

The GrEco Project

Grenville's Economics

Lord William Wyndham Grenville

Essay on the Study of Political Economy
[1832]

Transcription: Christophe Depoortère

[f. 21r] Essay on the study of Political Economy¹

Growth and
subdivision
of know-
ledge.

The progressive subdivision of science is both a cause of its increase: its growth is shown, not in the enlargement only, but also in the multiplication of its branches. Every new fact which we observe, and every new law which we trace either [f. 22r] in the physical or the moral creation, opens to us fresh paths of inquiry, 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.

Such has been the wellknown course of the ² advances made ³ from the days of Bacon to the present time in natural philosophy. Less [f. 23r] obvious perhaps to common observation than these improvements, but fully as extensive and infinitely more important are those which have taken place during the same interval in ⁴ moral and political knowledge. How many, and how valuable are the maxims of public policy and justice, which now pass as undisputed truisms, but which long after the commencement of that period, and some of [f. 24r] them during much the greater part of its continuance, were unknown, or denied in principles, and in practice habitually violated! “Two centuries”, to borrow the indignant word of a Prelate of our own Church, “two centuries” have scarcely elapsed since an individual suffered the terrible death by fire under sentence of our laws for his religious opinions! It was in the days of Bacon, that an Anabaptist was burnt [f. 25r] at Coventry for heresy! This horrid spectacle disgraced the twelfth year even of the seventeenth century!

Yet it was near a century before that time (so slow in the progress of thuth), that the first lawn of amendment was opened to Europe by the important controversy of the Reformation. Great good has been derived from that event, even to those countries where it has not yet finally established a purer faith: inestimable [f. 26r] has been its value to the more favoured nations which long ago reaped from it that great advantage! Everywhere the war has ceased which the Pontiffs of Rome

¹ MS in British Library Add. MS. 69127 ff. 21-88. Latest Watermark 1832.

² “astonishing” is deleted.

³ “by the European nations” is deleted.

⁴ “our” is deleted.

waged in their day, with no less perseverance than her consuls and Emperors had before done, against the political independence and civil liberties of mankind. Some obsolete pretensions may still perhaps be secretly maintained by her Church in theory, or imputed to [f. 27r] her in controversy, but for every practical purpose, their assertion is abandoned. The poisoned weapons which she so long wielded in that conflict, have lost all real efficacy. The morbid superstition has ceased on which alone they could have operated. Every mind now recoils with horror from the crimes and miseries to which the holy name of our religion was the prostituted in all parts of Europe. [f. 28r]

The progress of religious truth soon led the way for investigating also the foundations of morals, and consequently those of true political wisdom. Such was, indeed, the only course in which the ethical and civil sciences ever could be prosecuted with full success. Politics essentially depend on morals, and morals on Religion.

The perception and observance of this [f. 29r] great principle, gave accordingly the first effective impulse and right direction to the cultivation of political knowledge. This invaluable service; the source already of so many blessings to mankind, and from which so much additional benefit is still to be anticipated, we principally owe to Grotius and his disciples, animated, as one of themselves has told us [f. 30r] by the genius and enterprize of Bacon¹. And if the labours of that admirable school of wisdom and virtue seem at this time to [f. 31r] 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 [f. 32r] discovered or revived, have by the result of their endeavours been made familiar to every civilized community. The real origin and purpose of the social union of mankind, the legitimate end for which alone all government exists, the duty and the principles of justice in all domestic and all international transac [f. 33r] tions, and the entire coincidence of public with private morality in every branch of politics, are now received as the first principles of civil science; engrafted into our traditional knowledge, assumed in every enquiry, and admitted in every

¹ [f. 30v] On a lieu de croire que ce fut la lecture des ouvrages de ce grand homme (Bacon) qui inspira à Grotius la première pensée de faire une système de droit naturel & &. Barbeyrac. Inad. de Puffendorf. Preface

discussion: like the great discoveries in physics, the revolution of the planets, on the gravity of matter, unknown or obscured of old, but which it [f. 34r] would in these days be as superfluous to prove, as it would be extravagant to dispute.

