DICTIONARY

OF

Α

POLITICAL ECONOMY:

Biognaphical, Bibliognaphical, Gistonical, and Pnactical.

BY

HENRY DUNNING MACLEOD, Esq., B.A., F.S.S.,

OF TRINITY COLLEGE, CAMBRIDGE : OF THE INNER TEMPLE ; BARRISTER-AT-LAW ; FELLOW OF THE CAMBRIDGE PHILOSOPHICAL SOCIETY.

AUTHOR OF "THE THEORY AND PRACTICE OF BANKING," AND "THE ELEMENTS OF POLITICAL ECONOMY."

VOLUME I.

0 4 7 33

LONDON:

LONGMAN, BROWN, LONGMANS, AND ROBERTS. MDCCCLXIII.

THE AUTHOR RESERVES THE RIGHT OF TRANSLATION.

Nos certe, æterno veritatis amore devicti, viarum incertis et arduis et solitudinibus nos commisimus; et divino auxilio freti et innixi, mentem nostram et contra opinionum violentias et quasi instructas acies, et contra proprias et internas hæsitationes et scrupulos, et contra rerum caligines et nubes et undequaque volantes phantasias, sustinuimus; ut tandem magis fida et secura indicia viventibus et posteris comparare possemus. Quâ in re si quid profecerimus, non alia sane ratio nobis viam aperuit quam vera et legitima spiritus humani humiliatio.

BACON-Instauratio Magna-Præfatio.

For my own part at least, in obedience to the everlasting love of truth, I have committed myself to the uncertainties, and difficulties, and solitudes of the ways; and relying on the divine assistance have upheld my mind against the shocks and embattled ranks of opinion, and against my own private and inward hesitations and scruples, and against the fogs and clouds of nature, and the phantoms flitting about on every side; in the hope of providing at last for the present and future generations guidance more faithful and secure. Wherein if I have made any progress, the way has been opened to me by no other means than the true and legitimate humiliation of the human spirit.—Spedding's Translation.

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parcels is comparatively greater than that of large ones. Silver is, comparatively speaking, in much greater demand than gold. There are few persons in easy circumstances who do not possess more or less of solid silver plate. But such a thing as gold plate scarcely exists. What is called gold plate is only silver gilt. Solid gold is only used for such purposes as watch cases, or trinkets, such as chains, pencil cases, brooches, &c. Silver, therefore, is in far greater demand for commercial purposes than gold is, and it is this which raises its value to a higher proportion in comparison to gold, than might be expected from their comparative quantities. It might no doubt be said, that it is its very cheapness in comparison to gold that makes it more sought after, and the excessive dearness of gold that prevents it being used as extensively as silver, which is to a certain extent true. But the very cheapness of silver causes a much greater number of persons to be able to afford to have it than gold, and consequently the intensity of the demand for silver compared to the supply, is much greater than the intensity of the demand for gold compared to the supply, and this has a similar effect, as in the other cases, of raising the value of the smaller article to a much greater comparative rate than that of the larger one.

This example, too, has the further advantage of breaking down the false distinction erected by Ricardo in treating different cases of values, which is utterly subversive of the fundamental principles of Inductive Philosophy, (CONTINUITY, LAW OF,) and bringing all cases of value under one general theory.

The process of creating the science of Political Economy on the true principles of Inductive Science, furnishes many other examples of a similar nature, but this will suffice for the present, the fact is, that like the law of gravitation in astronomy, the undulatory theory in optics, the application of the law of supply and demand to Political Economy is a succession of felicities.

CONSILIENCE OF REFUTATIONS. In the preceding article we have stated that Dr. Whewell has given the apt name of Consilience of Inductions to the well-ascertained fact in the progress of all true Inductive Sciences, that different classes of phenomena are reduced to the same general principle, thereby affording never-failing evidence of its truth. Now, correlative to this, we may have what we may call, in imitation of Dr. Whewell, a Consilience of Refutations; that is, where different classes of fallacies, apparently remote and unconnected with each other, spring from the same false principle. If the eminent historian of the Inductive Sciences would think it worth his trouble, we doubt not that he might furnish examples of this second principle, as instructive and conclusive as of the first. At any rate, as Political Economy abounds with examples of the Consilience of Inductions, it also presents abundant examples of the Consilience of Refutations. We will only give one here. There are two erroneous currency doctrines, apparently of the most opposite description, yet they both proceed from the same fundamental error. The one is what is called the currency principle, which is so

