

A
DISCOURSE
ON THE
RISE, PROGRESS, PECULIAR OBJECTS,
AND IMPORTANCE,
OF
POLITICAL ECONOMY:
CONTAINING AN OUTLINE OF
A COURSE OF LECTURES
ON THE
PRINCIPLES AND DOCTRINES OF THAT SCIENCE.

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— LEGES LEGUM, ex quibus informatio peti possit, quid in singulis legibus bene aut perperam positum aut constitutum sit.—BACON.

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My object in publishing the following Discourse has been to furnish the Students of Political Economy with a general view of the principles on which the science is founded; the distinguishing features in the most celebrated theories that have been advanced to explain its various results; the distinction between it and Politics; the utility of its study to all ranks and orders of the community; and the plan I follow in teaching it, both in my public and private classes. I had previously attempted to do this in an Introductory Lecture to the Course I have delivered here and in London; but it was impossible, in so narrow a space, to touch on many topics that I have here discussed at considerable length, or to treat others so fully as their importance seemed to require. Though the Discourse is chiefly intended for the use of those who may attend my classes, I am not without hopes that it may be of service to others.

EDINBURGH, }
Oct. 1824. }

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DISCOURSE

ON THE SCIENCE OF

POLITICAL ECONOMY.

IF the interest and importance of the subjects of which it treats be any test of the interest and importance of a science, Political Economy will be found to have the strongest possible claims on the public attention. Its object is to point out the means by which the industry of man may be rendered most productive of those necessaries, comforts, and enjoyments, which constitute *wealth*; to ascertain the proportions in which this wealth is divided among the different classes of the community; and the mode in which it may be most advantageously consumed. The intimate connection of such a science, with all the best interests of

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society, is abundantly obvious. There is no other, indeed, which comes so directly home to the everyday occupations and business of mankind. The consumption of wealth is indispensable to existence; but the eternal law of Providence has decreed, that wealth can only be procured by industry,—that man must earn his bread by the sweat of his brow. This twofold necessity renders the production of wealth a constant and principal object of the exertions of the vast majority of the human race; has subdued the natural aversion of man from labour; given activity to indolence; and armed the patient hand of industry with zeal to undertake, and patience to overcome, the most irksome and disagreeable tasks.

But when wealth is thus necessary, when the desire to acquire it is sufficient to induce us to submit to the greatest privations, the science which teaches the means by which its acquisition may be most effectually promoted,—by which we may be enabled to obtain the greatest possible amount of wealth with the least possible difficulty,—must certainly deserve to be carefully studied and meditated. There is no class of persons to whom this knowledge can be considered as either extrinsic or superfluous. There are some, doubtless, to whom it may be of more advantage than to others; but it is of the utmost consequence to all. The prices of all sorts of commodities—the profits of

the manufacturer and merchant—the rent of the landlord—the wages of the day-labourer—and the incidence and effect of taxes and regulations, all depend on principles which Political Economy can alone ascertain and elucidate.

Neither is the acquisition of wealth necessary only because it affords the means of subsistence : without it we should never be able to cultivate and improve our higher and nobler faculties. Where wealth has not been amassed, the mind being constantly occupied in providing for the immediate wants of the body, no time is left for its culture ; and the views, sentiments, and feelings of the people, become alike contracted, selfish, and illiberal. The possession of a decent competence, or the being able to indulge in other pursuits than those which directly tend to satisfy our animal wants and desires, is necessary to soften the selfish passions ; to improve the moral and intellectual character, and to ensure any considerable proficiency in liberal studies and pursuits. And hence, the acquisition of wealth is not desirable merely as the means of procuring immediate and direct gratifications, but as being indispensably necessary to the advancement of society in civilization and refinement. Without the tranquillity and leisure afforded by the possession of accumulated wealth, those speculative and elegant studies which expand and enlarge our views, purify our taste, and lift us higher in the

scale of being, can never be successfully prosecuted. It is certain, indeed, that the comparative barbarism and refinement of nations depend more on the comparative amount of their wealth than on any other circumstance. A poor people are never refined, nor a rich people ever barbarous. It is impossible to name a single nation which has made any distinguished figure either in philosophy or the fine arts, without having been at the same time celebrated for its wealth. The age of Pericles and Phidias was the flourishing age of Grecian, as the age of Petrarch and Raphael was of Italian commerce. The influence of wealth is, in this respect, almost omnipotent. It raised Venice from the bosom of the deep, and made the desert and sandy islands on which she is built, and the unhealthy swamps of Holland, the favoured abodes of literature, of science, and of art. In our own country its effects have been equally striking. The number and eminence of our philosophers, poets, scholars, and artists, have ever increased proportionally to the increase of the public wealth, or to the means of rewarding and honouring their labours.

The possession of wealth being thus indispensable to individual existence and comfort, and to the advancement of nations in civilization, it may justly excite our astonishment, that so few efforts should have been made to investigate its sources ; and that the study of Political Economy is not even

yet considered as forming a principal part in a comprehensive system of education. A variety of circumstances might be mentioned, as occasioning the unmerited neglect of this science; but of these the institution of *domestic slavery* in the ancient world, and the darkness of the period when the plan of education in the universities of modern Europe was first formed, seem to have had the greatest influence.

The citizens of Greece and Rome considered it degrading to engage in those occupations which form the principal business of the inhabitants of modern Europe. Instead of endeavouring to enrich themselves by their own exertions, they trusted to the reluctant labour of slaves, and to subsidies extorted from conquered countries. In some of the Grecian States, the citizens were prohibited from engaging in any species of manufacturing and commercial industry; and in Athens and Rome, where this prohibition did not exist, these employments were universally regarded as unworthy of freemen, and were, in consequence, exclusively carried on either by slaves or by the very dregs of the people. Even Cicero, who had mastered all the philosophy of the ancient world, and raised himself above many of the prejudices of his age and country, does not scruple to affirm, that there can be nothing ingenuous in a workshop; that commerce, when conducted on

a small scale, is mean and despicable ; and when most extended, barely tolerable—*Non admodum vituperanda!** Agriculture, indeed, was treated with more respect. Some of the most distinguished characters in the earlier ages of Roman history had been actively engaged in rural affairs ; but, notwithstanding their example, the cultivation of the soil, in the flourishing period of the Republic, and under the Emperors, was almost entirely carried on by slaves, belonging to the landlord, and employed on his account. The mass of Roman citizens were either engaged in the military service, † or derived a precarious and dependant subsistence from the supplies of corn furnished by the conquered provinces. In such a state of society the relations subsisting in modern Europe

* “ *Illiberales autem et sordidi questus mercenariorum, omniumque quorum operæ, non quorum artes emuntur. Est enim illis ipsa merces auctoramentum servitutis. Sordidi etiam putandi, qui mercantur a mercatoribus quod statim vendant, nihil enim proficiunt, nisi admodum mentiantur!* Opificesque omnes in sordida arte versantur, *nec enim quidquam ingenuum potest habere officina* * * * Mercatura autem, si tenuis est, sordida putanda est; sin autem magna et copiosa, multa undique apportans, multisque sine vanitate imperiens, non est admodum vituperanda.” (*De Officiis*, Lib. I. sect. 42.)

