

The GrEco Project

Grenville's Economics

Lord William Wyndham Grenville

Essay on the Study of Political Economy
Dedication, Chapters 1 and 2
[1827]

Transcription: Micheline Decorps-Foulquier
Christophe Depoortère

¹ [Dedication]

[f. 1r] To the University of Oxford, a body to which² the author of this volume owes³ ⁴ the highest obligations ⁵ both⁶ for the guidance and encouragement of his youthful studies, and ⁷ for the most honourable distinction of his mature life,⁸ he now⁹ inscribes ¹⁰ with the warmest¹¹ gratitude and affection ¹², these attempts made in the retirement of his age, towards the advancement of a [f. 1v] science now happily domesticated in ¹³ that¹⁴ favoured ¹⁵ seat¹⁶ of all valuable and useful knowledge.

Dropmore

¹ MS in British Library Add. MS. 59434 ff. 1-179. Watermarks 1824-1826.

² “a body to which” is inserted.

³ “owes” is deleted and restored.

⁴ “willingly acknowledges” is deleted.

⁵ “; First” is deleted.

⁶ “both” is inserted.

⁷ “afterwards” is deleted.

⁸ “. To that body therefore” and “. To the same body therefore” are deleted.

⁹ “now” is inserted.

¹⁰ “as a tribute of” is deleted

¹¹ “with the warmest” is inserted.

¹² “most justly due and most sincerely felt” is deleted.

¹³ “their” is deleted.

¹⁴ “that” is inserted.

¹⁵ “seminary” is deleted.

¹⁶ “seat” is inserted.

[f. 3r]

Essay the First
On the study of Political Economy

First Chapter
Origin and nature of this science.

Growth and
subdivision
of know-
ledge.

The progressive subdivision of science is both a cause and a consequence of its increase: its growth is shewn in the multiplication of its branches. Every new fact which we observe, and every new law which we trace either in the [f. 4r] physical or the moral creation, opens to us fresh paths of enquiry, in which we learn from nearer access and closer examination, the distinctive properties of objects seen before only at a distance, and in a mass.

Improve-
ments in
Ethics and
Politics.

No one is ignorant of the astonishing progress thus made in every branch of physical science since the establishment of the inductive philosophy of Bacon. [f. 5r] Less obvious perhaps than these improvements, but fully as extensive, and unmeasurably more important, are those which have taken place during the same period in our moral and political knowledge. To satisfy ourselves of this we need only reflect, how very large in portion of the most valuable maxims of public policy and justice, which now pass as undisputed truisms, have been established [f. 6r] only within the two last centuries, and by what inveterate prejudices their recognition ¹⁷ [f. 5v] had previously been¹⁸ [f. 6r] obstructed and delayed.

Origin of
these

After a ¹⁹ long²⁰ night of darkness and superstition, the dawn of a ²¹ new²² philosophy was first opened to ²³ this quarter of the globe,²⁴ by

¹⁷ “was” is deleted.

¹⁸ “had previously been” is inserted. Grenville had previously written: “had been so long”.

¹⁹ “long” is deleted, “dreary” is inserted and deleted.

²⁰ “long” is inserted.

²¹ “better” is deleted.

²² “new” is inserted.

²³ “Europe” is deleted.

²⁴ “this quarter of the globe,” is inserted.

the important controversy of the Reformation. The discussions which produced or followed that great event, first roused the nations from this deep lethargy to better and [f. 7r] happiest exertion²⁵. Not in those countries²⁶ only²⁷ [f. 6v] where it has [f. 7r] permanently established a purer faith, but throughout every part of Europe²⁸ [f. 6v] it has produced a great & striking improvement in the spirit²⁹ [f. 7r] and practice of Religion [f. 6v]³⁰ most especially in³¹ their³² relation to the civil government.³³ Such [f. 7v] was indeed its natural & necessary effect.

[f. 8r]³⁴ The³⁵ examination³⁶ [f. 7v] and the establishment, however partially adopted, of religious truth³⁷ [f. 8r] were³⁸ peculiarly fitted to prepare mankind for investigating also the foundations of morals, and those of³⁹ social policy⁴⁰. It was⁴¹ thus alone⁴² that ethical and civil knowledge could be prosecuted with full success. Politics are essentially dependent on Morals, and Morals on Religion.

²⁵ “than any previous experience could have taught them to anticipate” is deleted.

²⁶ Which [f. 7v] have universally derived from it a very great improvement and most especially in all which relates to their connection with” is inserted and deleted.

²⁷ “who have permanently derived from it” is deleted; “which have permanently established” is inserted and “which have” is deleted.

²⁸ “It has essentially improved the principles and practice of religion. Nor is there any branch of science however apparently remote from such discussion which has not profited much from their powerful influence in the [f. 8r] development and exercise of the human intellect” was changed in. “It has essentially much improved the principles and practice of religion. There is indeed no branch of science however apparently remote from its influence which has not profited much from that powerful influence in the [f. 8r] development and exercise of the human intellect” and deleted.

²⁹ [f. 7v] “It has produced a great & striking improvement in the spirit” is inserted.

³⁰ “[f. 6v] and in those parts of it but most especially which are most immediately connected with its influence on” is changed in “and in those parts of it but most especially which have the most immediate relation to the concerns of civil government.” and deleted.

³¹ “all which relates to” is deleted.

³² “connection with” is deleted.

³³ “This” is deleted; “The” is deleted.

³⁴ “But this” is deleted.

³⁵ “The” is inserted.

³⁶ “was” is deleted.

³⁷ “and the establishment, however partially adopted, of religious truth” is inserted.

³⁸ “were” is inserted.

³⁹ “civil government” is deleted.

⁴⁰ “social policy” is inserted.

⁴¹ “indeed only in this, their natural and necessary connections” is deleted.

⁴² “thus alone” is inserted.

[f10r] A clear perception, and sedulous observance of this fundamental truth gave the first great impulse [f. 8v] and right direction⁴³ [f. 10r] to the cultivation of ⁴⁴ [f. 8v] ⁴⁵ political wisdom in Europe⁴⁶. [f. 10r] For this invaluable service; the source already of so many blessings to mankind, and from which so many more are still to be expected, we are wholly indebted to Grotius, and his disciples; animated, as one of themselves has told us, by the genius and enterprize of Bacon¹. [f. 11r] And if the labours of that admirable school of wisdom and virtue seem at this time to be held in somewhat less estimation than formerly, we can ascribe it only, strange as this may seem, to the almost entire accomplishment of the object to which they were directed. It is the wide diffusion of this light which has apparently dimmed its lustre. The truths which those laborious enquirers painfully discovered or revived, have by the result of their [f. 12r] endeavours been made familiar to every civilized community. The real origin ⁴⁷ & purpose of the social union of mankind, [f. 11v] the legitimate ⁴⁸ end⁴⁹ for which alone all government exists, its universal obligation to the ⁵⁰ strict⁵¹ observance of justice in all domestic and all⁵² [f. 12r] international transactions, and the entire coincidence of public with private morality in every branch of politics,

¹ [f. 9v] (1) On a lieu de croire que ce fut la lecture des ouvrages de ce grand homme, (Bacon) qui inspira a Grotius la première pensée de faire un systeme de droit naturel &c. &c. Barbeyrac trad: de. Puffend: Preface.

⁴³ “and right direction” is inserted.

⁴⁴ “the true principles of politics” is deleted.

⁴⁵ [f. 8v] “Of political wisdom on its only real.principles and to the overthrow of those pernicious theories which were before so generally pre” is deleted. “Of political wisdom on its genuine.principles and to the overthrow of those pernicious theories which had widely diffused before prevailed” is deleted.

⁴⁶ “political wisdom in Europe” is inserted.

⁴⁷ “and end of civil society, and government, the duty and the principles of justice in all” is deleted.

⁴⁸ “purpose” is deleted.

⁴⁹ “end” is inserted.

⁵⁰ “rigid” is deleted.

⁵¹ “strict” is inserted.

⁵² “the legitimate end for which alone all government exists, its universal obligation to the strict observance of justice in all domestic and all” is inserted.

are ⁵³ [f. 11v] ⁵⁴ now received as the first principles of ⁵⁵ civil science,⁵⁶ [f. 12r] engrafted ⁵⁷ into our traditional knowledge; assumed in every enquiry, and admitted in every discussion: like the great discoveries in physics, the revolution of [f. 13r] the planets, on the gravity of matter, unknown or obscured of old, but which it would in these days be as superfluous to prove, as it would be extravagant to dispute.

What a contrast does this exhibit with ⁵⁸ those theories of systematic ⁵⁹ crime⁶⁰ which had before been openly promulgated! How opposite is it to the whole course⁶¹ of policy both foreign and domestic, ⁶² [f. 12v] pursued almost without exception,⁶³ [f. 13r] in every part of Europe, during the whole continuance of the middle ages! How gratifying is the present state of our political knowledge in comparison even [f. 15r] with those later times, when in our free country some of the most powerful ⁶⁴ minds⁶⁵ by which it has ever been adorned were still occupied in the refutation of absurdities to which no man of sense would now give a serious answer! It is in Milton and in Locke that we read long and labored arguments against the divine right and absolute authority of Kings¹. Such were the men whose labours were in those

¹ [f. 14v] (2) ⁶⁶ Milton Defensio &c. C. 1 to 6 and Locke on Government, book 1.

I refer here to such parts only of these two powerful works, as relate to the topics mentioned in the text. The act which Milton attempted to defend, I condemn, in common I believe, with every other man who in these times dispassionately considers it. Whatever was on either side the justice of the war between Charles and his Parliament, it was by a military usurpation trampling on both, and from motives solely of

⁵³ “notions” is deleted.

⁵⁴ “considered now” is deleted.

⁵⁵ “that science; all political knowled” is inserted.

⁵⁶ “now received as the first principles of civil science;” is inserted.

⁵⁷ “now” is deleted.

⁵⁸ “the whole system” is deleted.

⁵⁹ “pand & wickedness” is deleted.

⁶⁰ “crime” is inserted.

⁶¹ “those theories of systematic crime which had before been openly promulgated! How opposite is it to the whole course” is inserted.

⁶² “avowed, and acted upon” is deleted.

⁶³ “pursued almost without exception,” is inserted.

