

of human beings, in respect to this universal object of human desire, is made prosperous to the reverse." (2)

Such are the definitions of the nature and objects of Political Economy, given by the three principal English writers on the subject. The political Economists of the Continent, extend the range of its investigations to the fundamental principles of Civil government itself. "Political Economy," says SAY, "is the economy of Society: a Science combining the results of our observations on the nature and functions of the different parts of the social body." SisMONDI says, "The object of Political Economy, is the physical welfare of man, so far as it can be the work of Government;" and STORCH terms "Political Economy the science of the national laws which determine the prosperity of nations, that is to say, their wealth and civilization."

But McCULLOCH, happily distinguishes between the science of Political Economy and that of Politics. He says, "The politician examines the principles on which government is formed, he endeavours to determine into whose hands supreme authority may be most advantageously placed, and unfolds the reciprocal duties and obligations of the governing and governed portions of society. The political economist does not take so high a flight. It is not of the constitution of the government, but of its acts only, that he presumes to judge. Whatever measures affect the production and distribution of wealth, necessarily come within the scope of his observation, and are freely canvassed by him. He examines whether they are in unison with the principles of the science, and fitted to promote the public interests: if they are, he shows the nature and extent of the benefits of which they will be productive; while, if they are not, he shows in what respects they are defective, and to what extent they will most probably be injurious. But he does this without inquiring into the constitution of the government which has enacted these measures. The circumstance of their having emanated from the privy council of an arbitrary monarch, or the representative assembly of a free state, though in other respects of supreme importance, cannot affect the immutable principles by which he is to form his opinion of them." (6.)

Lord BROUGHAM, in his *Political Philosophy*, presents this subject in a still more clear and comprehensive light. He says "The manner in which men manage their private concerns,—the course they pursue in their dealings with each other,—their way of exerting their industry for their substance, or comfort, or indulgence—these proceedings may take place independent of the form of government under which they live; and, indeed as no ruler has anything to do with them, if each government did its duty, these proceedings would go on nearly in the same way under all governments, and only be affected incidentally by the difference in the form of each. Although, therefore, the interference of governments directly, and their influence indirectly, may affect men's conduct of their own affairs, still the principles which regulate that conduct, and the effects resulting from it, form a subject of consideration evidently distinguishable from that of government. This subject then relates to the wealth, the population, the education, of the people; and the conduct of the government, in respect to these particulars, forms an important part of the discussion. This branch of the subject is termed Economics, or Political Economy, because it relates to the management of a nation's domestic affairs as private economy does to the affairs of a family. The most important subject of Political Economy is the accumulation and distribution of wealth in all its branches, including foreign and colonial as well as domestic commerce. But it also treats of the principles which regulate the maintenance, increase, or diminution of population,—the religious and civil education of the people—the provisions necessary for securing the due administration of justice, civil and criminal, and, as subservient to these, the maintenance of police—the measures required for supporting the public expenditure or the financial system—the precautions necessary for the public defence or the military system—and generally all institutions, whether supported by private exertions or by the state, the objects of which are of a public nature." (7.)

Such is a summary view of the nature and objects of the science

(2) Principles of Political Economy, with some of their Applications to Social Philosophy—By John Stuart Mills, pp. 1.

(6.) Principles of Political Economy, p. 58, 59.

(7.) Preliminary Discourse, Vol. 1. pp. 7, 8.

of Political economy. The slightest analysis of the science will show that it is the application of the true principles of domestic economy to a whole community—that the essential principles of it, like those of morality or natural philosophy, are the same whether applied to a family or a nation, to a city or a country,—differing only in the mode and extent of their application. The primary object being the production and accumulation of wealth, the first inquiry suggested is, *What is wealth?* An inquiry, which, singular to say, has heretofore been the subject of much diversity of opinion and protracted discussion; though it is now generally agreed, that wealth is any object, or quantity of objects, capable of gratifying our desires, or of procuring for us, by exchange, objects of gratification. That quality of any object which renders it capable of ministering directly or indirectly to the gratification of our desires, is termed its *value*; and the value of any object depends upon the nature and number of our desires which it is capable of gratifying. In contemplating objects of human desire, it will be apparent that some of them, such as air, light, heat, &c., will gratify our desires, but cannot be *exchanged* for other objects; that some objects, such as articles of food, clothing, &c., will not only gratify our desires, but may also be exchanged for other objects of gratification; and that there are others, such as gold, silver, &c., capable of ministering to our gratification only by procuring for us, in the way of exchange, objects of desire. The first class of these objects are said to possess *intrinsic* value only—the last class *exchangeable* value only—the second class, both intrinsic and exchangeable value. Those objects which have no exchangeable value, such as air, light, water &c., are every where abundant, common to all, and cannot be *appropriated* by any; but the other two classes of objects, which possess *exchangeable* value are limited in *quality* and in *place*. The value of the first class of objects admits of no increase by the application of labour; the value of the other two classes of objects may be increased, and frequently altogether created, by labour. Thus labour can and nothing to the power of the air or light of heaven—the direct and free gift of God—to gratify human desire; but a lump of Iron ore, or dust of gold, is as useless as a lump of clay, or sand upon the ocean shore, without the application of human labour; and the peculiar properties of the metal in all cases result from processes to which it is subjected by that labour. Now as the objects which minister to our desires, and which may be appropriated, constitute wealth, he that possesses many of them is said to be rich; he that possesses few of them is termed poor. When employed as the means or instruments of production, they are called *capital*,—which assumes various forms according to the various kinds of human industry, as Agricultural, Manufactures, or Commerce.

The next question is, *how does human labour add to the value of objects*, and thereby create or increase wealth? This will be found to be done in three ways. 1. By changing the elementary forms of substances: as the farmer, when by means of seed and cultivation, aided by the agencies of nature, such as the earth, atmosphere, rain, and sun, changes the elementary forms of the carbon, gases, and water into grain; or, as the chemist changes the elementary forms of various substances for practical purposes; the same is the case in the manufacture of the hand, and in coining of the precious metals, and in many other occupations of human industry. 2. By changing the *aggregate form* of matter; as when the cabinet maker changes the forms of various kinds of lumber into household furniture; or, as the smith changes the forms of various pieces of metals into every description of cutlery, machinery, and other instruments of usefulness and convenience; or, as the mason changes piles of stones, brick, and mortar into buildings; or as the spinner changes the pack of wool, or bale of cotton into thread, and the weaver that thread into cloth. It is, indeed, in changing the aggregate forms of matter, that consists most of the labour of mechanics and manufactures. 3. The last mode of increasing the value of the objects of human desire, is by change of place; as fuel from the forest or the mine, to the places of its use, or groceries from the countries of their growth and production to those of their consumption—thus giving birth and development to external and internal navigation in all its modifications, to foreign and domestic commerce or trade in all its extent, and to systems *exchanges* of and *banking* in all their varieties.

It will thus be seen that it does not lie within the domain of man to create anything—that is, to make something out of nothing.