† “ *Rei militaris virtus præstat cæteris omnibus; hæc populo Romano, hæc huic urbi æternam gloriam peperit.*”—(*Cicero pro Murena.*)

between landlords and tenants, and masters and servants, were unknown ; and the ancients were, in consequence, entire strangers to all those interesting and important questions arising out of the rise and fall of rents and wages, which form so important a branch of economical science. The spirit of philosophy in the ancient world was also extremely unfavourable to the cultivation of Political Economy. The luxurious or more refined mode of living, of the rich, was regarded by the ancient moralists as an evil of the first magnitude. They considered it as subversive of those warlike virtues, which were the principal objects of their admiration ; and they, therefore, denounced the passion for accumulating wealth as fraught with the most injurious and destructive consequences. It was impossible that Political Economy could become an object of attention to minds imbued with such prejudices ; or that it could be studied by those who contemned the objects about which it is conversant, and vilified the labour by which wealth is produced.

At the establishment of our universities, the clergy were almost the exclusive possessors of the little knowledge then in existence. It was natural, therefore, that their peculiar feelings and pursuits should have a marked influence on the plans of education they were employed to frame. Grammar, rhetoric, logic, school divinity, and civil law,

comprised the whole course of study. To have appointed professors to explain the principles of commerce, and the means by which labour might be rendered most effective, would have been considered as equally superfluous and degrading to the dignity of science. The ancient prejudices against commerce, manufactures, and luxury, retained a powerful influence in the middle ages. None were then possessed of any clear ideas concerning the true sources of national wealth, happiness, and prosperity. The intercourse among states was extremely limited, and was maintained rather by marauding incursions, and piratical expeditions in search of plunder, than by a commerce founded on the gratification of real and reciprocal wants.

These circumstances sufficiently account for the late rise of this science, and the little attention paid to it up to a very recent period. And since it has become an object of more general attention and inquiry, the differences which have subsisted among the most eminent of its professors, have proved exceedingly unfavourable to its progress, and have generated a disposition to distrust its best established conclusions.

It is clear, however, that those who distrust the conclusions of Political Economy, because of the variety of systems that have been advanced to explain the phenomena about which it is conversant, might on the same ground distrust the conclusions of al-

most every other science. The discrepancy between the various systems that have successively been sanctioned by the ablest physicians, chemists, natural philosophers, and moralists, is quite as great as the discrepancy between those advanced by the ablest political economists. But who would therefore conclude that medicine, chemistry, natural philosophy, and morals, rest on no solid foundation, or that they are incapable of presenting us with a system of well-established and consentaneous truths? We do not refuse our assent to the demonstrations of Newton and Laplace, because they are subversive of the hypotheses of Ptolemy, Tycho Brahe, and Descartes; and why should we refuse our assent to the demonstrations of Smith and Ricardo, because they have subverted the false theories that were previously advanced respecting the sources and the distribution of wealth? Political Economy has not been exempted from the common fate of the other sciences. None of them has been instantaneously carried to perfection; more or less of error has always insinuated itself into the speculations of their earliest cultivators. But the errors with which Political Economy was formerly infected have now nearly disappeared, and a very few observations will suffice to show that it really admits of as much certainty in its conclusions as any science founded on *fact and experiment* can possibly do.

The principles on which the production and accumulation of wealth and the progress of civilization depend, are not the offspring of legislative enactments. Man must exert himself to produce wealth, because he cannot exist without it; and the desire implanted in the breast of every individual of rising in the world and improving his condition, impels him to save and accumulate. The principles which form the basis of this science make, therefore, a part of the original constitution of man and of the physical world; and their operations, like those of the mechanical principles, are to be traced by the aid of observation and analysis. There is, however, a material distinction between the physical and the moral and political sciences. The conclusions of the former apply in *every* case, while those of the latter apply only in the *majority* of cases. The principles on which the production and accumulation of wealth depend are inherent in our nature, and exert a powerful, but not always the *same* degree of influence over the conduct of every individual; and the theorist must, therefore, satisfy himself with framing his general rules so as to explain their operation in the majority of instances, leaving it to the sagacity of the observer to modify them so as to suit individual cases. Thus, it is an admitted principle in the science of Morals, as well as of Political Economy, that by far the largest proportion of the human

race have a much clearer view of what is conducive to their own interests, than it is possible for any other man, or select number of men to have, and, consequently, that it is sound policy to allow every individual to follow the bent of his inclination, and to engage in any branch of industry he thinks proper. This is the general theorem ; and it is one which is established on the most comprehensive experience. It is not, however, like the laws which regulate the motions of the planetary system,—it will hold good in nineteen out of twenty instances, but the twentieth may be an exception. . But it is not required of the economist, that his theories should quadrate with the peculiar bias of the mind of a particular person. His conclusions are drawn from observing the principles which are found to determine the condition of mankind, as presented on the large scale of nations and empires. He has to deal with man in the aggregate—with states, and not with families—with the passions and propensities which actuate the great bulk of the human race, and not with those which are occasionally found to influence the conduct of a solitary individual.

It should always be steadily kept in view, that it is never any part of the business of the economist to inquire into the means by which the fortunes of individuals may have been increased or diminished, except to ascertain their general operation and

effect. The *public interests* ought always to form the exclusive objects of his attention. He is not to frame systems, and devise schemes, for increasing the wealth and enjoyments of *particular classes*; but to apply himself to discover the sources of *national wealth*, and *universal prosperity*, and the means by which they may be rendered most productive.

Nothing, indeed, is more common than to hear it objected to some of the best established truths in political and economical science, that they are at variance with such and such facts, and that, therefore, they must be rejected. It is certain, however, that these objections most frequently originate in an entire misapprehension of the nature of the science. It would be easy to produce a thousand instances of individuals who have been enriched by monopolies, as they are sometimes by robbery and plunder; but it would be not a little rash to conclude from thence, without farther inquiry, that the community in general can be enriched by such means! This, however, is the single consideration to which the political economist has to attend. The question never is, whether a greater or smaller number of individuals can be enriched by the adoption of a particular measure, or by a particular institution, but whether its tendency is to enrich *the public*. Admitting that monopolies and restrictive regulations frequently enable individuals to accu-

mulate ample fortunes, this is so far from being, as is often contended, any proof of their real advantageousness, that it is distinctly and completely the reverse. It is demonstrably certain, that if monopolies and exclusive privileges enrich the *few*, they must, to the same extent, impoverish the *many*; and are, therefore, as destructive of that NATIONAL WEALTH, to promote which ought to be the principal object of every institution, as they are of the natural freedom of industry.