⁶⁴ “talents” is deleted

⁶⁵ “minds” is inserted.

⁶⁶ “See” is deleted.

days employed, whose eyesight, [f. 16r] as Milton pathetically tells us, was *overplayed* in convincing mankind that power uncontroled by law belongs to their rulers neither by God's appointment, nor by the necessity of nature, nor by inheritance transmitted from the Patriarchs! How many more such instances might readily be adduced of discussions⁶⁷ now become wholly superfluous, but which were then of the highest interest to society, and from which it still derives inestimable advantages. A whole [f. 18r] volume of controversy, but an admirable volume, and one from which Milton himself might have profited¹, was devoted by Locke to the defence of a principle now so undisputed as that of religious toleration!

Separate
cultivation
of political
economy.

In ⁶⁸ this triumphant advance over so wide a field of knowledge, the human intellect ⁶⁹ did not confine its victories⁷⁰ to the mere overthrow of error. It strengthened itself ⁷¹—on every side by ⁷² large and [f. 19r] fully proportionate conquest⁷³ of positive and useful truth. In politics most especially, ⁷⁴ a long neglected territory ⁷⁵ fertile of the most valuable instruction, ⁷⁶ a new province of wisdom, ⁷⁷ ⁷⁸ established, a new personal ambition that his blood was shed;⁷⁹ and this too at a time when the complete termination of the contest left not even the last bad plea for such a crime, the plea of political necessity.

¹ [f. 17r] (3) Milton of True Religion &c and Locke, 1st Letter on Toleration. Milton condemns, Locke vindicates the toleration of idolatry, real or supposed. So gradual has been the advance of truth! If evil names could justify persecution, what persecutor was ever at as loss to find them? The protestant, if any such there be, to whom Fénelon was an idolater, is himself an idolater to the *true believers* of Cairo, or of Mecca.

⁶⁷ “How many more such instances might readily be adduced of discussions” replace “How many more such instances might we adduced of. How numerous are the discussions”.

⁶⁸ “making” is deleted.

⁶⁹ “naturally” is deleted.

⁷⁰ “victories” replaces “conquests”

⁷¹ “by conquest” was inserted and deleted.

⁷² “a” is deleted.

⁷³ “conquest” replaces “accession”.

⁷⁴ “by the successful cultivation of” is deleted.

⁷⁵ **Insertion numbered “1”:** check f. 18v.

⁷⁶ **Insertion numbered “2”:** check f. 18v.

⁷⁷ **Insertion numbered “3”:** check f. 18v.

⁷⁸ “has been” is deleted.

⁷⁹ “that his blood was shed;” is inserted.

department of philosophy⁸⁰.

Political economy, the science to which I there advert, and whose study forms the subject of this essay, is deduced in regular and successive subdivisions from the fundamental [f. 20r] principles of Ethics. Throughout all our studies human happiness is the proper object of pursuit, and every science is then most perfect, when it is rendered more efficient for this purpose. It is by the different modes in which they conduce to its accomplishment that the various branches of our knowledge are properly distinguished. Ethics pursue it, as resulting generally from the moral faculties, and qualities of man; Politics, a [f. 21r] branch of Ethics, pursue it as resulting from his social habits and institutions; and political economy, a subdivision of politics, pursues it as resulting from such parts of these habits and institutions, as relate to his acquisition or use of wealth.

This science therefore⁸¹ by necessary consequence partakes largely of the principal characteristics of the two great departments of knowledge from which it is thus⁸² derived. ⁸³ ⁸⁴ [in common with] all Politics [f. 22r] and with⁸⁵ much the greater part's of moral science teaches no speculative or abstract truths, but such as are⁸⁶ wholly practical. It comes home, according to the well known phrase of Bacon, both to the business and to the⁸⁷ bosoms of mankind⁸⁸. All its enquiries are inseparably interwoven with the concerns of social life; And all its doctrines are deduced from the intellectual and moral character of man, such as it is known to us both from the consciousness of what passes within our own breasts, and from our observation of the qualities of other men, their dispositions their motives, & their conduct.⁸⁹ [f. 23r] ⁹⁰ This knowledge is throughout all political economy the evidence & test

⁸⁰ “created” is deleted.

⁸¹ “therefore” is inserted.

⁸² “thus” is inserted.

⁸³ “Like” is deleted.

⁸⁴ **Insertion numbered “1”: check f. 20.**

⁸⁵ “with” replace “like”.

⁸⁶ “s of moral science teaches no speculative or abstract truths, but such as are” replace “if not the whole, of morals, it treats of truths not necessary but contingent, not abstract but”.

⁸⁷ “to the” is inserted.

⁸⁸ “mankind” replace “men”.

⁸⁹ “both from the consciousness of what passes within our own breasts, and from our observation of the qualities of other men, their dispositions their motives, & their conduct” replaces “from consciousness and observations”.

⁹⁰ “This is the universal course of these enquiries” is deleted.

of truth⁹¹. of what passes within our own breast, and from our observation of the qualities and actions of our fellow-creatures. When the states man argues for the⁹² free competition of trade,⁹³ he appeals to the original motives which lead men to the⁹⁴ production and exchange of wealth⁹⁵. When he condemns the debasement⁹⁶ of currency, he reasons from the causes which give to money its value⁹⁷ in the estimation of society⁹⁸. Hence⁹⁹ it¹⁰⁰ follows that¹⁰¹ this, like every other branch of politics,¹⁰² must of necessity¹⁰³ rest all its theorems not on¹⁰⁴ the evidence of sense or demonstration, but¹⁰⁵ on that of¹⁰⁶ [f. 24r] moral probability¹⁰⁷: “the very guide of life”.

These considerations afford to us in the very outset of this study,

¹ See the excellent introduction to Butler’s Analogy, in which the subject of moral probability is fully and most satisfactorily explained. To that statement nothing can be added. Respecting¹⁰⁸ the application of demonstration to the moral science there is some differences among the

⁹¹ “This knowledge is throughout all political economy the evidence & test of truth” replaces “This knowledge is in every question of political economy the proper evidence & the genius test of truth”.

⁹² “the” is inserted.

⁹³ “of trade,” is inserted.

⁹⁴ “the” is inserted.

⁹⁵ “of wealth is inserted”. Grenville had first written: “of their respective commodities; of wealth”.

⁹⁶ “debasement” replaces “depreciation”.

⁹⁷ “in social estimation” is deleted.

⁹⁸ “in the estimation of society” replaces “in the estimation of civilised communities”.

⁹⁹ “Hence” replaces “From this statement”.

¹⁰⁰ “widently” is deleted.

¹⁰¹ “political economy” is deleted.

¹⁰² “this, like every other branch of politics,” is inserted. Grenville had first written: “this, like every other branch of political philosophy,”.

¹⁰³ “examine and conclude, not by” is deleted.

¹⁰⁴ “ rest all its theorems not on” is inserted. Grenville had first written: “establish all its conclusions not on”.

¹⁰⁵ “by” is deleted.

¹⁰⁶ “on that of” is inserted.

¹⁰⁷ “. By that evidence which in the highest as well as in the lowest cases of human conduct has been no less justly than emphatically termed ‘the very guide of life’” is deleted.

¹⁰⁸ “respecting” replaces “I have offered some remar” and “On”.

the proper answer to a preliminary objection which perhaps of all others is most commonly urged against it, the objection drawn from the supposed uncertainty of its conclusions¹⁰⁹. It [f. 25r] would be a vain labour to refute the¹¹⁰ evils of willing ignorance, depreciating what it has never sought to understand. the difficulty to which I here advert¹¹¹ is of a very different character.¹¹² The most¹¹³ candid and enlightened men are not unfrequently¹¹⁴ struck with the differences of opinion which they observe among the followers of this science; and from this circumstance conclude but conclude¹¹⁵ much too hastily, that political economy¹¹⁶ offers to the enquirer no adequate assurance of truth, nor any¹¹⁷ reasonable ground of confidence.

Their
refutation

To convince ourselves of the fallacy of this inference [f. 26r] we need only consider¹¹⁸ if it were accurate how many and how important are the subjects to which it would compel us by parity of reasoning¹¹⁹ to extend a similar¹²⁰ scepticism. Do¹²¹ the long existence and unceasing renewal of religious controversy offer even the slightest presumption against the truth of Religion? Have the debates of philosophers in all ages, respecting the very foundation and test of morals ever shaken our best¹²² writers on these subjects. A few imperfect remarks on this point will be found in the Appendix to this Essay. Note¹²³

¹⁰⁹ “conclusions” replaces “results”.

¹¹⁰ “It [f. 25r] would be a vain labour to refute the” replaces “I speak not here of the”.

¹¹¹ “demands a more all serious consideration. Now” is deleted.

¹¹² “We” is deleted.

¹¹³ “the difficulty to which I here advert is of a very different character. The most” replaces “But how often do we see”.

¹¹⁴ “are not unfrequently” is inserted.

¹¹⁵ “from this circumstance conclude but conclude” replaces “thence concluding, but concluding”.

¹¹⁶ “political economy” replaces “it”.

¹¹⁷ “nor any” replaces “no”.

¹¹⁸ “to what lengths” was replaced by “to what subjects” and then deleted.

¹¹⁹ “to a similar” is deleted.

¹²⁰ “how many and how important are the subjects to which it would compel us by parity of reasoning to extend a similar” replaces “it must extend our”.

¹²¹ “Do” replaces “What reasonable man imagines that”

¹²² “among the best” replaces “in the opinion of writers”

¹²³ Grenville first wrote: “In the admirable introduction to Butler’s Analogy, in which this subject is concisely indeed but most clearly and satisfactorily explained. To that statement nothing can be added. Respecting the application of demonstration to the moral science see the Appendix Note A”

confidence in the existence of virtue itself, or in the certainty of the knowledge which we may acquire both of its principles & its duties?¹²⁴ Or have the interminable discussions which we daily witness on the various forms & modifications of civil government,¹²⁵ inclined us for a moment [f. 27r] to the extravagant paradox of Pope that all such contests are vain, and all¹²⁶ forms of Government¹²⁷ indifferent to social happiness?¹ In these, and in every other case where¹²⁸ truth is discoverable only by moral evidence, there is room for an¹²⁹ almost infinite variety both in the¹³⁰ force of the proof itself, and in the conviction which it may produce in¹³¹ minds differently prepared [f. 28r] for its reception¹³². To judge of such probabilities, and to govern our conduct by them in the various concerns of life, is the¹³³ appointed use of our faculties. But to expect in such judgments either absolute certainty to ourselves, or the¹³⁴ concurrence of all other men, is to require nothing less than that for our satisfactions the course¹³⁵ of nature shall be

¹ [f.26v] For forms of government let fools contest,
That which is best administered is best.
Pope.