Policy of the middle ages.

What a contrast does this exhibit not only with those theories of systematic wickedness which had before been openly promulgated¹; but with the established course and principles of ⁵ policy, both foreign and domestic, ⁶ actually pursued by every government in Europe throughout the [f. 36r] whole continuance of the middle ages! How gratifying is the political knowledge of this day, in comparison even with those times, they might almost be called those recent times, when in our free country some of the most powerful minds by which it has ever been adorned, were still occupied in the refutation of absurdities, to which no man of sense [f. 37r] would now give a serious answer! It is in Milton and in Locke ⁷ that we read long and labored arguments against the divine right

Milton and Locke

¹ [f. 33v] This is not the place for examining the disputed question as to the ⁸ purpose with which Machiavel's well-known treatise was written. How it was received, and understood, we may gather from the fact, that it was put by Cromwell, (the Vicar general,)⁹ into the hands of Pole, then a young man, as an instrument of lending him against his opinion¹⁰ to a compliance with the proceedings of Henry the Eighth in the matter of¹¹ his divorce. [f. 34v] Cromwell called it the work of an acute and ingenious modern, who had written those facts which daily experience "had convinced him *to be true*". See Furner's H. 8th. p. 608.

It was much later it was even in the middle of the last century, that D'Alembert did not hesitate to countenance in his vaunted Discours Preliminaire, the detestable doctrine that the principles of Political Morality, are either in their nature or their application different from those of ordinary [f. 35v] morals. "La Politique," he says, "espèce de morale d'un genre particulier et superieur, à laquelle les principes de la morale ordinaire ne peuvent quelquefois s'accomoder qu'avec beaucoup de finesse."

⁵ "that" is deleted.

⁶ "which was" is deleted.

⁷ "alone" is deleted.

⁸ "real" is deleted.

⁹ "(the Vicar general,)" is inserted.

¹⁰ "against his opinion" is inserted.

¹¹ "for" is deleted and "in the matter of" is inserted.

and absolute authority of Kings^I. Such were the men whose labours were in those days employed, whose eyesight, as Milton pathetically tells us, was *overplayed* in convincing [f. 38r] mankind that power uncontroled by law belongs to their rulers neither by God's appointments nor by the necessity of nature, nor by inheritance transmitted from the Patriarchs! How many more such instances might ¹² be adduced of discussions now become wholly superfluous but which were [f39r] then of the highest interest to society, and from which it still derives inestimable advantages. A whole volume of controversy, but an admirable volume, and one from which Milton himself might have profited^{II}, was devoted by Locke to the defence of a principle now so undisputed as that of religious toleration.

In this triumphant [f. 40r] advance over so wide a field of knowledge, the human intellect did not confine its victories to the mere overshadow of error. It strengthened itself on every side by large and fully proportionate acquisitions of positive and useful truth. In politics most especially, by the cultivation of a long neglected, but wide and fertile territory, a new province of wisdom has been discovered, a [f. 41r] new department of philosophy created.

^I [f. 36v] Milton Defensio &c. c. 1 to 6 and Locke on Government, book1.

I refer to such parts 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 consider it. What [f. 37v] ever 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 personal ambition that his blood was shed; and this too at a time when the complete termination of the contest left not even the last bad plea for such [f. 38v] a crime the plea of political necessity.

^{II} [f. 38v] Milton of True Religion &c and Locke, 1st Letter on Toleration.

Milton condemns, Locke vindicates the toleration of idolatry real or supposed |the imputed idolatry of the Papist.| So gradual has been the advance of truth. If evil names could justify persecution, what persecutor was ever at a 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.

¹² “readily” is deleted.

Separate
cultivation
of political
economy.

Its
connection
with Ethics
and Politics

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 principles [f. 42r] 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 purpose¹. It is by the different modes in which they conduce to its accomplishment, that the various branches [f. 43r] of our knowledge are properly distinguished. Ethics pursue it as resulting generally from the moral faculties and qualities of man. Politics, a branch of Ethics, pursue it as resulting from his social habits and institutions; and political economy, a subdivision of politics, pursues it as [f. 44r] resulting from such parts of these habits and institutions, as relate to his acquisition or use of wealth.