To arrive at a well-founded conclusion in economical science, it is not, therefore, enough to observe results in particular cases, or as they affect particular individuals; we must further inquire whether these results are *constant* and *universally applicable*—whether the same circumstances which have given rise to them in one instance, would in every instance, and in every state of society, be productive of the same or similar results.—A theory which is inconsistent with an *uniform* and *constant* fact, must be erroneous; but the observation of a particular result at variance with our customary experience, and when we may not have had the means of discriminating the circumstances attending it, ought not to induce us hastily to modify or reject a principle which accounts satisfactorily for the greater number of appearances.

The example of the few arbitrary princes who have been equitable, humane, and generous, is not

enough to overthrow the principle which teaches that it is the nature of irresponsible power to debauch and vitiate its possessors—to render them haughty, cruel, and suspicious : nor is the example of those who, attentive only to present enjoyment, and careless of the future, lavish their fortunes in boisterous dissipation or vain expence, sufficient to invalidate the general conclusion, that the passion for accumulation is infinitely stronger and more universal than the passion for expence. Had this not been the case, mankind could never have emerged from the condition of savages. The multiplied and stupendous improvements which have been made in different ages and nations—the forests that have been cut down—the marshes and lakes that have been drained and cultivated—the harbours, roads, and bridges that have been constructed—the cities and edifices that have been raised—are *all* the fruits of a saving of income, and establish, in despite of a thousand particular instances of prodigality, the vast ascendancy and superior force of the accumulating principle.

It is from the want of attention to these considerations that much of the error and misapprehension with which the science of Political Economy has been, and still is infected, has arisen. Almost all the absurd theories and opinions which have successively appeared have been supported by an appeal to facts. But a knowledge of facts, without

a knowledge of their mutual relation—without being able to show why the one is a cause and the other an effect—is, to use the illustration of M. Say, really no better than the indigested erudition of an almanack maker, and can afford no means of judging of the truth or falsehood of a general principle.

Neither should it be forgotten, that the alleged facts so frequently brought forward to show the fallacy of general principles, are, in most cases, so carelessly observed, and the circumstances under which they have taken place so indistinctly defined, as to render them altogether unworthy of attention. To observe accurately, requires a degree of intelligence and acuteness, a freedom from prejudice, and a patience of investigation belonging to a few only. “There is,” to use the words of the celebrated Dr Cullen, “a variety of circumstances tending to vitiate the statements dignified with the name of experience. The simplest narrative of a case almost always involves some theories. It has been supposed that a statement is more likely to consist of unsophisticated facts, when reported by a person of no education; but it will be found an invariable rule, that the lower you descend in the medical profession, the more hypothetical are the prevailing notions. Again, how seldom is it possible for any case, however minutely related, to include all the circumstances

with which the event was connected. Hence, in what is commonly called experience, we have only a rule transferred from a case imperfectly known, to one of which we are equally ignorant. Hence, that most fertile source of error, the applying deductions drawn from the result of one case to another case, the circumstances of which are not precisely similar. *Without principles deduced from analytical reasoning, experience is an useless and a blind guide.*"*

Every one who has had occasion to compare the discordant statements of the mass of common observers, with respect to the practical bearing and real operation of any measure affecting the public interests, must be convinced that Dr Cullen's reasoning is still more applicable to political and economical science than to medicine. Circumstances which altogether escape the notice of ordinary observers, often exercise the most powerful influence over national prosperity; and those again which strike them as being most important, are often comparatively insignificant. The condition of nations, too, is affected by so many circumstances, that without the greatest skill and caution, joined to a searching and refined analysis, and a familiar command of scientific principles, it is in most cases quite impossible

* Cullen's MS. Lectures.

to discriminate between cause and effect, and to avoid ascribing results to one set of causes that have been occasioned by another set. No wonder, therefore, when such is the difficulty of observing, that "the number of false facts, afloat in the world, should infinitely exceed that of the false theories."* And after all, however carefully an *isolated* fact may be observed, still, for the reasons already stated, it can never form a foundation for a general theorem either in the moral or political sciences. Those, indeed, who bring forward theories resting on so narrow a basis, are almost invariably *empirics*, whose vanity or interest prompts them to set up conclusions drawn from their own limited and imperfect range of observation, in opposition to conclusions sanctioned by the general experience of mankind.

But, although we are not to reject a received principle because of the apparent opposition of a few results, with the particular circumstances of which we are unacquainted, we can have no confidence in its solidity unless it be deduced from a very comprehensive and careful induction. To arrive at a true knowledge of the laws regulating the production, distribution, and consumption of wealth, the economist must draw his materials from a very wide surface. He should study man in

* A remark of Dr Cullen's.

every different situation—he should have recourse to the history of society, arts, commerce, and civilization—to the works of philosophers and travellers—to every thing, in short, that can throw light on the causes which accelerate or retard the progress of civilization: He should mark the changes which have taken place in the fortunes and condition of the human race in different regions and ages of the world: He should trace the rise, progress, and decline of industry: And, above all, he should carefully analyse and compare the effects of different institutions and regulations, and discriminate the various circumstances wherein an advancing and declining society differ from each other. Such investigations, by disclosing the real causes of national opulence and refinement, and of poverty and degradation, furnish the economist with the means of giving a satisfactory solution of almost all the important problems in the science of wealth, and of devising a scheme of public administration calculated to ensure the continued advancement of the society in the career of improvement.

Such inquiries cannot fail to excite the deepest interest in every ingenuous mind. The laws by which the motions of the celestial bodies are regulated, and over which man cannot exercise the smallest influence or control, are yet universally allowed to be noble and rational objects of study.