¹²⁴ The last sentence replaces: “When have not philosophers debated on the very foundation and test of morals? But does this circumstance shake our confidence in all moral science?”.

¹²⁵ “Or have the interminable discussions which we daily witness on the various forms & modifications of civil government,” replaces “Or have the various political opinions of the wisest of mankind ever”.

¹²⁶ “all such contests are vain, and all” is inserted.

¹²⁷ “are” is deleted.

¹²⁸ “where” replaces “of”.

¹²⁹ “there is room for an” replaces “there may be” which replaced “there must be”.

¹³⁰ “real” is deleted.

¹³¹ Grenville first wrote “produces in”.

¹³² The last sentence replaces: “The same reasoning is applicable to medicine, to agriculture, and to every other occupation of life, in which the truth which we seek is discoverable only by probable and moral evidence. It is of the nature of such evidence to vary almost infinitely both in its real force, and in the conviction which it operates on minds differently predisposed [f. 28r] for its reception”

¹³³ “To judge of such probabilities, and to govern our conduct by them in the various concerns of life” replaces “To judge of such evidence and to regulate our conduct by it”.

¹³⁴ “complete” is deleted.

¹³⁵ “nothing less than that for our satisfactions the course” replaces “that the course”.

changed.¹³⁶ Full assurance¹³⁷ superseding all doubtful exercise of reason in these cases might certainly, had it so pleased to our creator, have been given to us as an unerring guide¹³⁸.¹³⁹

But the gift would as far as we can judge have been inconsistent with the very purpose¹⁴⁰ of our present¹⁴¹ existence¹⁴².

It might¹⁴³ be thought therefore that too much has here¹⁴⁴ [f. 29r] been said of this prejudice¹⁴⁵ had we not daily occasion to observe how powerfully it operates¹⁴⁶ in retarding the progress of these studies. It is indeed inconsistent with all advance¹⁴⁷ not only in this but in every other subject of enquiry to which the human intellect can be applied¹⁴⁸. Every fresh discovery in science¹⁴⁹ implies some variation of opinion; something superadded to former knowledge¹⁵⁰ or withdrawn from the notions previously established¹⁵¹.

¹⁵²It is however farther¹⁵³ to be observed that the controversies [f. 30r] among political economists on which so much stress is laid are now

¹³⁶ “Such assurance for the direction of human life might or might not be desirable, we know that it is not attainable” is deleted.

¹³⁷ “in the” is deleted.

¹³⁸ “as an unerring guide” replaces “for the guidance of life”.

¹³⁹ “It has not been so given & we learn that it was not considered to the purposes of our present existence”. Is inserted and deleted.

¹⁴⁰ “been inconsistent with the very purpose” replaces “altered the whole state & character”.

¹⁴¹ “condition of” is deleted.

¹⁴² This last sentence is inserted.

¹⁴³ “might” replaces “may”.

¹⁴⁴ “It might be thought therefore that too much has here” replaces “Too much perhaps has already”.

¹⁴⁵ “. It is obviously inconsistent with the very notion of progressive science.” Is deleted.

¹⁴⁶ “powerfully it operates” replaces “its wide & noxious influence”.

¹⁴⁷ “in any branch of science” is deleted.

¹⁴⁸ “had we not daily occasion to observe how powerfully it operates in retarding the progress of these studies. It is indeed inconsistent with all advance not only in this but in every other subject of enquiry to which the human intellect can be applied.” Is deleted.

¹⁴⁹ “in science” is inserted.

¹⁵⁰ “to former knowledge” is inserted.

¹⁵¹ “previously established” replaced “which prevailed on the subject”.

¹⁵² “But how much more strongly does this reasoning apply to a science of such recent origin, and rapidly advancing progress” is deleted.

¹⁵³ “farther” is inserted.

very seldom if ever extended to any of¹⁵⁴ the fundamental¹⁵⁵ principles or most general theorem¹⁵⁶ of this science. On these there is nearly an unanimous agreement¹⁵⁷ ¹⁵⁸ [f. 31r] agreement; and thus far at least if such concurrence be really the proper test of truth, political economy may confidently be rested on that foundation. No man for instance now dispute the benefits which society derives, from the minute subdivision of labour, from the free competition of trade, from the use of machinery in manufacture, or from the most unvarying [f. 32r] proximate¹⁵⁹ conclusions to which they lead; & thence their remoter consequences¹⁶⁰ as deduced not solely¹⁶¹ from first & fundamental principles, but also, & much more, from these less comprehensive theorems, those¹⁶² middle propositions,¹⁶³ as Bacon terms them, which constitute the main body¹⁶⁴ ¹⁶⁵ of every science.

Can it then be thought surprising that doubts and differences should arise¹⁶⁶ in such enquiries so widely extended¹⁶⁷ in a branch of knowledge still of¹⁶⁸ very imperfect establishment. Even the¹⁶⁹

¹⁵⁴ “are now very seldom if ever extended to any of” replaces “have now scarcely even any preference to”.

¹⁵⁵ “and leading” is deleted.

¹⁵⁶ “or most general theorem” is inserted.

¹⁵⁷ “nearly an unanimous argument” replaces “a very general agreement”.

¹⁵⁸ “amongst those who are at all capable of judging on the subject: and if such concurrence be really the test of truth, and the foundation of confidence the conclusion to be drawn from it in this case instead of being opposed to this science operates” is replaced by “amongst all those who cultivate these studies: and if such concurrence be really the only proper foundation of confidence in the results of scientific enquiry, political economy is, in so far at least as relates to these great & leading doctrines is amply supported by that test.” and deleted.

¹⁵⁹ “proximate” replaces “obvious”.

¹⁶⁰ “in” is deleted.

¹⁶¹ “solely” replaces merely.

¹⁶² “not solely from first & fundamental principles, but also, & much more, from these less comprehensive theorems, those” is inserted.

¹⁶³ “In the” is deleted.

¹⁶⁴ “of this” is deleted.

¹⁶⁵ “as of every other” is deleted.

¹⁶⁶ “on investigations of so wide an extent” is deleted, “as to the results” is inserted and deleted; “in determining the results of these extensive investigations” is inserted and deleted.

¹⁶⁷ “in such enquiries so widely extended” is inserted.

¹⁶⁸ “still of” replaces “of some”.

¹⁶⁹ The manuscript stops here.

[f. 34r]

Essay &c. &c.¹⁷⁰
Second Chapter.

[f. 36r]

Second Chapter.¹⁷¹
Definitions object & character¹⁷² of Political Economy and
National Wealth

Definition
of
political
economy.

It follows from what has been stated in the preceding chapter, that political economy may be defined to be that branch of Politics which treats of the wealth of nations¹. This definition is sanctioned by the authority of Smith in the very title of his work, and it is consonant [f. 37r] to the most commonly received notions of the subject. It ranks

¹ [f. 35v] (1) Much of the the following essay¹⁷³ was written before the publication of M^r. Malthus tract¹⁷⁴ on definitions in this science, and of M^r. Senior's notes on the same subject in the Appendix to D^r. Whately's excellent work on the elements of¹⁷⁵ logic. In the final revision of these pages¹⁷⁶, I have not scrupled to avail myself of the¹⁷⁷ suggestions of both these authors,¹⁷⁸ and in other places, where I adhere [f. 36v] to my former notions perhaps in some degree at variance with theirs,¹⁷⁹ I have¹⁸⁰ added to what I had before written some farther elucidation of the subject. But I have throughout this volume avoided, as much as possible, the irksome task of controversy.

¹⁷⁰ "Essay &c. &c." replaces "Essay the first"

¹⁷¹ "Second Chapter" replaces "First Section".

¹⁷² "object & character" is inserted.

¹⁷³ "the following" replaces "this".

¹⁷⁴ "tract" replaces "work"

¹⁷⁵ "excellent work on the elements of" is inserted.

¹⁷⁶ "these pages" replaces "the whole".

¹⁷⁷ "the" replaces "their".

¹⁷⁸ "of both these authors" is inserted. Grenville first wrote: "contained in both these works"

¹⁷⁹ "perhaps in some degree at variance with theirs," is inserted.

¹⁸⁰ "generally endeavoured to" is deleted.

these studies under general class of knowledge to which they properly belong, and at the same time points out their distinguishing character, or specific difference.

Its end.

Of this science, thus defined, the end has been already stated to be the promotion¹⁸¹ of that portion of human happiness which results [f. 38r] from national wealth; the means which it teaches us to employ for that purpose, are those social institutions which relate to wealth; and the¹⁸² different modes in which such institutions conduce to this object constitute the leading division under which these studies are pursued. On each of these topics it is my purpose in the course of this essay to offer some observations¹⁸³ [f. 39r] not wholly useless I trust,¹⁸⁴ to the study¹⁸⁵ of this science. The remainder of the present chapter will treat of the general nature and character of that which forms the subject-matter of the whole enquiry, namely, national wealth.

And subject-matter.
Of National wealth.

What then is in this science the precise import of that phrase? In [f. 40r] what sense do we apply to wealth the epithet of national and what do we understand by wealth itself? The first of these questions admits of an easy answer, but the second has been the subject of much difficulty and doubt.

Public
And private
wealth

A nation consists of family of individuals. National wealth is therefore nothing else than the aggregate of the wealth of all the [f. 41r] the individuals of whom the nation is composed. That part of their wealth which they apply, by social institutions, to purposes deemed to be of common advantage, constitute their public wealth, or the wealth of the state; and the whole of their wealth, to whatever purpose applied, constitutes their national wealth, or the wealth of the community. [f. 42r] Public and private wealth are thus alike portions of national wealth, differing not at all in their origin or nature, but solely in their application¹⁸⁶. This principle, simple, and nearly self-evident as it is, has not always been sufficiently adverted to; but it is in many ways important to the study of political economy. Bacon have repeatedly observed, “that

¹⁸¹ “promotion” replaces “formation”.