Its practical
character
and
dependence
on moral
probability

This science therefore partakes largely of the principal characteristics of the two great departments of knowledge from which it is thus derived. Like them it [f. 45r] teaches truth,¹³ not speculative or abstract, but ¹⁴ of immediate and practical application. It comes home, according to the well-known phrase of Bacon, both to the business, and to the bosoms of mankind. All its enquiries are interwoven with the concerns of social life, all its doctrines deduced from the intellectual and [f. 46r] moral character of man; from the consciousness of what passes within our own breast, and from our observation of the qualities and actions of our fellow-creatures. When the states man argue [f. 47r] in favour of free competition, he appeals to the original motives which lead men to the production and exchange of wealth. When he condemns the debasement of currency he reason from the causes which give to money its value in the estimation of society. All the theorems therefore of this science are solely [f. 48r] rested, not on the evidence of sense or demonstration, but on that of¹⁵ moral probability; which is, in the

¹ Omnis summa Philosophiae ad benébeatéque vivendum refertur
Cicero de fin:

¹³ “Truth” is inserted.

¹⁴ “such as are” is deleted.

¹⁵ “of” is inserted.

emphatic language of Butler, “the very guide of life”¹.

Objections
from the
alleged
uncertainty
of its
conclusions.

These considerations afford to us in the outset of this study the proper answer to a preliminary objection very commonly urged against it, the objection drawn from the [f. 49r] supposed uncertainty of its conclusions. It would be a vain labour to refute the cavils of willing ignorance, depreciating what it has never sought to understand. But candid and enlightened men have not unfrequently been struck with the great difference of opinion which they observe among the followers of this science; and have thence concluded, but [f. 50r] concluded much too hastily, that political economy offers to the enquirer no adequate assurance of truth, no reasonable ground of confidence.

Their
refutation

To convince ourselves of the fallacy of this inference, we need only consider to what lengths it would extend our scepticism on subjects still more important. When have not politicians debated on constitution [f. 51r] and forms of government, and philosophers on the very foundation and test of moral? How unceasing in all ages of Christianity has been the prevalence of religious controversy. But shall we therefore conclude with Pope, that all forms of government are indifferent to social happiness?¹¹ Shall we deny with Brutus the [f. 52r] existence of virtue or suffer the varying interpretations of men to undermine our trust in revelation itself?

Character of
Moral
Evidence

All moral evidence admits of an almost infinite variety, both in the real force of the proof, and in the conviction which it operates on minds differently prepared for its reception. [f. 53r] So judge between conflicting opinions in such cases, and to govern our conduct by the result, is the appointed use of our faculties. But to expect in such judgments either absolute certainty to ourselves, or the unanimous concurrence of others, is to require that the constitution of our nature shall be changed.

¹ [f. 47v] 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 added¹⁶.

¹¹ [f. 50v] for forms of government let fools contest that which is best administered is best. Presumptuous, but most superficial dogmatism.¹⁷ He forgets that the very point in contest is, under what form of government its good administration is best provided for.

¹⁶ “Respecting the application of demonstration to moral sciences, there is some difference among the best writers on these subjects. A few imperfect remarks on [f. 48v] this point will be found in the Appendix to this Essay Note” is deleted.

¹⁷ “Presumptuous, but most superficial dogmatism” is inserted.