But the laws which regulate the movements of human society—which cause one people to advance in opulence and refinement, at the same time that another is sinking into the abyss of poverty and barbarism—have an infinitely stronger claim on our attention; both because they relate to objects which exercise a direct influence over human happiness, and because their effects may be, and in fact are, continually modified by human interference. National prosperity does not depend nearly so much on advantageous situation, salubrity of climate, or fertility of soil, as on the adoption of measures fitted to excite the inventive powers of genius, and to give perseverance and activity to industry. The establishment of a wise system of public economy can compensate for every other deficiency: It can render regions naturally inhospitable, barren, and unproductive, the comfortable abodes of an elegant and refined, a crowded and wealthy population; but where it is wanting, the best gifts of nature are of no value; and countries possessed of the greatest capacities of improvement, and abounding in all the materials necessary for the production of wealth, with difficulty furnish a miserable subsistence to hordes distinguished only by their ignorance, barbarism, and wretchedness.

When we reflect on the variety and extent of

the previous knowledge requisite for the construction of a sound theory of Political Economy, we cease to feel any surprise at the errors into which economists have been betrayed, or at the discrepancy of the opinions that are still entertained on some important points. Political Economy is of very recent origin. Though various treatises of considerable merit had previously appeared on some of its detached parts, it was not treated as a whole, or in a scientific manner, until about the middle of last century. This circumstance is of itself enough to account for the number of erroneous systems that have since appeared. Instead of deducing their general conclusions from a comparison of particular facts, and a careful examination of the phenomena attending the operation of different principles, and of the same principles in different circumstances, the first cultivators of almost every branch of science have begun by framing their theories on a very narrow and insecure basis. Nor is it really in their power to go to work differently. Observations are scarcely ever made or particulars noted for their own sake. It is not until they begin to be sought after, as furnishing the only test by which to ascertain the truth or falsehood of some popular theory, that they are made in sufficient numbers, and with sufficient accuracy. It is, in the peculiar phraseology of this science, the *effectual demand* of the theorist that

regulates the production of the facts or raw materials, which he is afterwards to work into a system. The history of Political Economy strikingly exemplifies the truth of this remark. Being, as already observed, entirely unknown to the ancients, and but little attended to by our ancestors up to a comparatively late period, those circumstances which would have enabled us to judge with the greatest precision of the wealth and civilization of the inhabitants of the most celebrated states of antiquity, and of Europe during the middle ages, have either been thought unworthy of the notice of the historian, or have been very imperfectly and carelessly detailed. Those, therefore, who first began to trace the general principles of the science had but a comparatively limited and scanty experience on which to build their conclusions. Nor did they even avail themselves of the few historical facts with which they might easily have become acquainted; but almost exclusively confined their attention to such as happened to come within the sphere of their own observation.

The once prevalent opinion, that wealth consists exclusively of Gold and Silver, naturally grew out of the circumstance of the money of all civilized countries being almost entirely formed of these metals. Having been used both as standards whereby to measure the relative value of different commodities and as the equivalents for which they were most

frequently exchanged, gold and silver, or money, acquired a factitious importance, not in the estimation of the vulgar only, but in that of persons of the greatest discernment. The simple and decisive consideration, that all buying and selling is really nothing more than the bartering of one *commodity* for another—of a certain quantity of corn or cloth, for example, for a certain quantity of gold or silver, and *vice versa*—was entirely overlooked. The attention was gradually transferred from the *money's worth* to the money itself; and the wealth of individuals and of states was measured, not by the abundance of their disposable products—by the quantity and value of the commodities with which they could afford to purchase the precious metals—but by the quantity of these metals actually in their possession—And hence the policy, as obvious as it was universal, of attempting to increase the amount of national wealth by forbidding the exportation of gold and silver, and encouraging their importation.

It appears from a passage in Cicero, that the exportation of the precious metals had been frequently prohibited at Rome during the period of the Republic; * and this prohibition was repeatedly re-

* “*Exportari aurum non oportere, cum sæpe antea senatus, tum me consule, gravissime judicavit.*” Orat. pro L. Flacco, sect. 28.

newed, though to very little purpose, by the Emperors.* Neither, perhaps, has there been a state in modern Europe whose early laws have not expressly forbidden the exportation of gold and silver. It is said to have been interdicted by the law of England previously to the Conquest; and reiterated statutes were subsequently passed to the same effect; one of which, (3d Henry VIII. cap. 1,) enacted so late as 1512, declared, that every person who should carry over sea any coins, plate, jewels, &c. should, on detection, forfeit double the value of these articles.

The extraordinary extension of commerce during the fifteenth and sixteenth centuries occasioned the substitution of a more refined and complex system for increasing the supply of the precious metals in place of the coarse and vulgar one that had previously obtained. The establishment of a direct intercourse with India by the Cape of Good Hope, seems to have had the greatest influence in effecting this change. The precious metals have always been one of the most advantageous articles of export to the East: And notwithstanding the old and

* Pliny, when enumerating the silks, spices, and other Eastern products imported into Italy, says, "*Minimaque computatione millies centena millia sestertium annis omnibus, India et Seres, peninsulaque illa (Arabia) imperia nostro demunt.*" (Hist. Nat. Lib. xii. cap. 18.)

deeply rooted prejudices against their exportation, the East India Company obtained, when first instituted, in 1600, leave annually to export foreign coins, or bullion, of the value of L. 30,000 ; on condition, however, that they should import, within six months after the termination of every voyage, except the first, as much gold and silver as should together be equal to the value of the silver exported by them. But the enemies of the Company contended, that this condition was not complied with ; and that it was besides *contrary to all principle*, and highly injurious to the public interests, to permit gold and silver to be sent out of the kingdom. The merchants, and others interested in the support of the Company, could not controvert the reasoning of their opponents, without openly impugning the ancient policy of absolutely preventing the exportation of the precious metals. They did not, however, venture to contend, nor is there indeed any good reason for thinking that it really occurred to them, that the exportation of bullion to the East was advantageous, on the ground, that the commodities purchased by it were of greater value in England. But they contended, that the exportation of bullion to India was advantageous, because the commodities imported from thence were chiefly re-exported to other countries, from which a much greater quantity of bullion was obtained than had been required to pay them in India. Mr Thomas

Mun, the ablest of the Company's advocates, ingeniously compares the operations of the merchant in conducting a trade carried on by the exportation of gold and silver, to the seed-time and harvest of agriculture. "If we only behold," says he, "the actions of the husbandman in the seed-time, when he casteth away much good corn into the ground, we shall account him rather a madman than a husbandman. But when we consider his labours in the harvest, which is the end of his endeavours, we shall find the worth and plentiful increase of his actions."*

Such was the origin of what has been called the **MERCANTILE SYSTEM**: And, when compared with the previous prejudice—for it hardly deserves the name of system,—which wholly interdicted the exportation of gold and silver, it must be allowed that its adoption was a considerable step in the progress to sounder opinions. The supporters of the mercantile system, like their predecessors, held that gold and silver alone constituted