¹⁸² And Its leading divisions.

¹⁸³ “I trust” is deleted.

¹⁸⁴ “I trust,” is inserted.

¹⁸⁵ “study” replaces “advancement”.

¹⁸⁶ “application” replaces “appropriation”.

the nature of every thing is best seen in [f. 43r] its smallest portions”¹. And there are, accordingly, few questions, if any, relative to the wealth of nations, which are not¹⁸⁷ most satisfactorily solved from the observation of corresponding circumstances in the wealth of families and individuals.

Smith’s
first
account
of wealth,

Such is more especially the case when we enquire, as we are now about to do, not into any particu[f.44r]lar or detached circumstances incidentally connected with wealth, but into its general nature and characteristic properties. By far the most correct account of these which can any-where be found in Smith, is immediately deduced by him from the wealth of individuals. He had, indeed, [f. 45r] in a previous part of his work, spoken, but spoken erroneously, of “the real wealth” of a society as being identical with “the annual produce of its land and labour.”¹¹ This notion is unquestionably inaccurate, for it confounds wealth with revenue. No individual, no nation ever existed, whose “real [f. 46r] wealth” could be determined by their annual revenue. The income of the life annuitant may be the same with that of the landholder; But is their wealth therefore equal? Things appropriated to direct enjoyment, a man’s house and furniture, [f. 47r] his comforts and conveniences of life, are neither revenue, nor sources of revenue; yet they enter largely into every estimate of his wealth. Smith’s expressions in this passage¹⁸⁸ would indeed, if literally understood, exclude from the wealth of a community not these things only, but also whatever is employed [f. 48r] in reproduction; or in other words all capital, whether fixed or circulating, and even the land itself. The tree is not more essentially distinct from its fruit, than capital is from annual produce.

His more
correct
view of it.

But when¹⁸⁹ Smith’s statements in this science are liable to any just exception, the source of error is to be found much oftener in his language, than in his opinion. And so it unquestionably is in the present case. In another place¹⁹⁰ he has [f. 49r] given to his readers a much more comprehensive, and at the same time a much more accurate account of wealth, deduced, as I have said, from the nature of individual wealth, and framed in exact consonance with one of the commonest acceptations of

¹ [f. 42v] (2) ἐν τοῖς ἐλάχιστοις πρώτων ἕκαστον ζητητέον. Pol. S. 3. And again Econ. 1. 2. Bacon, Advancement, &c. B. 2. vol. 1. P. 79. & vol. 7. P. 169. &c.

¹¹ [f. 44v] (3) Smith, Introd. in fine.

¹⁸⁷ “not” is inserted.

¹⁸⁸ “in this passage” is inserted.

¹⁸⁹ “when” replaces “whenever”

¹⁹⁰ “place” replaces “passage”

the word. “Every man”, he says, is “comparatively rich or poor, according to the degree in which he [f.50r] can afford to enjoy the necessaries, conveniences, and amusements of human life”, or, as the last have been termed by others, its elegancies and ornaments; things, which for the sake of brevity may all be ranked amongst its conveniencies^I. This statement was evidently intended by its author only as a description of wealth. It aims at nothing more; [f. 51r] but it affords, I think, the best foundation which can be laid for the regular definition of that term. For that purpose, however, it will be necessary that we should enter previously into some short explanation of two very different, though nearly related, senses, assigned to wealth by general usage.

The word
wealth has
in common
use two
senses.

Wealth, as now [f. 52r] commonly understood, is sometimes synonymous with opulence, and then signifies a certain condition of human existence; and it is sometimes synonymous with riches, and then signifies a certain class of things possessed by man. In its origin this word was identical with weal, or well-being, as in the examples quoted by [f. 53r] Johnson from the prayer-book, where it expresses generally human prosperity or welfare^{II}. This use of the word has become obsolete. But it is the source from which both its present senses have flowed in easy transition. Wealth now signifies, first, that portion of the well-being of man which consists in an abundant possession of com[f. 54r]mand of the necessaries and conveniencies of life: And secondly, those necessaries and conveniencies themselves, individually or collectively considered. Thus in that magnificent vision in which Milton has

“Measured this transient world, the race of time.

“Till time stand fixed”,

the conquerors of the earth before the deluge are exhibited to Adam as living “in ¹⁹¹ [f. 55r] luxurious wealth”; in a condition, that is, of opulence and luxury: “And¹⁹² Abraham is seen journeying towards Canaan with

^I [f. 49v] (4) Smith, B. 1. c. 5.

^{II} [f. 52v] (5) “Grant him in health and wealth long to live”.

“In all time of our tribulation, in all time of our wealth”, &c.

¹⁹¹ “triumph and” is deleted.

¹⁹² “And” replaces “Wile”.

“His herds, and flocks, and numerous servitude,
“Not wanting poor, but trusting all his wealth
“With God”:

Or, in the words of Scripture, “all his *substance* which he had gathered¹. [f. 56r]

It may be used with equal propriety in either.

It is by licence common to all language, that the same word is thus used, with equal propriety, to signify in these cases either possession, or that which is possessed. Both these senses of wealth are of continual occurrence in our best writers [f. 57r] and both are so generally received, that it would be folly to propose the exclusive establishment¹⁹³ of either. But they are evidently incapable of being included, with any accuracy, under the same definition.

One term¹⁹⁴ is however [f. 58r] common to both, and admits of correct definition. When wealth signifies possession, the necessaries and conveniencies of life are the *objects* of that¹⁹⁵ possession, and consequently the *objects* of wealth; And when wealth signifies a class of things possessed, the necessaries and conveniencies of life *compose* that class, and are in this sense the *component* parts of wealth. [f. 59r]

Articles of wealth.

In both cases these things are properly termed *articles of wealth*, and a knowledge of their nature and properties as such is essential to that of wealth itself. But what clearer explanation can be given of the necessaries of life as articles of wealth,¹⁹⁶ than that which those words themselves con[f. 60r]vey¹⁹⁷? Synonymous with these, but little, if at all, more significant, are the expressions¹⁹⁸ by which the same things were long ago defined, as “instrument of the life and well-being of man”^{III}. Both these

¹ [f. 54v] (6) P. L xi. 788, and xii. 132; Genesis, xii. 5.

^{II} [f. 55v] (7) See the passage quoted in the next note to this, in which notwithstanding the precision of the Greek language, and of Aristotle’s stile ἡ κτήσις (possession) is identified with the abundance of¹⁹⁹ things possessed.

^{III} [f. 59v] (8) ἄνευ τῶν ἀναγκαίων ἀδύνατον καὶ ζῆν καὶ εὖ ζῆν...τὸ κτήμα ὄργανον πρὸς ζωὴν ἐστὶ καὶ ἡ κτήσις πλῆθος ὀργάνων ἐστὶ.
Aristotl. Pol. 1. 3.

¹⁹³ “establishment” replaces “established”.

¹⁹⁴ “term” replaces “notion”.

¹⁹⁵ “that” is inserted.

¹⁹⁶ “as articles of wealth,” is inserted.

¹⁹⁷ “convey” replaces “contain”.

¹⁹⁸ “expressions” replaces “terms”.

¹⁹⁹ “the abundance of” is inserted.

phrases have²⁰⁰ the same meaning, and both may, I think, be applied with unexceptionable propriety as fully describing²⁰¹ the articles [f. 61r] of human wealth. Of the two, the latter is perhaps somewhat better calculated to suggest the notions, which both however necessarily imply, of those three great properties of wealth which are its principal and indispensable constituents.

Their three
constituent
properties.
Utility

These are, first, utility; secondly, appropriation; and thirdly, the capability of transfer.

By utility I under[f. 62r]stand with M^r. Say¹ the capacity of being used to gratify human wants or wishes. In common speech²⁰² utility is sometimes limited to the gratification of such wishes only as philosophy might sanction; of such²⁰³ as are directed to some object of real benefit to man, whether physical or moral. [f. 63r] But the wisdom or vanity of human wishes are speculations far removed from the scope of political economy. If utility belongs only to those things which are strictly necessary to us, we must deny that property to much the largest portion of the objects of human enjoyment.

“O reason not the need”, says Lear, “our basest beggars [f. 64r]

“Are in the poorest things superfluous.

“Allow not nature more than nature needs,

“Man’s life is cheap as beast.”

But if we must²⁰⁴ also ascribe utility to the accommodations and conveniences of life, on what principle can we exclude from that class any article whatever which²⁰⁵ gratifies the vary[f. 65r]ing wished of mankind? All things which around us are given for our use, and we also believe that in their proper application they are all made to contribute to²⁰⁶ our good. But²⁰⁷ of that application it belong to other sciences to treat. In this branch of knowledge the actual existence of any human

¹ [f. 61v] (9) “Utilité; c’est, en économie politique la faculté qu’ont les choses de pouvoir servir à l’homme, de quelle manière que ce soit.” Econ. Pol. v.2 p.506. 4th Edit.

²⁰⁰ “have” replaces “express”.

²⁰¹ “as fully describing” replaces “to describe”.

²⁰² “common speech” replaces “general language”.

²⁰³ “alone” is deleted.

²⁰⁴ “are” is inserted and deleted. “must” is inserted.

²⁰⁵ “on what principle can we exclude from that class any article whatever ” replaces “what can be excluded from that class”.

²⁰⁶ “contribute to” replaces “work together for”.

²⁰⁷ “but” is inserted.

wish and [f. 66r] the power of contributing to its enjoyment, constitute the utility of the object to which that power is attached: a quality which is thus necessary implied in every phrase which properly characterizes the articles [f. 67r] of our wealth. Without it they cannot reasonably be termed necessities or conveniences of the life of man, or instruments of his existence and happiness.

Appropriation.