General admission of leading principles [f. 54r] of this science

I have already dwelt perhaps too long [f. 54r] on this groundless prejudice. But for its complete refutation we must also bear in mind, of what character are the questions now most commonly debated among political economists. In the present state of this science, seldom if ever, do their controversies extend to any of its fundamental principles, or even to its most general theorems. [f. 55r] these almost all men are agreed; and if such concurrence were really the test of truth, political economy might, thus far at least, be confidently rested on that foundation. Who now disputes that nature, or the extent, of the benefits which society derives from the security of property, the subdivision of labour, or the compe[f. 56r]tition of trade; from the use of money in exchange, or of machinery in manufacture? And if from these truths we ascend to primary and original foundation of this science, we shall find them established, if possible, in still more undoubted certainty. For in what do these really consist? First, in our strong persuasion of the influence which the common principles of [f. 57r] human nature exercise over the ordinary conduct of mankind. Secondly, in the universal desire and pursuit of happiness which we recognize as on[e] of the most prevalent and powerful of all those principles. Newt to this [f. 58r] in the powerful effect of this motive, especially when combined with the social affection, for animating man to labour for the necessaries and conveniences of life. And lastly in the inevitable tendency of these exertions, when protected and secured by law, to promote also the common welfare of the whole so[f. 59r]ciety. To these four propositions this whole science may be ultimately be referred. And these are, in the words of Stewart, “practical maxims approved by the experience of all ages, and of which, if we wish for any additional confirmation, we have only to retire within our own bosoms, or to open pour eyes to what is passing around us[?]”^I. [f. 60r]

Its debates now relate sometimes to disputed facts.

But the recognition and establishment of the first principles of any science are wholly insufficient to govern its practical application. “Remote and superficial generalities”, says Bacon “do but offer knowledge to the scorn of practical men, and are¹⁸ no more aiding to practice, than an universal map is to direct the way between London and York”. [f. 61r] No one becomes an engineer by learning the first laws of motion, nor a physician by acquainting himself with the general structure of the human body. In commercial legislation, the facts, even the most

^I [f. 58v] Philosophy of the Mind b. 4 s. 5

^{II} [f. 59v] Bacon, i. 155.

¹⁸ “are” is inserted.

simple facts, of the case to be provided for, are not unfrequently the main subject of dispute^I. Nor is this in any degree surprizing. To say nothing of the overwhelm[f. 62r]ing influence of prejudice and interest in such cases, Political arithmetic, or, as it is sometimes called, statistical science, is, in truth, still in its infancy. It was justly observed by Smith^{II}, and its subsequent improvement has borne no adequate proportion to that of political economy. To observe facts correctly and report them with accuracy, is indeed in no branch of knowledge a talent of easy acquisition. It presupposes always [f. 63r] some considerable proficiency in the science to which it is to be applied. “A parish nurse”, says Stewart, “or a village apothecary, can scarcely describe the plainest case without employing a phraseology of which every word is a theory;” and in most instances, we may add, a theory perfectly erroneous^{III}. This remark is, if possible, still more applicable to political economy. [f64r] Many sources of error are common to all knowledge: but in this science the statements of the uninstructed, and still more those of the half-instructed, are above all perplexed by the ambiguous and popular phrases in which men commonly describe the objects of their familiar observation. Thus in those periods, for instance of commercial distress, with which we [f65r] have of late been so often visited, the general complaint is of a *want of money*. How easily is this confounded with a deficiency of circulating medium; and hence we are deluged with projects for extending our

^I [f. 60v] In the session of 1827, Petitions were presented to Parliament from all the principal ports of Great Britain, stating the alarming decrease of British shipping, and the proportionate increase of foreign ships employed in the commerce of this country; and urging Parliament to provide for this alleged evil by new prohibitions. But when the official returns [f. 61v] were produced, it appeared that the petitioners were ignorant of those very facts with which they might have been supposed to be best acquainted. Both in their total amounts, and in the particular entries of almost every one of the petitioning ports, it was shewn that the proportion of British to foreign shipping, instead of being diminished, had,, the precise period complained of, very considerably [f. 62v] increased. See Huskisson’s Speech on this Subject, May 7. 1827.

^{II} [f. 62v] Smith B. 4 c. 5.

^{III} [f. 62v] Philosophy of the Mind, C. 4. S. 5. In the context of this passage the whole topic to which I have here briefly adverted, is discussed with great perspicuity and force, and with a direct reference to this science.

currency, in the very moments when its inordinate excess has been probably the principal, and possibly the sole cause of the existing evil.

