mankind did not dream of it; and to the cabinets of kings, and the closets of philosophers, its dawning truths came as strangers, not as guests. In fact, men did not believe that there were principles, as certain as the maxims of morality, which, if deduced from a large experience and realized in practice, would conduct them as securely to physical prosperity, as obedience to the truths of moral science leads us to the peace and happiness of the mind. No doubt, men of genius had some insight into a juster policy, which should regulate national economy and accumulate national wealth, than their predecessors. But these insights were not only imperfect, they were vitiated in their source by the prevalence of an opinion, that one nation could only obtain prosperity at the expense of ruin in another. Meanwhile commerce and international exchange, though fettered by a thousand galling restrictions, grew into amplitude and importance; population confined to particular spots, trod close on the heels of production; and the barriers, erected by false statesmanship, in the high ways of exchange, produced such direful con-

sequences, that men were compelled to investigate the causes, and endeavour to discern those laws which govern the growth, consumption and distribution of wealth.

dearth. But the period when the distress process will intervene, lies in those dim unimagined future, to which the exhausted coal-beds belongs. Even the most fertile countries of the East have large tracts of but uncultivated land, nor in one of them rendered any essential aid to produce to feed their inhabitants, and at the same time tea, indigo and spices for the use of a small proportion of the world is applied to agricultural uses, and only here a market-garden in England, Holland, France, &c. furnishes a suggestion of the production of the soil; nor is it inconceivable that these favored spots fall short of the production of which improved modes of culture and the introduction of new agencies may develop universal cultivation of the better soils, is now a more remote than it might have seemed a century ago. The existing marvellous facilities for locomotion and the present migratory habits of the civilized population must need tend to accumulate in the fertile soil it can best be sustained. Men will not till sterile fields with unprofitable labor because their fathers delved in them; nor will they till the proximity to a market afford sufficient inducement for the cultivation of a poor soil at easy conduits of internal commerce, and the freights reduced to a point that seems