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permitted to be issued, it should only be exactly equal to the coin it displaces. The other is Law's Theory of Paper Currency, which maintains that as gold is made the basis of paper currency, so also any other article of value, such as land, &c., may be turned into money to the amount of its value. in a similar way. Now, both these errors, which are manifestly exactly opposite to each other, spring from the same fundamental error respecting the nature of credit. They both suppose that paper credit represents money. The one party says that it ought strictly to be confined to the money it displaces; the other says, apply the same principle, and turn all the valuable property in the kingdom into paper currency. Now these spring from a fundamental miscon-

ception of the nature of credit. Credit, as we have fully explained under CREDIT and CUE-BENCY, does not represent money, but is a substitute for money, and is independent exchangeable property itself; and it is not founded on the quantity of money, but on the number of transfers of money. Now, these opposite doctrines being both founded on complete ignorance of the nature of the subject, have produced great mischief in practice. Law's Theory of Money having been repeatedly tried, has produced great financial catastrophes, which are fully detailed in this work. The attempt to enforce the other doctrine of the currency principle, would also have produced wide-spread disaster and ruin if it had been persevered in; but in the two crises of 1847 and 1857, the ministry did not dare to maintain the Bank Act, and resorted to the dangerous precedent of authorizing the Bank of England to violate the law, rather than bring down the tremendous ruin that would have ensued if it had not been relaxed. (CRISIS, COMMERCIAL; CURRENCY PRINCIPLE.)

CONSTANCIO, FRANCISCO SOLANO, an eminent Portuguese surgeon, born at Lisbon, 24th July, 1777. He translated into French the works of Malthus, Ricardo, and Godwin,

CONSTANS. GERMAIN. Traité de la cour des monnoyes. Paris, 1658.

CONSTANT.

Crédit, agricole et foncier. Paris, 1850.

CONSUMPTION. All Economists use the word Consumption as the correlative of Production, whatever that may mean. Unfortunately, however, no Economist has scientifically investigated the meaning of the word Production, and consequently the economic meaning of Consumption is still in an equally unsettled state.

The words Production and Consumption are two of the leading fundamental terms in Eco-nomic Science, and they are so intimately related to one another, that it would have been very convenient to have considered them together. As the arrangement of this work, however, does not permit that, we must simply refer to the article PRODUCTION, in which the Economic meaning of that term is fully investigated.

We shall, in the following remarks, lay before our readers what some of the principal writers on strongly supported by Lord Overstone and his the subject have said about Consumption, and the sect. It is this, that when a paper currency be different meanings that have been attributed to it,

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accidental ideas from the term, by the usual methods of Inductive Logic, and reduce it to that extreme degree of generality to which we have said that all the fundamental conceptions of every science must be brought, before they can be accepted as fitted to form the basis of a sciencenamely, that in which they shall contain but one fundamental idea. And what this single fundamental idea is, can only be determined by keeping steadily in view the nature and the limits of the science.

It will not be necessary to go to any author before Adam Smith ; we shall therefore lay before our readers a few passages from the Wealth of Nations, and endeavour, if possible, to discover what Smith meant by Consumer and Consumption. The first sentences of the Introduction to the work are as follows :----

"The annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labour, or in what is purchased with that produce from other nations."

"According, therefore, as this produce, or what is purchased with it, bears a greater or smaller proportion to the number of those who are to consume it, the nation will be better or worse supplied with all the necessaries and conveniences for which it has occasion.'

In Book II., chap. i., he says, that when a man possesses sufficient stock to maintain him for months, or years, he "naturally endeavours to derive a revenue from the greater part of it, reserving only so much for his immediate consumption as may maintain him till this revenue begins to come in.'

He also says, in the same chapter, that in floating capital is to be classed "money by means of which all the other three are circulated and distributed to their proper consumers."

In chap, ii. of the same Book, he says :---

"Though the weekly or yearly revenue of all the different inhabitants of any country in the same manner may be, and in reality frequently is. paid to them in money, their real riches, however, the real weekly or yearly revenue of all of them taken together, must always be great or small in proportion to the quantity of consumable goods which they can all of them purchase with this money. The whole revenue of all of them taken together is evidently not equal to both the money and the consumable goods; but only to one or other of those two values, and to the latter more properly than to the former."

"Though we frequently, therefore, express a person's revenue by the metal pieces which are annually paid to him, it is because the amount of those pieces regulates the extent of his power of purchasing, or the value of the goods which he can annually afford to consume. We still consider his revenue as consisting in this power of purchasing or consuming, and not in the pieces which convey it."