Or
sometimes
on [f. 66r]
the middle
propositions
of the
science.

But if the facts [f. 66r] of the case, instead of being contested, are admitted or assumed, the controversy then turns most commonly on the conclusions which they authorize, when referred, not to universal, or most general principles, but to the less comprehensive theorems, or, as Bacon terms them, *middle propositions*, which compose [f. 67r] the main body of every science, and in whose successive discovery, established¹⁹ and improvement its progress essentially consists¹. Thus if corn laws are in question, the general benefits of unrestrained trade are admitted without debate. But it is disputed whether in that particular case this principle should not be qualified by rules of more limited and special application: by [f. 68r] conclusions drawn for instance, from the supposed danger of depending on importation for subsistence, or the supposed expediency or even necessity in a given condition of the community, of favouring agriculture preferably to all²⁰ other industry.²¹ On the other hand it is contended, that the varying prices of an article whose supply in each particular country fluctuates²² with the variations of seasons, require above all [f. 69r] others the corrective of a more extended market; and that the unfailing abundance and cheapness of food would be the greatest of all benefits which²³ people could derive

¹ [f. 66v] “Plato in his *Theætetus*, noteth well, “That particulars are infinite, and the higher generalities give no sufficient direction; and that the pith of all sciences, which maketh the artsman differ from the inexpert, is in the middle propositions, which in every particular knowledge are taken from tradition and experience.”

Advancement of Learning B. 2. vol. 1. p. 132.

Bacon here quotes from memory. [f. 67]

No such passage I believe, to be found in the *Theætetus*. In the Latin version of this part of Bacon, the reference to the particular dialogue is omitted and it is only said that this doctrine²⁴ is frequently²⁵ intimated by Plato. *Plato non semel innuit, particularia &c. &c.*

De Augmentis, &c.

¹⁹ “established” is inserted.

²⁰ “all” is inserted.

²¹ “While” is deleted.

²² “always” is deleted.

²³ “any” is deleted.

²⁴ “opinion” is deleted and “doctrine” is inserted.

²⁵ “to be found in” is deleted and “intimated by” is inserted.

from its commercial legislation. Such illustrations might be multiplied almost without limit. They abound in all political discussions.

But in every such [f. 70r] instance, whether the doubt be of fact or of theory it is self-evident that the whole difficulty arises from the deficiency of our own knowledge. It is the too limited diffusion of this science, or its too imperfect cultivation, which will embarrass the application of even its simplest truths.

Such difficulties are increased incitements to pursue these studies.

Such controversies therefore, instead of rendering these studies an object of distrust [f. 71r] afford the strongest possible incitement to prosecute them with increased diligence and zeal. Thus only can we hope for satisfaction to our own minds in whatever resolutions we adopt, and, which is still more important, thus only can we render them conducive to the happiness of others. If indeed in these cases it were possible to abstain from [f. 72r] all decision, such might be the advice of the sceptic, and such the wish, if not of enlightened and vigorous minds, yet at least of the uninstructed, and the timid. But in the practice of any science, and above all in the practice of politics, inaction is itself a decision, irresolution is a course [f. 73r] of conduct, and commonly the worst which we can pursue. And if in matters which concern ourselves, our families, or friends, even the lowest balance of presumption “lays us” to use the words of Butler,²⁶ “under an absolute and formal obligation”¹ to act according to our best judgment, shall we put to hazard the welfare or safety of [f. 74r] our country, waiting on the vain hope of an unattainable certainty? Unquestionably not. Every man to whom, in his allotted sphere of action, the means are entrusted of influencing any public determination is bound so to employ them, as he judges most conducive to the public happiness. Of then for this purpose he is compelled to decide is he not also [f. 75r] bound to enquire? And who does not see that in whatever course that enquiry may be pursued, or however denominated, it is, in truth, the study of political economy

Importance of this Science.