But if utility is a necessary constituent of wealth, so also, and in a fully equal degree is the qua[f. 68r]lity of appropriation. All wealth is property, and in all property appropriation is necessarily implied. How many things fraught with utility to social life²⁰⁸ yet from actually no portion of our²⁰⁹ wealth: the undiscovered treasures of the mine, the forest, or the ocean; the unappropriated portions of earth and water, [f. 69r] of air, and light, and heat, and generally all other objects capable of affording gratification to man, but which he has not occupied for purposes of use or preparation. It is in such occupation alone that the act of appropriation essentially consists. [f. 70r] All things which man uses, must be thus appropriated; ²¹⁰ not only for the purpose of actual use, but commonly also²¹¹ for those antecedent processes ²¹² which fit them for such employment²¹³. The food which nourishes an individual (such is the illustration of Locke), “must not only [f. 71r] be entirely his, it must even become a part of himself”¹. That the simplest peasant may be clothed, not only must the cloth be specially²¹⁴ so applied, but the flock, the wool, and the loom²¹⁵ all the materials, and all the instruments of the manufacture, must, by a long series of previous appropriation have been²¹⁶ made finally²¹⁷ subservient to that purpose²¹⁸ [f.72r] so it is with every other object of human use: even with those which are frequently, but erroneously described as incapable of appropriation. The spot of

¹ [f. 70v] (10) Locke, vol. IV. p. 353.

²⁰⁸ “social life” replaces “man”

²⁰⁹ “our” replaces “his”.

²¹⁰ “and this” is deleted.

²¹¹ “also” is inserted.

²¹² “also” is inserted and deleted.

²¹³ “which fit them for such employment” replaces “which are necessary for such prominent”

²¹⁴ “specially” replaces “exclusively”.

²¹⁵ “loom” replaces “lamb”.

²¹⁶ “have been” replaces “be”.

²¹⁷ “finally” is inserted.

²¹⁸ “purpose” replaces “use”

earth on which we tread, the ray of light which strikes [f.73r] upon our eyes, the very breath which we inhale, and by inhaling decompose, are all, so long as we enjoy them, objects of our exclusive occupation. In the ²¹⁹ act of deriving advantage from them we appropriate them to ourselves; sometimes indeed in a very small portions, and for very short periods, but always such as to be, ²²⁰ both in quantity and time ²²¹ [f. 74r] exactly commensurate with the use. The fact of the occupation does not at all depend on its extent or its continuance. It is in numberless cases only temporary, and qualified, but it is not therefore the less real. The bed-place of a packet-boat is, for a limited time and use, as truly appropriated to the traveler, as the home to which he is [f. 75r] returning²²².

Capability of transfer.

But to all things thus appropriated, there also belongs of necessity a capability of transfer. The notion expressed by these words²²³ is too simple to be defined, and too familiar to require explanation. [f. 76r] The quality itself must of necessity²²⁴ be inherent in all articles of wealth. Whatever has once passed, even for the shortest time, from the mass of things unappropriated into the exclusive possession of an owner, must, so long as it retains the same form and nature, be equally susceptible of similar occupation by every other individual to whose uses it may in like manner be made ²²⁵ [f. 77r]_subservient. ²²⁶ And hence it follows that the articles of our wealth are truly instruments, in the strictest acceptance of that term. They are means used for producing a given effect, human enjoyment; and, for the accomplishment of that purpose in repeated instances they pass continually from hand to hand. This ready capacity [f. 78r] of transfer is indeed, of all the properties of wealth, that to which in these studies we have most frequent occasion to refer. In the²²⁷ transfer of wealth, consists²²⁸ the whole commercial intercourse of mankind; and to secure and extend that intercourse by social institutions [f. 79r] is all

²¹⁹ “very” is deleted.

²²⁰ “as to be,” is inserted.

²²¹ “as to be” is deleted.

²²² “returning” replaces “hastening”.

²²³ “words” replaces “terms”

²²⁴ “of necessity” is inserted.

²²⁵ “successively” is deleted.

²²⁶ ““This is self evident.” is deleted.

²²⁷ “In the” replaces “It is a quality which cannot but belong essentially to the subject matter of this science. The exchange, or, in other words, the mutual”.

²²⁸ “consists” replaces ““comprises”

which political economy can accomplish²²⁹ for the promotion of human happiness.

The articles
of our
Wealth are
things
external and
sensible.

From these considerations we may, I think, determine with little hesitation a difference of opinion respecting the nature of wealth, on which much stress has been occasionally²³⁰ been laid²³¹. Ought we, it is asked, to limit our no[f. 80r]tion of wealth solely to things external and sensible, or should we also include in it any and what portion of incorporeal objects? This question, interesting as it appears at first sight, belongs perhaps in truth rather more to the language, than to the substance of the enquiries. It relates indeed to the nature of wealth which is the subject [f. 81r] of this science. But the enquiry which it institutes²³² is, I think, of little practical importance affecting, as far as I can judge, no leading principle, no useful conclusion of political economy²³³. This question has however engaged the attention of some writers of great eminence, and its decision would at least promote uniformity of [f. 82r] language on these subjects.²³⁴ It is by the practice of future economists that this point must ultimately be determined²³⁵. In my own judgment it would be equally unnecessary and inconvenient to consider as articles of wealth any other objects than such as are wholly sensible and corporeal. In so doing²³⁶ we should I think²³⁷ depart [f. 83r] far too widely from the common usage of mankind. Innovation so great as this in the employment of²³⁸ long established terms may sometimes be unavoidable, but they are never desirable in any science, and least of

Reasons
for this
opinion.

²²⁹ “can accomplish” replaces “attempts”.

²³⁰ “occasionally” is inserted.

²³¹ “occasionally” is deleted.

²³² “which it institutes” is inserted.

²³³ “affecting, as far as I can judge, no leading principle, no useful conclusion of political economy” replaces “No leading principle, no useful conclusion of political economy are, as far as I can judge, in any wise affected by it”.

²³⁴ “This question has however engaged the attention of some writers of great eminence, and its decision would at least promote uniformity of [f. 82r] language on these subjects” replaces “It is however much insisted upon by some writers of great eminence, and its decision would at least promote uniformity in the [f. 82r] language of this science”.

²³⁵ “It is by the practice of future economists that this point must ultimately be determined” replaces “That decision must ultimately be governed by the practice of future economists”.

²³⁶ “In so doing” replaces “By the opposite course”.

²³⁷ “I think” is inserted.

²³⁸ “common” is deleted.

all in one with whose truth we are laboring to familiarize the great body of every civilized community.

But in the present [f. 84r] case, whether we consider popular use alone, or the strictest accuracy of language²³⁹, we are led I think to the same conclusion²⁴⁰. The articles of human wealth are essentially material²⁴¹. That there are many things incorporeal, objects of our thought and speech which are²⁴² eminently useful to man is beyond all ques[f. 85r]tion.²⁴³ The sources of our highest enjoyment are seated in the human intellect; religious hope, moral consciousness, the social affection, the desire of esteem, and the thirst for knowledge. But utility is not the sole constituent of wealth, & these things are neither susceptible of appropriation, nor of trans[f. 86r]fer²⁴⁴. A man's moral qualities, and the faculties and operations of his intellect are indeed in one sense exclusively his own. But they are so by the necessity of his nature, and not by any act of occupation depending on his own determinations²⁴⁵. Nor again²⁴⁶ can he by any possibility transfer them to another. He may teach his fellow-creatures by precept or example to mould their [f. 87r] sentiments into some conformity with his. But in so doing he still retains, he for the most part confirm and fortifies his own notions, instead of detaching them, if we might so speak, from himself, and transferring them to his disciple.

In the same manner health and liberty are of inestimable power in contributing to [f. 88r] human happiness. But how very far is²⁴⁷ that single quality from identifying them with wealth. They are not appropriable, they are not transferable, they are not even actually existing beings. Those terms express only the abstract notions which our mind

Many things
useful are
not wealth.
Neither
moral nor
intellectual
qualities.

Nor
health and
liberty.

²³⁹ "language" replaces "speech".

²⁴⁰ "we are led I think to the same conclusion" replaces "the same conclusion seems to me to follow".

²⁴¹ "The articles of human wealth are essentially material" replaces "Those things only can, I think, be properly considered as articles of wealth which are essentially material".

²⁴² "That there are many things incorporeal, objects of our thought and speech which are" replaces "That there are very many incorporeal objects of thought and language".

²⁴³ "But utility is not the not the sole constituent of wealth" is deleted.

²⁴⁴ "But utility is not the sole constituent of wealth, & these things are neither susceptible of appropriation, nor of transfer" replaces "But to our gratification this character neither apply the notion of things of appropriation, nor of transfer".

²⁴⁵ "Such as they are, they must be his" is deleted.

²⁴⁶ "again" is inserted.

²⁴⁷ "the possession of" is deleted.

has been taught to form of absence of sickness and restraint. A philoso[f. 89r]pher who should embody these negative ideas into real articles of wealth would scarcely be thought less extravagant than the mythologist who worshipped them as goddesses.

Nor Skill
or labour,

Thus far therefore no doubt exists. Who indeed ever did confound these things with wealth?²⁴⁸ [f. 90r] ²⁴⁹. But there are some other objects, skill²⁵⁰ and labour, and value, which²⁵¹ are considered by M^rSay, if I rightly understand him, as ²⁵² unquestionably immaterial, yet as being also not only component parts of wealth, but actually its sole ingre[f. 91r]dients. Very intimately connected with this science these terms unquestionably are, and of continual recurrence in all its

¹ [f. 89v] (11) “Ces services de l’industrie, des capitaux, et des terres, qui sont des produits independants de toute matiere, forment les revenus de tous autant que nous sommes. Quoi tous nos revenus sont immateriels! Oui monsieur, tous” &c Lettre à Malthus p. 35. And again, what we add, he says to the mass of mat[f. 90v]ter of which the world is composed, “c’est de la *valeur*, et cette valeur que nous consommons journellement, continuellement, et qui nous fait vivre”.

I wish to speak always with real deference to this able writer. But it is surely something more than *verbal chicane* (see²⁵³ *ibid.* p.33), to object to so novel²⁵⁴ an [f. 91v] employment as this is of one of the most familiar terms perpetually recurring in a science of popular and daily use. What notion must the student form of the perspicuity, or the accuracy of doctrines, in the very outset of which he is told that men not only consume value, a phrase of no very easy interpretation but that they ac[f. 92v]tually live upon value! Fattened, he might perhaps say, not by the food they eat, but by the opinion which others form of its nourishing qualities.