* *Treasure by Foreign Trade*, orig. ed. p. 50.—This work was published in 1664, a considerable period after Mr Mun's death. Most probably it had been written about 1635, or 1640. Mun had previously advanced the same doctrines, and nearly in the same words, in his *Defence of the East India Trade*, originally published in 1609, and reprinted in 1621, and in a petition drawn up by him, and presented by the East India Company to Parliament in 1628.

wealth ; but they thought that sound policy dictated the propriety of allowing their exportation to foreigners, provided the commodities imported in their stead, or a portion of them, were afterwards sold to other foreigners for a greater amount of bullion than had been originally laid out on their purchase ; or, provided the importation of the foreign commodities caused the exportation of so much more native produce than would otherwise have been exported, as would more than equal their cost. These opinions necessarily led to the celebrated doctrine of the *Balance of Trade*. It was obvious that the precious metals could not be imported into countries destitute of mines, except in return for exported commodities ; and the grand object of the supporters of the mercantile system was to monopolise the largest possible supply of the precious metals, by the adoption of various complex schemes for encouraging exportation, and restraining the importation of almost all products, except gold and silver, that were not intended for future exportation. In consequence, the *excess of the value of the Exports over that of the Imports* came to be considered as being at once the sole cause and measure of the progress of a country in the career of wealth. This excess, it was taken for granted, could not be balanced otherwise than by the importation of an equal value of gold or silver, or of the only real

wealth it was then supposed a country could possess.

The principles and conclusions of the mercantile system, though absolutely false and erroneous, afford a tolerable explanation of a few very obvious phenomena; and what did more to recommend them, they were in perfect unison with the popular prejudices on the subject. The merchants, and practical men, who were the founders of this system, did not consider it necessary to subject the principles they assumed to any very refined analysis or examination. But, reckoning them as sufficiently established by the common consent and agreement of mankind, they applied themselves almost exclusively to the discussion of the practical measures calculated to give them the greatest efficacy.

“Although a kingdom,” says Mr Mun, “may be enriched by gifts received, or by purchase taken, from some other nations, yet these are things uncertain, and of small consideration, when they happen. The ordinary means, therefore, to increase our wealth and treasure, is by foreign trade, wherein we must ever observe this rule—*to sell more to strangers yearly than we consume of theirs in value.* For, suppose, that when this kingdom is plentifully served with cloth, lead, tin, iron, fish, and other native commodities, we do yearly export the overplus to foreign countries to the

value of L. 2,200,000, by which means we are enabled, beyond the seas, to buy and bring in foreign wares for our use and consumption to the value of L. 2,000,000: By this order duly kept in our trading, we may rest assured that the kingdom shall be enriched yearly L. 200,000, which must be brought to us as so much treasure; because that part of our stock which is not returned to us in wares, must necessarily be brought home in treasure.”*

The gain on our foreign commerce is here supposed to consist exclusively of the gold and silver which, it is taken for granted, must necessarily be brought home in payment of the excess of exported commodities. Mr Mun lays no stress whatever on the circumstance of foreign commerce enabling us to obtain an infinite variety of useful and agreeable products, which it would either have been impossible for us to produce at all, or to produce so cheaply at home. We are desired to consider all this accession of wealth—all the vast addition made by commerce to the motives which stimulate, and to the comforts and enjoyments which reward the labour of the industrious, as *nothing*,—and to fix our attention exclusively on the balance of L. 200,000 of gold and silver! This is much the same as if we were desired to estimate the comfort and ad-

* Treasure by Foreign Trade, p. 11.

vantage derived from a suit of clothes, by the number and glare of the metal buttons by which they are fastened. And yet the rule for estimating the advantageousness of foreign commerce, which Mr Mun has here given, was long regarded by the generality of merchants and practical statesmen as infallible; and such is the inveteracy of ancient prejudices, that even now we are annually congratulated on the excess of our exports over our imports!

There were many other circumstances, however, besides the erroneous notions respecting the precious metals, which led to the enactment of regulations restricting the freedom of industry, and secured the ascendancy of the mercantile system. The feudal governments established in the countries that had formed the western division of the Roman Empire, early sunk into a state of confusion and anarchy. The princes, unable of themselves to restrain the usurpations of the greater barons, or to control their violence, endeavoured to strengthen their influence and consolidate their power, by attaching the inhabitants of cities and towns to their interests. For this purpose, they granted them charters, enfranchising the inhabitants, abolishing every existing mark of servitude, and forming them into corporations, or bodies politic, to be governed by a council and magistrates of their own selection. The order and

good government that were thus established in the cities, and the security of property enjoyed by their inhabitants, while the rest of the country was a prey to rapine and disorder, stimulated their industry, and gave them a decided superiority over the cultivators of the soil. It was from the cities that the princes derived the greater part of their supplies of money; and it was by their assistance and cooperation that they were enabled to control and subdue the pride and independence of the barons. But the citizens did not render this assistance to their sovereigns merely by way of compensation for the original gift of their charters. They were continually soliciting and obtaining new privileges. And it was not to be expected that princes, whom they had laid under so many obligations, and who justly regarded them as forming the most industrious and deserving portion of their subjects, should feel any great disinclination to gratify their wishes. To enable them to obtain cheap provisions, and to carry on their industry to the best advantage, the exportation of corn, and of the raw materials of their manufactures, was strictly prohibited; at the same time that heavy duties and absolute prohibitions were interposed to prevent the importation of manufactured articles from abroad, and to secure the complete monopoly of the home market to the home manufacturers. These, together with the privilege granted to the citizens of

corporate towns of preventing any individual from exercising any branch of business until he had obtained leave from them ; and a variety of subordinate regulations intended to force the importation of the raw materials required in manufactures, and the exportation of manufactured goods, form the principal features of the system of public economy adopted, with the view of encouraging *manufacturing* industry, in every country in Europe, in the fourteenth, fifteenth, sixteenth, and seventeenth centuries. The freedom of industry recognised by their ancient laws was almost totally destroyed. It would be easy to mention a thousand instances of the excess to which this artificial system was carried in England and other countries ; but as many of these instances must be familiar to the reader, I shall only observe, as illustrative of its spirit, that, by an act passed in 1678, for the encouragement of the English woollen manufacture, it was ordered that all *dead bodies* should be wrapped in a woollen shroud !