And further on in the same chapter, after shewing that the use of money is to circulate and distribute these consumable goods to their proper owners, speaking of a banker's notes, he says that -" The same exchanges may be made, the same

and we shall then endeavour to eliminate all | quantity of consumable goods may be circulated and distributed to their proper consumers, by means of his promissory notes to the value of £100,000, as by an equal value of gold and silver." here evidently shewing that credit performs exactly the same functions as money in circulating goods. And there are abundance of passages which may be quoted from Smith, to shew that he always considers instruments of credit of all sorts as performing the very same functions that money does. (CREDIT.)

Again he says, in the same chapter-

"The circulation of every country may be considered as divided into two different branches: the circulation of the dealers with one another, and the circulation between the dealers and the consumers. Though the same pieces of money, whether paper or metal, may be employed, sometimes in the one circulation, and sometimes in the other, yet as both are constantly going on at the same time, each requires a certain stock of money of one kind or another, to carry it on. The value of the goods circulated between the different dealers, never can exceed the value of those circulated between the dealers and the consumers; whatever is bought by the dealers, being ultimately destined to be sold to the consumers. The circulation between the dealers as it is carried on by wholesale, requires generally a pretty large sum for every particular transaction. That between the dealers and the consumers, on the contrary, as it is generally carried on by retail. frequently requires but very small ones, a shilling or even a halfpenny being often sufficient. But small sums circulate much faster than large ones. A shilling changes masters more frequently than a guinea, and a halfpenny more frequently than a shilling. Though the annual purchases of all the consumers, therefore, are at least equal in value to those of all the dealers, they can generally be transacted with a much smaller quantity of money, the same pieces, by a more rapid circulation, serving as the instrument of many more purchases of the one kind than of the other.

"Paper-money may be so regulated as either to confine itself very much to the circulation between the different dealers, or to extend itself likewise to a great part of that between the dealers and the consumers. Where no bank notes are circulated under ten pounds in value, as in London, paper-money confines itself very much to the circulation between the dealers. When a ten pound bank note comes into the hands of a consumer, he is generally obliged to change it at the first shop where he has occasion to purchase five shillings' worth of goods, so that it often returns into the hands of a dealer before the consumer has spent the fortieth part of the money. When bank notes are issued for so small sums as twenty shillings, as in Scotland, paper money extends itself to a considerable part of the circulation between dealers and consumers."

Again, in Book V., c. ii., in speaking of taxes on commodities, he says,-" Consumable commodities, whether necessaries or luxuries, may be taxed in two different ways: the consumer may either pay an annual sum as on account of his using, or consuming, goods of a certain kind : or the goods may be taxed while they remain in the hands of the dealer, and before they are delivered to the consumer. The consumable goods which these of which the consumption is either immediate or more speedy in the other.'

So again, in the same chapter, he says,-"The duties upon foreign luxuries imported for home consumption, though they sometimes fall upon the poor, fall principally upon people of middling. or more than middling, fortune.

Now the question is this-In these passages just cited, what is the meaning of these mysterious words Consumer and Consumption? Can any human being divine what Smith means by consumable goods? From many of the passages cited he evidently means destructible goods. Is that his meaning? Most goods, we imagine, are capable of being destroyed. But do persons always buy goods to destroy them? Is the consumer of goods the destroyer of them? It is true that some goods are bought for the purpose of being destroyed, such as food of all sorts, candles, oil, fireworks, and many other things, 19 which destruction is necessary to their use, and they are only useful by being destroyed. In other goods, again, destruction is incidental to their use-such as clothes, houses, some species of furniture, utensils, carriages, watches, &c. Now these are not bought for the purpose of being destroyed, though that invariably accompanies their use. But there are many things which are not bought for the purpose of being destroyed, nor is destruction incidental to their use. Thus, for instance, if a man buys statues with his income to gratify his tastes, does he mean to destroy them? or is destruction incidental to their use? Certainly not. If a statue be preserved from the weather, there is no limit to its duration. It will last as long as the world. The same may be said of many other things, such as porcelain, trinkets, precious stones, and many articles of furniture.

Now the sculptors, goldsmiths, &c., who make and sell these statues, trinkets, &c., are certainly their producers, and therefore we should naturally call the purchasers the consumers, and, in fact, Smith, in some of the above passages, evidently uses the word consumers as synonymous with purchasers. Is then the purchaser of an article to be considered as the consumer, if he does not destroy it? We do not think that Smith's work furnishes any answer to this question; or is the word consumers to be confined to the purchasers of destructible articles? Are then the purchasers of indestructible articles not consumers? If the makers and sellers of all articles, destructible and indestructible are producers, surely the purchasers of these same articles must be all consumers, since it is agreed that consumption is the end of all production.