²⁴⁸ “There are however some other objects whose nature is also incorporeal but respecting which a very different notion has been confidently maintained though not, as it seems to me on any more solid foundation.” replaces “But there are others whose nature is also incorporeal and but respecting which a different notion has been entertained, though not, as it seems to me on any more solid foundation.” and is deleted.

²⁴⁹ Skill is replaced by « But skill » and deleted.

²⁵⁰ “But there are some other objects, skill” is inserted.

²⁵¹ ”which” is inserted.

²⁵² objects in their nature” replaces “objects of a nature” and is deleted.

²⁵³ “see” is inserted.

²⁵⁴ “so novel” replaces “such”.

discussions. But the sense in which we employ them is by no means uniformly the same. In strict propriety of speech skill and labour signify generally the possession or the exercise of certain bodily and mental powers inherent in our nature and susceptible of large improvement from habit and instruction. Thus explained, these words²⁵⁵ express mere abstract notions, classes of ideas artificially compounded by ourselves, things unappropriable, untransferable, and therefore no parts of wealth. But in²⁵⁶ this case as in that of [f. 93r] wealth, our language²⁵⁷ continually confounds the cause with its effects, the producer with that which is produced. The act of laboring, and its result, are²⁵⁸ alike denominated labour¹; and in the technical phraseology of M^r Say, he includes them both²⁵⁹ under the name of services. (see above note f. 89v &s). [f. 94r] But the cause and its effect can²⁶⁰ in no case be really²⁶¹ identical; and in the present instance they differ in nothing more than in the very circumstance which we are now considering. The act of labour, the exertion used in performing a service, may be, as M^r Say considers [f. 95r] it essentially²⁶² immaterial, but it cannot be wealth; the result of that act, the profit derived from that service, may be wealth, but it cannot be immaterial. When we talk of purchasing or hiring the ploughman's labour, what does he really transfer to us in exchange for his wages? Neither the power of laboring nor [f. 96r] the act of laboring both which are things inseparable from the labourer himself; but the sensible result of both in that change which gives to a material article of our wealth an increased power of gratifying our wishes. The field on which he operated has been rendered a more effective [f. 97r] instrument of enjoyment, and a more valuable portion therefore of wealth. And so it is in every other case where the industry of man by whatever alteration of form or quality of position, or of place, gives to matter increased utility. Thus and thus

¹ [f. 92v] See Senior, Appendix to Whately's Logic, p. 313.

²⁵⁵ "words" replaces "terms".

²⁵⁶ "our ordinary use of these words" replaces "our use of these words" and is deleted.

²⁵⁷ "our language" replaces "we".

²⁵⁸ "in common speech" is deleted.

²⁵⁹ "he includes them both" replaces "he evidently includes both these notions"

²⁶⁰ "certainly" is deleted.

²⁶¹ "really" is inserted.

²⁶² "essentially" is inserted.

alone do skill and labour produce transferable wealth. In themselves [f. 98r] they are wholly untransferable.

Smith's proposed discrimination between productive and unproductive labour was therefore, to say the least²⁶³, most unfortunately expressed. His own exemplification of it is sufficient for its refutation. What greater perversion of language could there be than to [f. 99r] term that labour unproductive, whose results he himself describes as of the greatest value to mankind all labour which works its destined purpose must be in so far productive as it gratifies²⁶⁴ the wish which called it into action. How is it possible to distinguish with Smith²⁶⁵ in this respect between the mechanic and the menial, [f. 100r] the civil and the military engineer, the clerk in a public office and in a merchant's warehouse? The butcher and the cook combine their industry to fit our meat for its consumption. If the one is a productive labourer, can the other be unproductive? The mariner [f. 101r] who imported our wine into England, the merchant who delivered it into our cellars, and the butler who placed it on the table, have each contributed to bring more and more within our reach the gratification to which it is subservient. The wine is here the [f. 102r] article of our wealth; ²⁶⁶ a corporeal and material substance, an instrument of enjoyment, or of health. The successive changes of its place have severally increased its utility ²⁶⁷: and the operations which worked those changes, the services of the mariner, the merchant, and the menial or, in other words, their labour, and their skill, were undeniably not portions, but sources of that wealth which the consumer²⁶⁸ ultimately enjoys. [f. 103r]

Nor
value.

Value again, exchangeable value (for in that sense alone M^r. Say would employ the word, what is it in its true meaning but an estimate of the respective quantities in which the necessaries and conveniencies of life may, at any given period be respectively exchanged against each

²⁶³ [note? Check f. 97v]

²⁶⁴ "gratifies" replaces "gratified".

²⁶⁵ "with Smith" is inserted.

²⁶⁶ "it is" is deleted.

²⁶⁷ "to the consumer" is deleted.

²⁶⁸ "consumer" replaces "purchaser".

other?¹ This, it has often been observed, is, in strict propriety of speech, rather a relation than [f. 104r] a quality of such articles. It is a comparison made of them by the judgment and will of man: And it therefore perpetually varies²⁶⁹ with person²⁷⁰ time, place, and circumstances. To identify these fluctuating estimates²⁷¹ with wealth itself [f. 105r] is, I think, to confound things essentially the most distinct; the attribute with its subject, the accident with the substance to which it is attached. All estimates²⁷² of value however grounded²⁷³ are purely operations of the human intellect; and what have such processes in common with the ob[f. 106r]jects on which they are exercised? When we are told therefore that our wealth consists only in portions of value, or, as it is elsewhere expressed in values (*valeurs*)²⁷⁴, is it not enough to answer that we use no such language in any other case? Our food is composed of things nutritive, not of portions of nutrition, and our [f. 107r] medicines of things healthful, not of portions of health, and must not our wealth in like manner consist in things valuable, not in portions of value?

But wealth ministers largely to our intellectual happiness.

But while we thus confine within the bounds of matter and sense, those instruments of our well[f. 108r]being which we term articles of wealth, it must not for a moment be forgotten that the benefits which these things²⁷⁵ confer on man acknowledge no such limit. It is only through the medium of our senses that we communicate with the external creation; but the enjoyments which that great fabric so

[f. 102v] (13) “valeur des choses, valeur échangeable, valeur appreciative des choses. C’est ce qu’une chose vaut ; c’est la quantité d’autres choses évaluables qu’on peut obtenir en échange d’elle”. - Say Econ. Pol. V.2 P.507.

I speak here of this word in the sense in which M^r Say employs it. I may probably have occasion hereafter to offer some remarks on the distinction first made by Smith between value in use and value in exchange.

²⁶⁹ “It therefore perpetually varies with” replaces “it is therefore perpetually varied by”.

²⁷⁰ “with person” is inserted.

²⁷¹ “these fluctuating estimates” replaces “this uncertain estimate” which replaced “this estimate”.

²⁷² “estimates” replaces “operations”.

²⁷³ “however grounded” is inserted.

²⁷⁴ **[note? Check f. 105v]**

²⁷⁵ “which these things” replaces “of which they”.

bountifully²⁷⁶ supplies to human life are not there [f. 109r] fore exclusively sensual. Far otherwise. “Fearfully and wonderfully” is it²⁷⁷ adjusted in all its parts to the mixed constitution of our corporeal and intellectual nature. It ministers, not only to our lowest, but also, and much more largely, to our highest faculties of delight. And were it not so, much indeed must we deduct from [f. 110r] the proud claims of political economy. The mysterious union of sense with intellect, of physical gratification with moral feeling, can alone render human wealth a fit subject of philosophical enquiry. But this²⁷⁸ union is alike exemplified in our²⁷⁹ rudest, and in our²⁸⁰ most refined²⁸¹ enjoyments. [f. 111r] The poor savage finds in his snow built cabin, not merely warmth, and shelter, and repose, but those emotions also with which the bare thought of home, our own home, and the home of our families, animates every human bosom. The object again which surround me while I unite these pages, that portrait which speaks²⁸² so powerfully to my imagi[f. 112r]nation, these books, the living oracles of the wisdom & eloquence²⁸³ of ages, what are they but substances essentially corporeal?

Definition
of wealth.

From the particulars thus enumerated, we may now²⁸⁴ if I mistake not, satisfactory proceed to²⁸⁵ the general definition of wealth, from which these discussions may perhaps be thought to have already too long detained me²⁸⁶. [f. 113r] But it should be remembered that what we have been considering is not the mere verbal explanation of a name, but the essential and characteristic properties of that which²⁸⁷ form the whole subject matter of an extensive and²⁸⁸ important science.

²⁷⁶ “bountifully” replaces “abundantly”.

²⁷⁷ “it” replaces “that great fabric”.

²⁷⁸ “But this” replaces “And this” which replaced “This”.

²⁷⁹ “our” replaces “the”.

²⁸⁰ “our” replaces “the”.

²⁸¹ “objects of our” is deleted.

²⁸² “speaks” replaces “addresses itself” which replaced “speaks”.

²⁸³ “wisdom & eloquence” replaces “poetry, and eloquence, and wisdom”

²⁸⁴ “now” is inserted.

²⁸⁵ “proceed to” replaces “deduce”.

²⁸⁶ “from which these discussions may perhaps be thought to have already too long detained me” replaces “these discussions have indeed perhaps too long detained me from it”.

²⁸⁷ “is to” is deleted.

²⁸⁸ “most” is inserted.

First, as a condition of life.

And secondly as a class of things possessed. Abundance how far necessary to it.

Not positive, but comparative .

First then, it appears that²⁸⁹ Wealth, as a condition of human existence, consists in the abundant possession or command of the external and sensible instruments of the life of man, and of his happiness whether bodily or intellectual. [f. 114r]

And secondly, that Wealth, as a class or description of things possessed²⁹⁰, consists in those instruments themselves, collectively or individually considered.

On these two statements one only additional²⁹¹ remark seems necessary for our present purpose²⁹². In the first of them abundance is specified as a necessary quality of that possession which constitutes a state of opulence. [f. 115r] That it is so²⁹³ is self evident. To the idea of opulence that of abundance is indispensable. But in the second statement this notion is omitted. Wealth considered as a class or description of things possessed may or may not be abundant. The bare necessities of life scantily supplied to [f. 116r] the poorest individual are yet in this last sense articles of human wealth. And they are accordingly²⁹⁴ so included in all the most common definitions of wealth; in such for example, as make it to consist in products, in articles of exchange and the like.