But the exclusion of foreign competition, and the monopoly of the home-market, were not enough to satisfy the manufacturers and merchants. Having obtained all the advantage they could from the public, they next attempted to prey on each other. Such of them as possessed most influence, procured the privilege of carrying on particular branches of industry to the exclusion of every other individual. This

abuse was carried to a most oppressive height in the reign of Elizabeth, who granted an infinite number of new patents. At length, the grievance became so insupportable, as to induce all classes to join in petitioning for its abolition: which, after much opposition on the part of the Crown, by whom the power of erecting monopolies was considered a very valuable branch of the prerogative, was effected by an act passed in 1624. This act has been productive of the greatest advantage; but it did not touch any of the fundamental principles of the mercantile or manufacturing system; and the exclusive privileges of all bodies-corporate were exempted from its operation.

In France the interests of the manufacturers were warmly espoused by the justly celebrated M. Colbert, minister of finances during the most splendid period of the reign of Louis XIV.; and the year 1664, when the famous tariff, compiled under his direction, was first promulgated, has been sometimes considered, by the Continental writers, though, as we have seen, most erroneously, as the real era of the mercantile system.*

The restrictions in favour of the manufacturers were all zealously supported by the advocates of the mercantile system, and the balance of trade. The facilities given to the exportation of goods

* See Mengotti, *Dissertazione sul Colbertismo*, cap. 11.

manufactured at home, and the obstacles thrown in the way of importation from abroad, seemed peculiarly well fitted for making the exports exceed the imports, and procuring a favourable balance. Instead, therefore, of regarding these regulations as the offspring of a selfish monopolizing spirit, they looked on them as having been dictated by the soundest policy. The interests of the manufacturers and merchants were thus naturally identified; and were held to be the same with those of the public. The acquisition of a favourable balance of payments was the grand *object* to be accomplished; and heavy duties and restrictions on importation, and bounties and premiums on exportation, were the *means* by which this object was to be attained. It cannot excite our surprise that a system having so many popular prejudices in its favour, and which afforded a plausible apology for the exclusive privileges enjoyed by the manufacturing and commercial classes, should have early attained, or that it should still preserve, notwithstanding the overthrow of its principles, a powerful practical influence.*

* Melon and Forbonnais in France,—Genovesi in Italy,—Mun, Sir Josiah Child, Dr Davenant, the authors of the *British Merchant*, and Sir James Stewart, in England—are the ablest writers who have espoused, some with more and

“ It is no exaggeration to affirm,” says a late foreign writer, “ that there are very few political errors which have produced more mischief than the mercantile system. Armed with power, it has commanded and forbid where it should only have *protected*. The regulating mania which it has inspired has tormented industry in a thousand ways, to force it from its natural channels. It has made each particular nation regard the welfare of its neighbours as incompatible with its own ; hence the reciprocal desire of injuring and impoverishing each other ; and hence that spirit of commercial rivalry which has been the immediate or remote cause of the greater number of modern wars. It is this system which has stimulated nations to employ force or cunning to extort commercial treaties, productive of no real advantage to themselves, from the weakness or ignorance of others. It has formed colonies, that the mother country might enjoy the monopoly of their trade, and force them to resort exclusively to her markets. In short, where this system has been productive of the least injury, it has retarded the progress of national prosperity ; every where else it has deluged the earth with blood, and has depopulated and ruined some of those countries whose

some with fewer exceptions, the leading principles of the mercantile system.

power and opulence it was supposed it would carry to the highest pitch." *

The shock given to previous prejudices and systems by those great discoveries and events, which will for ever distinguish the fifteenth and sixteenth centuries, and the greater attention which the progress of civilization and industry naturally drew to the sources of national power and opulence, prepared the way for the downfall of the mercantile system. The advocates of the East India Company, whose interest had first prompted them to question the prevailing doctrines as to the exportation of bullion, began gradually to assume a higher tone; and at length boldly contended that bullion was *nothing but a commodity*, and that its exportation ought to be rendered as free as the exportation of any other commodity. Nor were these opinions confined to the partners of the East India Company. They were gradually communicated to others; and many eminent merchants were taught to look with suspicion on several of the most received maxims; and were thus led to acquire more correct and comprehensive views in respect to the just principles of commercial intercourse. The new ideas ultimately made their way into the House of Commons; and in 1663, the statutes prohibiting

* Storch, Cours d'Economie Politique, Tome I. p. 122.

the exportation of *foreign coin and bullion* were repealed, and full liberty given to the East India Company, and to private traders, to export these articles in unlimited quantities.

In addition to the controversies respecting the East India trade, the discussions to which the foundation of the colonies in America and the West Indies, the establishment of a compulsory provision for the support of the poor, and the acts prohibiting the exportation of wool, &c. gave rise, attracted an extraordinary portion of the public attention to questions connected with the domestic policy of the country. In the course of the seventeenth century, a more than usual number of tracts were published on commercial and economical subjects. And although the greater number are strongly tinged with the prevailing spirit of the age, it cannot be denied, that several of them rise above the prejudices of their contemporaries, and have an unquestionable right to be regarded as the foundation of the modern theory of commerce—as the earliest exposition of those sound and liberal doctrines, by which it has been shown, that the prosperity of states can never be promoted by restrictive regulations, or by the depression of their neighbours—that the genuine spirit of commerce is inconsistent with the dark, selfish, and shallow policy of monopoly—and that the *self-interest* of mankind, not less than their duty, requires them to

live in peace, and to cultivate a fair and friendly intercourse with each other.

Sir Josiah Child,* whose work, though it is founded on the principles of the mercantile system, contains many sound and liberal views, Sir William Petty,† and Sir Dudley North, are the most distinguished of the economical writers of the seventeenth century. The latter not only rose above the established prejudices of his time, but had sagacity enough to detect the more refined and less obvious errors that were newly coming into fashion. His tract, entitled, “*Discourses on Trade, principally directed to the Cases of Interest, Coinage, Clipping, and Increase of Money,*” published in 1691, contains a much more able statement of the true principles of commerce than any that had then appeared. He is throughout the intelligent advocate of all the great principles of commercial freedom. He is not, like the most eminent of his predecessors, well informed on one subject, and erroneous on another. His system is consistent and complete. He shows, that in commercial matters, nations have the same interests as individuals; and forcibly exposes the absurdity of supposing, that

* *A New Discourse of Trade*, first published in 1668, but greatly enlarged and improved in the second edition, published in 1690.

† *Quantulumcunque*, published in 1682; *Political Anatomy of Ireland*, published in 1672; and other works.

any trade which is advantageous to the merchant can be injurious to the public. His opinions respecting the imposition of a seignorage on the coinage of money, and the expediency of sumptuary laws, then in great favour, are equally enlightened.

I shall subjoin, from the preface to this tract, an abstract of the general propositions maintained in it :

“ THAT THE WHOLE WORLD AS TO TRADE IS BUT AS ONE NATION OR PEOPLE, AND THEREIN NATIONS ARE AS PERSONS.

