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ELEMENTS

OF

POLITICAL ECONOMY

BY

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THE HISTORY OF BRITISH INDIA.

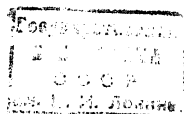


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PREFACE.

THERE are few things of which I have occasion to advertize the Reader, before he enters upon the perusal of the following Work.

My object has been to compose a school-book of Political Economy; to detach the essential principles of the science from all extraneous topics, to state the propositions clearly and in their logical order, and to subjoin its demonstration to each.

I am myself persuaded, that nothing more is necessary for understanding every part of the book, than to read it with attention—such a degree of attention as persons of either sex, of ordinary understanding, are capable of bestowing.

They who are commencing the study ought to proceed slowly, and to familiarize themselves with the new combinations of

ideas as they are successively presented to them. If they proceed to a subsequent proposition before they are sufficiently imbued with the first, they will of course experience a difficulty, only because they have not present to their memory the truth which is calculated to remove it. If they who begin the study of mathematics were to content themselves with merely reading and assenting to the demonstrations, they would soon arrive at doctrines which they would be unable to comprehend, solely because they had not, by frequent repetition, established in their minds those previous propositions, the prompt application of which was required.

In a work of this description I have thought it adviseable not to quote any authorities, because I am anxious that the learner should fix his mind upon the doctrine and its evidence, without any extraneous consideration. I cannot fear an imputation of plagiarism, because I profess to have made no discovery ; and those men who have contributed to the progress of the science need no testimony of mine to establish their fame.

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ERRATA.

- Page 26, line 15, *for is, read are.*
 — 30, — 5 from the bottom, *for assurance, read reliance.*
 — 96, — 7 from the bottom, *insert i.*
 — 162, — 3, *for are immaterial evils, read is an immaterial evil.*
 — 173, — 19, *for There, read These.*
 — 207, — 1, *before which, insert for.*
 — 208, — 3, *after stock, insert ;*

ELEMENTS OF POLITICAL ECONOMY.

INTRODUCTION.

THE SUBJECT—ITS LIMITS—AND DIVISION.

POLITICAL ECONOMY is to the State, what domestic economy is to the family.

The family consumes; and in order to consume, it must be supplied by production.

Domestic economy has, therefore, two grand objects in view; the consumption and supply of the family. The consumption being a quantity always indefinite, for there is no end to the desire of enjoyment, the grand concern is to increase the supply.

Those things which are produced in sufficient abundance for the satisfaction of all, without the intervention of human labour ; as air, the light of the sun, and water in most regions of the globe, are not subjects of care or providence ; and therefore, accurately speaking, do not form part of the subject of domestic economy. The art of him who manages a family consists in regulating the supply and consumption of those things which cannot be obtained but with cost, in other words, with human labour, “ the original purchase-money which is given for every thing.”

The same is the case with Political Economy. It also has two grand objects, the Consumption of the Community, and that supply upon which the consumption depends. Those things which are supplied without the intervention of human labour, as nothing is required in order to obtain them, it is not necessary to take into the account. Had all things desired for consumption been found without the intervention of human labour, the Science of Political Economy would not have existed. No science is implied in putting forth the hand, and using. When labour, however, is to be employed, and the objects of desire can be multiplied only by a preconcerted plan of operations, it becomes an object of importance to ascertain by what means they may be produced with greatest ease and in greatest abundance, and upon

these discoveries, when made, to frame a system of rules skilfully adapted to the end.

It is not indeed pretended, that writers on Political Economy have always limited their disquisitions to this class of objects. It seems, however, important to detach the science from all considerations not essential to it: I therefore premise, that, in the following pages, I have this alone in view; namely, to ascertain the laws according to which the production and consumption are regulated, of those commodities which the intervention of human labour is necessary to procure.

Though the Science of Political Economy in this manner divides itself into two grand inquiries, that which relates to Production, and that which relates to Consumption—it is evident that, before things are consumed, they require to be distributed. The laws of Distribution, therefore, constitute an intermediate inquiry between that which relates to Production and that which relates to Consumption. When commodities are produced and distributed, it is highly convenient, for the sake both of re-production and consumption, that portions of them should be exchanged for one another. To ascertain, therefore, the laws according to which commodities are exchanged for one another is a second inquiry, preliminary to that which relates to the last great topic of political economy, Consumption.

It thus appears, that four inquiries are comprehended in this science

1st. What are the laws which regulate the production of commodities :

2dly. What are the laws according to which the commodities produced by the labour of the community are distributed :

3dly. What are the laws according to which commodities are exchanged for one another :

4thly. What are the laws which regulate consumption.

CHAPTER I.

PRODUCTION.

THE distinction between what is done by labour, and what is done by nature, is very often obscured. A few words, therefore, are necessary to fix the meaning of terms.

Labour produces its desired effects only by conspiring with the laws of nature. There is no commodity, or thing produced for consumption, which labour effects in any other way than by co-operating with the laws of nature.

It is found that the agency of man can be traced to very simple elements. He can, in fact, do nothing

more than produce motion. He can move things towards one another, and he can separate them from one another: the properties of matter perform all the rest. He moves ignited iron to a portion of gunpowder, and an explosion takes place. He moves the seed to the ground, and vegetation commences. He separates the plant from the ground, and vegetation ceases. Why, or how, these effects take place, he is ignorant. He has only ascertained, by experience, that if he perform such and such motions, such and such effects will follow. In strictness of speech, it is matter itself which produces the effects. All that men can do is to place the objects of nature in a certain position. The tailor when he makes a coat, the farmer when he produces corn, do the same things exactly. Each makes motions; and the properties of matter do the rest. It would be absurd to ask, to which of any two effects the properties of matter contribute the most; seeing they contribute every thing, after certain portions of matter are placed in a certain position.

Most of the objects which man desires, are the effect, not of one operation, but of a series of operations, requiring the lapse of a certain time. A quantity of food, and of such other things as during that time are used by the men who labour, is necessary for the existence of the labour: not only labour, therefore, but the articles necessary for the maintenance of labour, are requisite to production.

It often happens that labour is employed upon certain materials which are more or less costly to procure. The woollen manufacturer must have his wool; the carpenter must have his wood; the blacksmith his iron; and other producers the raw material, each, of his particular commodity.

Labour may be also very much, in many cases, promoted by the use of certain machines. The man who scratched up the earth with his nails, or with a stick, was very much aided when he obtained the use of a spade; the man who dug with a spade was very much aided when he obtained the use of a plough. The use of instruments has been carried much farther in manufacturing than agricultural operations; from the spindle and distaff, the distance is immense to the vast and operose machinery which fills a modern manufactory.

The food, and other articles consumed by the labourers, the raw material on which they operate, and the instruments of all sorts which are employed in aiding their labours, are denominated capital. The requisites to production, then, are two—Labour and Capital.

It most frequently happens, that the persons who are willing to bestow their labour are poor, and not possessed of so much as even food sufficient to maintain them during the series of operations which are