Even that abundance which constitutes a state of opulence is not positive, but purely comparative²⁹⁵. [f. 117r] ²⁹⁶ The utmost wealth of a New Hollander would in London be squalid poverty. The chief of an American tribe, “the king”, as Locke calls him, “of a large and fruitful territory, feeds, lodges, and is clad”, says that author, “worse than a day labourer in England”¹, much worse he might have said than the poorest day labourer in any part of Europe. We ²⁹⁷ pro[f. 118r]nounce a man tall or short old or young, with reference to the known limits of the human nature, and to the average duration of human life. But there is no such

¹ [f. 116v] (14) Locke on Government, B. 2. c. 5. s. 42.

²⁸⁹ “, it appears that” is inserted.

²⁹⁰ “possessed” is inserted.

²⁹¹ “one only additional” replaces “only one farther”

²⁹² “for our present purpose” replaces “to be here made”

²⁹³ “That it is so” replaces “This”

²⁹⁴ “And they are accordingly” replaces “They are”.

²⁹⁵ “Even that abundance which constitutes a state of opulence is not positive, but purely comparative” replaces “Even the abundance required in the first of these two statements is not positive, but purely comparative.”

²⁹⁶ “where precise limits where poverty ends, and wealth begins?” is deleted.

²⁹⁷ “ready” is deleted.

universal or average²⁹⁸ standard of opulence²⁹⁹. Smith therefore with perfect accuracy describes men as being, not positively but comparatively¹, rich or poor, in proportion to their possession or command of ne[f. 119r]cessaries and conveniencies. And so it is in our common speech. Is this shopkeeper accounted wealthy? Is he so in comparison, not with the merchants of Tyre, whose merchants were princes, nor even with his own landlord or banker, but with persons of the same time and country, of the same class and condition with himself. Is the English nation rich, and [f. 120r] that of Poland poor? We estimate their wealth by a reference, either tacit or expressed, to the scale, not of individual but of national wealth. And we compare it with the condition, not of Tartar or Arab tribes, but of the civilized communities of modern Europe. Or should any less obvious, and as we might call it, less natural comparison be intended, [f. 121r] that intention cannot even be made intelligible, unless it be either distinctly specified, or implied in the context, or subject of the discourse.

Confusion
of wealth
with money.

In the foregoing statements I have not thought it necessary to detain my readers by any discussion of the exploded opinions, which considered wealth as consisting solely in money or in the metals of [f. 122r] which money is composed. But the early establishment and long continuance of that mischievous prejudice are facts well³⁰⁰ worthy of the deepest attention in the study of this science. They have exercised over every part of its progress the most decisive and overruling influence. This error governed the whole practice of antiquity from the days of Ly[f. 123r]curgus, who, to keep his common wealth poor, forbad the introduction of money, down to those of Cicero, who, for the opposite purpose, prohibited its exportation^{II}. And in a still later period, Pliny, a philosopher as well as a statesman, does not hesitate absolutely to identify the precious metals with riches. “Ipsa opes”...“Metalla quibus opes constant”, are his descriptions of [f. 124r] them He calls them on

¹ [f. 117v] (15) See above, p. 87.

^{II} [f. 122v] (16) Orat. pro L. Flacco, s. 28. See supplement to the British Encyclopedia, art. Political Economy.

²⁹⁸ “or average” is inserted.

²⁹⁹ “opulence” replaces “wealth”.

³⁰⁰ “well” is inserted.

this account the pest of social life; and inveighs against their fabrication into ornaments and coin as act of the most atrocious wickedness^{II}.

In modern Europe the same notion of wealth was universally established down to the middle, and almost to the close of the last century. The most [f. 125r] accredited politicians and philosophers of that period unequivocal:³⁰¹ by asserted that the true riches of a people consist solely in its circulating coin, by the increase or diminution of which alone the community could either be enriched or impoverished. This is distinctly stated even by Locke himself. “Gold and silver” he says, “though they serve for few, yet they command all the convenien[f. 126r]cies of life; and therefore in a plenty of them consist riches”. And again, “Riches do not consist in having more gold and silver, but having more in proportion to the rest of the world”^{III}. The same notion prevailed in England³⁰² to a much later period, and still retains over popular opinion a powerful, though unacknowledged, influence. In [f. 127r] France it was in substance, though not quite ³⁰³ distinctly in its form, ³⁰⁴ maintained by Necker^{IV} even in our own days; and it has, if I mistake not, contributed in no small degree to the many subsequent errors which we have witnessed, down even to the present hour,³⁰⁵ in the political economy of that country.

We are not however to suppose that an opinion³⁰⁶ which appears to us so inconceivably absurd, was ever at any [f. 128r] time followed up in theory, much less in practice to the full extent of the monstrous conclusions to which it leads by necessary inference. When Midas converted by his touch the necessaries and conveniencies of life into

^I [f. 123v] (17) “Vitae prestem”- “ad perniciem vitae repertum”, Vc.-Pliny. H. N. L. 33. c. 2. & 3.

^{II} [f. 123v] (18) “Pessimum vitae scelus fecit, qui annulum primus induit digitis.”... “Proximum scelus fecit qui primus ex auro denarium signavit.”-ibid.

^{III} [f. 125v] (19) Locke, vol. 4. p. 12&13. 8^oEdit.

^{IV} [f. 126v] (20) See Appendix, B.

³⁰¹ “unequivocal:” replaces “uninymous”.

³⁰² “England” replaces “this country”.

³⁰³ “so” is deleted.

³⁰⁴ “equally” is deleted.

³⁰⁵ “which we have witnessed, down even to the present hour,” is inserted.

³⁰⁶ “opinion” replaces “operation”.

gold, he starved, as the fable tells us, in the midst of ³⁰⁷ his imaginary riches. An early and poignant satire on the folly of identifying wealth with money! But the [f. 129] moral of the tale was lost on those who might have best profited by it. With whatever limitation this strange prejudice ³⁰⁸ may from the first have been admitted into the minds of any more sagacious individuals, its prevalence in po[f. 130r]pular opinion, and its operation on public measures were general, and in the highest degree detrimental to social happiness. It has given every where a false and most mischievous direction to the whole current of commercial legislation. Governments, taught to esti[f. 131r]mate the public prosperity by the increase of gold and silver, have at all times vied with each other which could produce, each in its own territories, the greatest accumulation of these precious metals; precious in their own nature from their comparative rarity and use, but actually supposed to comprise within their narrow limits ³⁰⁹ [f. 132r] the whole mass of human wealth. The extravagant follies, the measureless injustice produced by these vain imaginations, it would here be useless³¹⁰ to particularize. Who is now ignorant how much this single fallacy, unimportant as it might seem, has in fact contributed to retard the growing prosperity of Europe? Who does not recognize in the great³¹¹ change, which, on this point at [f. 133r] least, Smith's labours have ³¹² effected in the general opinions of mankind one of the most striking example of the benefit which improved science of whatever description always confers on human life & of the peculiar advantages which [f. 134r] have distinguished every step in the progress of political economy³¹³.

³⁰⁷ “plenty” is deleted.

³⁰⁸ “might” is deleted.

³⁰⁹ “all” is deleted.

³¹⁰ “useless” replaces “to long”.

³¹¹ “great” is inserted.

³¹² “now” is deleted.

³¹³ “opinion of mankind one of the most striking example of the benefit which improved science of whatever description always confers on human life & of the peculiar advantages which [f. 134r] have distinguished every step in the progress of political economy” replaces “opinions at least of this country the most striking evidence not only of the evidence benefit always resulting to human life from the growth of science, but also of the peculiar and practical advantage which immediatel[f. 134r]ly follow every step in the progress of political economy”.

[f. 135]

Table of Content

[f. 136]

First Chapter. Origin and nature of this science

Growth and subdivision of knowledge.— Improvements in Ethics and Politics.— Influence of the Reformation.— School of Grotius.— Policy of the middle ages.— Milton and Locke.— Separate cultivation of political economy.— Its connection with Ethics and Politics.— Its practical character and dependence on moral probability.— Objections from the alleged uncertainty of its conclusions.— Their refutation.— Character of Moral Evidence.— General admission of the first principles of this science.— Its debates now relate sometimes to disputed facts, — Sometimes to³¹⁴ the middle propositions of the science.— Such difficulties are increased incitements to pursue these studies.— Importance of this science.— Subordinate to higher branches of knowledge.— Its immediate benefits,— Its ulterior results,— And practical advantages.

[f. 139r]

Second Chapter. Definitions of political economy and national wealth.

Definition of political economy.— Its ends.— Its means.— Its leading divisions. And subject-matter.— Of national wealth.— Public—And private wealth.— Smith's first account of [f. 140] wealth.— His more correct view of it.— The word wealth has in common speech³¹⁵ two senses.— It may be used with equal propriety in either.— Articles of wealth.— Their three constitutive properties.— Utility.— Appropriation.— Capability of transfer.— The articles of our wealth are things external and sensible.— Many things useful are not wealth.— Neither moral nor intellectual qualities.— Nor health and liberty.— Nor skill or labour.— Nor value.— But wealth ministers largely to our intellectual happiness.— Definitions of wealth.— First as a condition of life,— and secondly, as a class of things possessed.— Abundance how far necessary to it.— Not positive but comparative.

³¹⁴ “Sometimes to” replaces “Or sometimes on”.

³¹⁵ “Speech” is inserted.

Appendix.

Notes and Illustrations.

Note A

See Chapter I. p. 12.³¹⁶

My subject compelled me to notice here, however briefly, the temporal usurpation of Rome before the Reformation, and the subsequent extinction and disclaimer of that noxious principle. But³¹⁷ in an age [f. 145r] of religious controversy unhappily revived, I should be sorry to incur the suspicion of seeking by exaggerated representations to inflame the heated passions on either side. The following extracts, among so many other proofs which might be adduced, will, I trust abundantly support³¹⁸ the strong³¹⁹ statements which I have made; first, of the enormous extent of the evil as it existed of old, and, secondly, of [f. 146r] its entire cessation, not only in our own days, but very long before.