“ That the loss of a trade with one nation is not that only, separately considered, but so much of the trade of the world rescinded and lost, for all is combined together.

“ THAT THERE CAN BE NO TRADE UNPROFITABLE TO THE PUBLIC ; FOR IF ANY PROVE SO, MEN LEAVE IT OFF ; AND WHEREVER THE TRADERS THRIVE, THE PUBLIC, OF WHICH THEY ARE A PART, THRIVE ALSO.

“ That to force men to deal in any prescribed manner may profit such as happen to serve them ; but the public gains not, because *it is taking from one subject to give to another.*

“ That no laws can set prices in trade, the rates of which must and will make themselves. But when such laws do happen to lay any hold, it is so much impediment to trade, and therefore prejudicial.

“ That money is a merchandise, whereof there may be a glut, as well as a scarcity, and that even to an inconvenience.

“ THAT A PEOPLE CANNOT WANT MONEY TO SERVE THE ORDINARY DEALING, AND MORE THAN ENOUGH THEY WILL NOT HAVE.

“ That no man will be the richer for the making much money, nor have any part of it, but as he buys it for an equivalent price.

“ That the free coynage is a perpetual motion found out, whereby to melt and coyn without ceasing, and so to feed goldsmiths and coyners at the public charge.

“ That debasing the coyn is defrauding one another, and to the public there is no sort of advantage from it ; for that admits no character, or value, but intrinsick.

“ That the sinking by alloy or weight is all one.

“ That exchange and ready money are the same, nothing but carriage and re-carriage being saved.

“ That money exported in trade is an increase to the wealth of the nation ; but spent in war, and payments abroad, is so much impoverishment.

“ In short, that ALL FAVOUR TO ONE TRADE, OR INTEREST, IS AN ABUSE, AND CUTS SO MUCH OF PROFIT FROM THE PUBLIC.”

Unluckily this admirable tract never obtained any considerable circulation. There is good reason, indeed, for supposing that it was designedly sup-

pressed. * At all events, it speedily became excessively scarce; and I am not aware that it has ever been referred to by any subsequent writer on commerce.

The same enlarged and liberal views that had found so able a supporter in Sir Dudley North, were subsequently advocated to a greater or less extent by Locke,† the anonymous author of a pamphlet on the East India Trade,‡ Vanderlint,§ Sir Matthew Decker,|| Hume,¶ and Harris.** But their efforts were ineffectual to the subversion of the mercantile system. Their opinions respecting the nature of wealth were confused and contradictory; and as they neither attempted to in-

* See the Honourable Roger North's *Life of his Brother, the Honourable Sir Dudley North*, p. 179.

† *Considerations on the Lowering of Interest and Raising the Value of Money*, 1691; and *Further Considerations on Raising the Value of Money*, 1695.

‡ *Considerations on the East India Trade*, 1701. This is a very remarkable pamphlet. The author has successfully refuted the various arguments advanced in justification of prohibition against importing East India manufactured goods; and has given a very striking illustration of the effects of the division of labour.

§ *Money Answers all Things*, 1784.

|| *Essay on the Causes of the Decline of Foreign Trade*, 1744.

¶ *Political Essays*, 1752.

** *Essay on Money and Coins*, 1757.

investigate its sources, nor to trace the causes of national opulence, their arguments in favour of a liberal system of commerce had somewhat of an empirical aspect, and failed of making that impression which is always made by reasonings logically deduced from well established principles, and shown to be consistent with experience. Mr Locke unquestionably entertained very correct opinions respecting the paramount influence of labour in the production of wealth: but he did not prosecute his investigations with the view of elucidating the principles of this science, and made no reference to them in his subsequent writings. And though Mr Harris adopted Mr Locke's views, and deduced from them some practical inferences of great importance, his general principles are merely introduced by way of preface to his Treatise on Money, and are not explained at any length, or in that logical and systematic manner that is necessary in scientific investigations.

But, what the English writers had left undone was now attempted by a French philosopher, equally distinguished for the subtlety and originality of his understanding, and the integrity and simplicity of his character. This was the celebrated M. Quesnay, a physician, attached to the court of Louis XV. It is to him that the merit unquestionably belongs of having first attempted to investigate and analyze

the sources of wealth, *with the intention of ascertaining the fundamental principles of Political Economy*; and who thus gave it a systematic form, and raised it to the rank of a science. Quesnay's father was a small proprietor, and having been educated in the country, he was naturally inclined to regard agriculture with more than ordinary partiality. At an early period of his life he had been struck with its depressed state in France, and had set himself to discover the causes which had prevented its making that progress which the industry of the inhabitants, the fertility of the soil, and the excellence of the climate, seemed to insure. In the course of this inquiry he speedily discovered that the prevention of the exportation of corn to foreign countries, and the preference given by the regulations of Colbert to the manufacturing and commercial classes over the agriculturists, had formed the most powerful obstacles to the progress and improvement of agriculture. But Quesnay was not satisfied with exposing the injustice of this preference, and its pernicious consequences. His zeal for the interests of agriculture led him, not merely to place it on the same level with manufactures and commerce, but to raise it above them,—by endeavouring to show that it was the only species of industry which contributed to increase the riches of a nation. Founding on the indisputable fact, that every thing that either ministers to our

wants, or gratifies our desires, must be originally derived from the earth, Quesnay assumed as a self-evident truth, and as the basis of his system, that *the earth is the only source of wealth*; and held that industry was altogether incapable of producing any new value, except when employed in agriculture, including under that term fisheries and mines. His observation of the striking effects of the *vegetative* powers of nature, and his inability to explain the real origin and causes of *rent*, confirmed him in this opinion. The circumstance, that of those who are engaged in industrious undertakings, none but the cultivators of the soil paid rent for the use of *natural agents*, appeared to him an incontrovertible proof, that agriculture was the only species of industry which yielded a net surplus (*produit net*) over and above the expences of production. Quesnay allowed that manufacturers and merchants were highly useful; but, as they realised no net surplus in the shape of rent, he contended they did not add any greater value to the raw material of the commodities they manufactured or carried from place to place, than was just equivalent to the value of the capital or stock consumed by them during the time they were necessarily engaged in these operations. These principles once established, Quesnay proceeded to divide society into three classes; the *first*, or *productive* class, by whose agency all wealth was produced, consist-

ed of the farmers and labourers engaged in agriculture, who subsisted on a portion of the produce of the land reserved to themselves as the wages of their labour, and as a reasonable profit on their capital; the *second*, or *proprietary* class, consisted of those who lived on the rent of the land, or on the *net surplus produce* raised by the cultivators after their necessary expences had been deducted; and the *third*, or *unproductive* class, consisted of manufacturers, merchants, menial servants, &c., whose labour, though exceedingly useful, added nothing to the national wealth, and who subsisted entirely on the wages paid them by the other two classes. It is obvious, supposing this classification made on just principles, that all taxes must fall on the landlords. The third, or unproductive class, have nothing but what they receive from the other two classes; and if any deduction were made from the fair and reasonable profits and wages of the husbandmen, it would have the effect to paralyse their exertions, and consequently to spread poverty and misery throughout the land, by drying up the only source of wealth. It necessarily follows, therefore, on M. Quesnay's theory, that the entire expences of government, and the various public burdens, must, howsoever imposed, be ultimately defrayed out of the *produit net*, or rent of the landlords; and, consistently with this principle, he proposed that all the existing taxes should be repealed, and that a

single tax, (*Impôt unique*,) laid directly on the net produce, or rent, of the land, should be imposed in their stead.