On the importance therefore of this science, it would be needless to enlarge, especially at a time, and in a country, in which it en[f. 76r]gages such general attention. Notwithstanding some objections, such as I have already combated, we see for the most part little disposition to undervalue these studies. The current of opinion runs perhaps rather towards the opposite extreme, that of exalting too highly their usefulness²⁷ and dignity.

¹ [f. 72v] Butler Anal: Preface.

²⁶ “to use the words of Butler,” is inserted.

²⁷ “utility” is deleted and “usefulness” is inserted.

Subordinate
to higher
branches of
knowledge.

Even in that extended sense, in which [f. 77r] wealth is treated of in this science, it neither constitutes the whole, nor the most important part of individual, or of national happiness. Other objects, exalted far above the scope of political economy, are infinitely more valuable than any which it embraces. the rules for the cultivation, exercise, and right direction of our [f. 78r] intellectual and moral faculties, the grounds, and the measures of our duty to our Creator, and to our fellow-creatures, are the subjects of a much higher knowledge. From these sources purer and more abundant happiness is derived to man, than can ever be afforded by the possession, or the command of wealth.

²⁸ [f. 79r] In political science itself many are the considerations to which that of national wealth is daily sacrificed, as of an importance manifestly subordinate. Such are, for example, the defence of a state against foreign aggression, the preservation of its internal tranquility, and the knitting together of all its members, [f. 80r] “In union, and firm faith, and firm accord.”¹ Such, and if possible, yet more essential to social happiness, is the due administration of distributive justice in its three great requisites, integrity, certainty, and dispatch: more sacred still is the inviolable security of personal and civil freedom, and above them all is that [f. 81r] on which all depend, the enlarged and comprehensive wisdom, which, according to the varying circumstances and character of each community, ²⁹ combines, improves,³⁰ and upholds those ³¹ forms and securities of government, which the experience of all times has proved to be the only solid foundation of public prosperity.

Its
immediate
benefits.

Yet even with these [f. 82r] and with all our still higher studies the true principles of political economy are in many ways inseparably connected. And after these it may safely be affirmed, there is no other branch of human knowledge of more utility than this, and therefore of higher dignity. It embraces great and important questions of daily occurrence in the conduct of all [f. 83r] civilized communities, and teaches the duty of the legislators and rulers of mankind in some of their most arduous and noblest functions. In every part of government to which its enquiries have any reference it supersedes by fixed principles of general application, and universal benefit, a course of systematic error,

¹ [f. 79v] Milton.

²⁸ “Yet even with these higher” is deleted.

²⁹ “best” is deleted.

³⁰ “improves,” is inserted.

³¹ “mixed” is deleted.

which has long obstructed the improvement, and impaired the happiness of the most enlightened of human societies. [f. 84r]

Nor are the ulterior results of this science less important than its immediate objects. It shows the passions and propensities of man, those even which are most liable to abuse, yet made by their true destination to which together for his good. It exhibits to our administration and reverence a fresh, and long unheeded proof of the benevolent [f. 85r] wisdom of the Creator; a new instance of that unity of design, that correspondence of purpose and means, and that mutual adaptation of things apparently the most distinct,³² which pervade his whole creation. And it impresses on our minds with irresistible conviction, even in cases to which that great principle of his [f. 86r] moral government has some times been thought least applicable, the eternal union of justice and expediency. In practice, these conclusions are of the utmost value to the whole frame of social life. They tend to conciliate man to man, and nations to nations, superseding by the sense of reciprocal benefit, and the spirit of general benevolence, those low rivalries of commerce or manufactures the causes of so much animosity, the sources of so many wars; and tearing up from its roots the detestable, but too familiar notion, of a natural enmity between any human societies. In direct contradiction to that malignant principle, this happier knowledge shows with unerring certainty, that the prosperity of every individual is best promoted by that of his fellow citizens, and the prosperity of every state by [f. 88r] that of the neighbouring and surrounding nations. In humble subservience to a much more exalted wisdom, political economy proclaims aloud “peace on earth, and good will towards men.

³² “from each other,” is deleted.

~~Their~~ Its
ulterior
results.