“Le treizieme siècle”, says a modern French ³²⁰ historian in an impressive summary, ³²¹ “fût celui des papes hautains et ambitieux. Innocent III.^I mit le royaume de France en interdit, à cause du divorce de Philippe-Auguste; déposa le roi d’Angleterre; pour avoir chassé l’archevêque [f. 147r] de Cantorbéry; excommunia des princes, donna des royaumes, et fit prêcher la croisade contre les Albigeois. Honorius III.^{II} anathémastisa et dépouilla le comte de Toulouse, établit l’ordre

^I [f. 146v] (1) 1198

^{II} [f. 147v] (2) 1216

³¹⁶ See Chap 1 f. 6r.

³¹⁷ “But” is inserted.

³¹⁸ “will, I trust abundantly support” replaces “may serve to illustrate both”.

³¹⁹ “strong” is inserted.

³²⁰ “writer” is deleted.

³²¹ “of this subject” is deleted.

de Saint Dominique, et défendit d'enseigner le droit civil à Paris. Les règnes de Grégoire IX.^I et d'Innocent IV.^{II} furent remplies de leurs démêlés avec l'empereur Frédéric II. [f. 148r] qu'ils excommunièrent quatre fois, et ils distribuèrent les états à des princes qui osaient les accepter. Alexandre IV.^{III} établit les inquisiteurs en France ; Urbain IV.^{IV} dépouilla la maison de Souabe du trône de Naples, pour le donner à Charles d'Anjou. Clement IV.^V disposa de la Sicile. ” Daru, Hist. de Bretagne, vol. 2. p. 30. [f. 149r]

Such is the history of these outrages, not during the whole prevalence of that blind superstition which so subjugated the rights and feelings of mankind, but in little more than half a century. Other instances, precisely of the same character, and some of them perhaps still more striking; when separately [f. 150r] considered, are familiar to every one. It is the accumulation of such crimes within so short a period which renders this statement so impressive. But the same principles prevailed at Rome during much the greater part of the middle ages. The diffusion of knowledge and the increasing strength [f. 151r] of the European monarchies ³²² began at last³²³ even before the Reformation, to raise formidable obstacles to these usurpations. But the spirit³²⁴ seems to me to have remained unabated until the final establishment of that great event. In our own history, for example, I see no change of principle, though much of power [f. 152r] between the³²⁵ consecrated banner of the Norman conqueror, and the last vain thunders aimed against Henry and Elisabeth.

For the very different³²⁶ opinions held and acted upon in this respect by the Roman Catholic church, such as it now existed in Europe, I refer also to a French publication; to the article “Libertés de l'Eglise Gallicane” in [f. 153r] the “Dictionnaire de jurisprudence”, printed at Paris in 1785, and forming part of the Encyclopédie Methodique.

^I [f. 147v] (5)1227

^{II} [f. 147v] (4)1243

^{III} [f. 148v] (5)1254

^{IV} [f. 148v] (6)1261

^V [f. 148v] (7)1265

³²² “had no doubt already” is deleted.

³²³ “at last” is inserted.

³²⁴ “spirit” replaces “same”.

³²⁵ “between the” is inserted.

³²⁶ “very different” is inserted.

This was the work of a professed jurist,³²⁷ and it is specially referred to with approbation and concurrence in the Theological of the same³²⁸ useful compilation. [f. 154r] This last, the Theological Dictionary, was, as it appears from the title-page, the production of an ecclesiastical of that church, one, as we may well presume, of unexceptionable orthodoxy, since he held at that time the high³²⁹ station of confessor to the King's brother who [f. 155r] afterwards reigned in³³⁰ France, under the title of Louis the Eighteenth.

It is stated in the work here referred to, that the liberties of the Gallican Church were reduced as early as 1609 to distinct propositions. In 1682, these were asserted and maintained by Bossuet himself, in common with [f. 156r] the whole body of that church. They rest, says my Author, on two fundamental maxims. "La première est, que les papes ne peuvent rien commander, ni ordonner, soit en général, soit en particulier, de ce qui concerne les choses temporelles ès pays et terres de l'obéissance et souveraineté du roi très [f. 157r] chrétien; et s'ils y commandent, ou statuent quelque choses, les sujets du roi, encore qu'ils fussent clerics, ne sont tenus leur obéir pour ce regard.

"La seconde, qu'encore que le pape soit reconnu pour suzerain ès choses spirituelles, toutefois en France, sa puissance absolue et infinie n'a point lieu; mais est retenue et bornée par [f. 158r] les canons et règles des anciens conciles de l'église reçus en ce royaume; *et in hoc maxime consistit libertas ecclesie Gallicanæ.*"

The author from whom I transcribe the above after explaining in some detail³³¹ the several consequences derived in France from the first of these maxims,³³² sums them all³³³ up in these words, "que les Papes [f. 159r] n'ont *aucun pouvoir* sur le temporel du royaume, en ce qui concerne, soit le souverain, soit les sujets."

Nor is this, he tells us, a privilege peculiar to the Church of France. On the contrary he shews by a learned and instructive enumeration, the similar rights maintained in every other part of Europe in communion with the Roman See. They all rest alike on the same [f. 160r] universal principle, that the supremacy whether of Popes or

³²⁷ "of that country," is deleted.

³²⁸ "voluminous and" is deleted.

³²⁹ "high" replaces "distinguished".

³³⁰ "who afterwards reigned in" replaces "of".

³³¹ "after explaining in some detail" replaces "proceed to explain".

³³² "," replaces "and"

³³³ "both" is inserted and replaced by "all".

Councils³³⁴ is solely and exclusively spiritual, and cannot, ³³⁵ without an infraction of the just rights of ³³⁶ civil authority, be extended by any art or contrivance to an interference with any temporal concerns whatever³³⁷.

This proposition he illustrates & proves,³³⁸ by the several institutions [f161r] of Germany, Spain, Naples, the Low Countries, Poland, Portugal, Savoy, Piémont, Sardinia, Sicily, and Venice. The whole is well worth the attention of those who wish to inform themselves of the real state of this question, such as it existed in Roman³³⁹ Catholic Europe before the French Revolution. I add as a sample of [f. 162r] the whole³⁴⁰, the following passage relating to a country where perhaps such principles would least be looked for by some of my readers.

“L’Espagne, qui paroît si soumise au siège apostolique, et qui semble même reconnoître l’infaillibilité du pape, quant au dogme, conserve précieusement l’indépendance de ses rois, les libertés du royaume, et les [f. 163r] droits des peuples. Tous les auteurs Espagnols pensent que, dans le gouvernement de leur états, les rois de l’Espagne ne reconnoissent point de supérieur, et qu’ils pouvoient au temporel, par la puissance souveraine qu’ils tiennent immédiatement de Dieu.

On a une attention extrême en Espagne, à empêcher que la juridiction [f. 164r] royale ne soit affoiblie par les tribuneaux ecclesiastiques.”³⁴¹

I think it needless to subjoin to these details what more immediately relates to our own country; the declarations of the foreign universities consulted by M^r Pitt in 1791, on which he grounded the tardy concessions of that year, or the oaths [f. 165r] and abjurations daily taken by the Roman Catholics of Great Britain and Ireland, to entitle themselves to their still limited privileges.

To these the advocate of exclusion³⁴² finds a ready answer. They are, it is said, assurances not to be trusted, deceptions calculated only

³³⁴ "whether of Popes or Councils" replaces "of Rome".

³³⁵ "with" is deleted.

³³⁶ "all" is deleted.

³³⁷ "whatever" is inserted.

³³⁸ "& prove," replaces "in some details".

³³⁹ "Roman" is inserted.

³⁴⁰ "I add as a sample of the whole" replaces "I extract as a sample of the rest".

³⁴¹ A note call is inserted, but the reference does not appear in the manuscript.

³⁴² "exclusion" replaces "persecution".

for³⁴³ a present and interested³⁴⁴ purpose. I wish not to discuss the character of such an argument, [f. 166r] or the spirit which it implies. But no such objection is applicable to the testimony here produced. The book from which it is extracted was the work of men wholly unconcerned with British politics, and was in great part printed and published before the revival³⁴⁵ of³⁴⁶ such discussions in this country.

[f. 167r]

Note B
Chap. II. Pp. 159.³⁴⁷

See Necker³⁴⁸ de l'administration &c. vol. 3.ch. 10.

He admits that in a country wholly separated from all others the quantity of circulating medium might be indifferent to the estimate of its wealth, as the prices of all commodities would in that case adjust themselves in their natural proportion³⁴⁹ to the actual amount of the money [f. 168r] whatever it might be. But from the moment that such a people began to have commercial and political relations with other nations, its means of self-defence, he thinks, would wholly depend on the amount of metallic wealth which it had previously accumulated within its own territory.

Whenever that should happen, "Le souverain," says he, "reconnoîtra que l'accroissement de l'or et de l'argent est un des [f. 169r] objets les plus importants de sa politique; et il considérera cette politique comme analogue et additionnelle à celle qui va le mettre dans la nécessité d'entretenir une armée pour sa défense ; tandis que, s'il étoit encore le souverain d'un pays sans connexion avec les autres puissances, il lui auroit suffi d'avoir [f. 170r] des deniers d'argent pour monnoie, et une maréchaussée pour soldats. " -p. 82.

If the dates would admit of the supposition, one might almost believe that the passage in which Smith so fully demonstrates the absurdity of these reasonings (W: of N:³⁵⁰ vol. 2. P.14), was written in direct answer to them, so particularly and minutely does it apply to every

³⁴³ "for" is inserted.

³⁴⁴ "interested" replaces "interest".

³⁴⁵ "revival" replaces "commencent".

³⁴⁶ "any" is deleted.

³⁴⁷ See Chap 2 f.126v-127r

³⁴⁸ "Necker" replaces "Neckar".

³⁴⁹ "proportion" replaces "production".

³⁵⁰ "W: of N:" is inserted.

part of [f. 171r] Necker's³⁵¹ argument. But the first edition of the *Wealth of nations* was published in 1776, and Necker's work in 1784. The latter of these writers only followed what the former had already confuted, the prevailing error of the day. And that day, I cannot forbear to remark it, was actually within the period of my own public life! So recent and so great has been in this science the improvement of human knowledge.

³⁵¹ "Necker's" replaces "Neckar's".