But, however much impressed with the importance of agriculture over every other species of industry, Quesnay did not solicit for it any exclusive favour or protection. He successfully contended that the interests of the agriculturists, and of all the other classes, would be best promoted by establishing a system of perfect freedom. He showed that it could never be for the interest of the proprietors and cultivators of the soil to fetter or discourage the industry of merchants, artificers, and manufacturers; that the greater the liberty they enjoyed, the greater would be their competition, and their services would, in consequence, be obtained so much the cheaper. Neither, on the other hand, could it ever be for the interest of the unproductive class to harass and oppress the agriculturists, either by preventing the free exportation of their products, or by any restrictive regulations whatsoever. When the cultivators enjoy the greatest degree of freedom, their industry, and, consequently, their net *surplus produce*—the only fund from which any accession of national wealth can be derived—will be carried to the greatest possible extent. According to this “liberal and generous system,”* the establish-

* Wealth of Nations, Vol. III. p. 17.

ment of perfect liberty, perfect security, and perfect justice, are the only, as they are the infallible, means of securing the highest degree of prosperity to all classes of the society.

“ On a vu,” says the ablest expositor of this system, M. Mercier de la Riviere, “ qu’il est de l’essence de l’ordre que l’interet particulier d’un seul ne puisse jamais etre separée de l’interet commun de tous ; nous en trouvons une preuve bien convaincante dans les effets que produit naturellement et necessairement la plénitude de la liberté qui doit regner dans le commerce, pour ne point blesser la propriété. L’interet personnel encouragée par cette grande liberté, presse vivement et perpetuellement chaque homme en particulier, de perfectionner, de multiplier les choses dont il est vendeur ; de grossir ainsi la masse des jouissances qu’il peut procurer aux autres hommes, afin de grossir, par ce moyen, la masse des jouissances que les autres hommes peuvent lui procurer en echange. *Le monde alors va de lui meme* ; le desir de jouir, et la liberté de jouir ne cessant de provoquer la multiplication des productions et l’accroissement de l’industrie, ils impriment à toute la société, un mouvement qui devient une tendance perpetuelle vers son meilleur etat possible.” *

* *L’Ordre Naturel et Essentiel des Societes Politiques*,
Tome II. p. 444.

It would greatly exceed the limits of this discourse, to enter into a full examination of the principles of this very ingenious theory. It is sufficient for my present purpose to remark, that, in assuming agriculture to be the only source of wealth, because the matter of which all commodities are composed must be originally derived from the earth, M. Quesnay and his followers mistook altogether the nature of production, and really supposed wealth to consist of matter; whereas, in its natural state, matter is very rarely possessed of immediate and direct utility, and *is always destitute of value*. It is only by means of the *labour* which must be laid out in appropriating matter, and in fitting and preparing it for our use, that it acquires exchangeable value, and becomes wealth. Human industry does not produce wealth by making any additions to the matter of our globe; this being a quantity susceptible neither of augmentation nor diminution.* Its real and only effect is to produce wealth *by giving utility to matter already in exist-*

* ————— *Rerumque novatrix*

Ex aliis alias reparat Natura figuras.

Nec perit in tanto quicquam (mihi credite) mundo ;

Sed variat, faciemque novat : nascique vocatur,

Incipere esse aliud, quam quod fuit ante ; morique,

Desinere illud idem. Cum sint huc forsitan illa,

Hæc translata illuc ; SUMMA TAMEN OMNIA CONSTANT.

OVID. *Met.* Lib. 15, lin. 251.

ence ; and it has been repeatedly demonstrated, that the labour employed in manufactures and commerce is just as productive of utility, and consequently of wealth, as the labour employed in agriculture. The opinion of M. Quesnay, that the labour of man in agriculture is powerfully assisted by the productive powers of nature, but that in manufactures and commerce, he has to perform every thing himself without any such co-operation, is wholly destitute of foundation. It is unquestionably true, that nature renders the most important services to the agriculturist : The husbandman prepares the ground for the seed, and deposits it there ; but it is nature that unfolds the germ, that feeds and ripens the growing plant, and brings it to a state of maturity. It is easy, however, to see that nature does quite as much for us in every other department of industry. The powers of water and of wind, which move our machinery, support our ships, and impel them over the deep,—the pressure of the atmosphere, and the elasticity of steam, which enable us to work the most stupendous engines, are they not the spontaneous gifts of nature ? In fact, the single and exclusive advantage of machinery consists in its having enabled us to press the powers of nature into our service, and to make them perform the principal part of what must have been otherwise wholly the work of man. In navigation, for example, is it possible to doubt that the powers of na-

ture,—the buoyancy of the water, the impulse of the wind, and the polarity of the magnet, contribute fully as much as the labour of the sailor to waft our ships from one hemisphere to another? In bleaching and fermentation, the whole processes are carried on by natural agents. And it is to the effects of heat in softening and melting metals, in preparing our food, and in warming our houses, that we owe many of our most powerful and convenient instruments; and that these northern climates have been made to afford a comfortable habitation. Neither is the cultivation of the soil, as M. Quesnay supposed, the only species of industry which yields a surplus produce after the expences of production are deducted. When agriculture is most productive, that is, when none but the best of the good soils are cultivated, no rent, or *produit net*, is obtained from the land; and it is only after recourse has been had to poorer soils, and when, consequently, the productive powers of the labour and capital employed in cultivation begin to diminish; that rent begins to appear: So that, instead of being a consequence of the superior productiveness of agricultural industry, rent is really a consequence of its becoming less productive than others!

The *Economical Table*, a formula constructed by M. Quesnay, and intended to exhibit the various phenomena attendant on the production of wealth, and its distribution among the productive,