Smith's work, according to the introduction, only treats of Production and Distribution, whatever they may mean, and there is no part of it which expressly treats of consumption. But J. B. Say defines Political Economy to be the Science which treats of the Production, Distribution, and Consumption of Wealth, and it is divided into books treating of these respective subjects. Now by production he means the creation of Value (PRODUCTION), and by Consumption he means the destruction of value. Thus, in the Epitome at the end of his Traité d'Economie decay in them whatever. Was the Britannia

valeur d'un produit, soit pour en produire un autre, soit pour satisfaire ses goûts ou ses besoins, "CONSOMMATION; CONSOMMER. CONSOMMER. c'est détruire la valeur d'une chose, ou une portion de cette valeur, en détruisant l'utilité qu'elle avait, ou seulement une portion de cette utilité.

"On ne saurait consommer une valeur qui ne saurait être détruite. Ainsi, l'on peut consommer le service d'une industrie, et non pas la faculté industrielle qui a rendu ce service; le service d'un terrain, mais non le terrain lui-même.

"Une valeur ne peut être consommée deux fois : car dire qu'elle est consommée, c'est dire qu'elle n'existe plus.

"Tout ce qui se produit se consomme ; par conséquent toute valeur créée est détruite, et n'a été crèée que pour êtred étruite. Comment deslors se font les accumulations de valeurs dont se composent les capitaux ? Elles se font par la reproduction sous une autre forme, de la valeur consommée : tellement que la valeur capitale se perpétue en changeant de forme."

This doctrine of consumption, meaning destruction, has been so widely received among Economists, that we must give some further extracts from Say to make our readers fully acquainted with his doctrine. The third book of his Traité treats of the Consumption of Wealth. and he says :-

"La production ne pouvait s'opérer sans consommation, j'ai dû, dès le premier Livre, dire le sens qu'il fallait attacher au mot consommer.

"Le lecteur a du comprendre, dès-lors, que, de même que la production n'est pas une création de matière, mais un création d'utilité, la consommation n'est pas une destruction de matière, mais une destruction d'utilité. L'utilité d'une chose une foi détruite, le premier fondement de sa valeur ce qui la fait rechercher, ce qui en établit la demande, est détruit. Dès-lors elle ne renferme plus de valeur; cen'est plus une portion de richesse. "Ainsi, consommer, détruire l'utilité des choses

"Ainsi, consommer, détruire l'utilité des chores anéantir leur valeur, sont des expressions dont le sens est absolument le même, et correspond à colui des mots, produire, donner de l'utilité, aréer de la valeur, dont la signification est également paraille. "Toute consommation, étant une destruction de valeur, ne se mesure pas selon le rohmise mais selon leur valeur. Une grand consommation est celle qui détruit une grand valeur, sous quelque forme que cette valeur se manifeste. forme que cette valeur se manifeste.

"Tout produit est susceptible d'être consommé ; car si une valeur a pu être ajoutée à une chose, elle peut en être retranchée par l'usage qu' on en fait, ou par tout autre accident. * *

"Tout ce qui est produit est tôt ou tard consommé. Les produits n'ont même été produits que pour être consommés."

Now, with respect to this doctrine, we ask-Are statues and other gold ornaments produced for the purpose of being destroyed? And the work of the sculptor produces a value, according to Say. This case, as well as numerous others that might be cited, at once proves the fallacy of Say's doctrine. There are many works of value produced without the smallest intention of their being destroyed, and which have no principle of Bridge produced for the purpose of being des- | doit le perdre de vue toutes les fois qu'on raisonne troved?

It is quite clear from these examples that we must search for some idea of consumption far more general than that of destruction.

Say having, then, defined consumption to mean destruction, says that there are two kinds of consumption, Productive Consumption and Unproductive Consumption.

Productive Consumption is where an article is destroyed with the intention of being reproduced, or at least in its value.

Unproductive Consumption is where an article is destroyed without replacing its value.

The former of these corresponds with what Smith denominates Capital, and the latter with Revenue.

Say was determined to make the term productive consumption co-extensive with Capital; and in order to do this, he is led into a very remarkable confusion of ideas. For he is led not only to apply it to a destruction of materials, but also to their exchange.

Thus he says, Traité, p. 438,-" Dans sa consommation annuelle d'un particulier ou d'une nation, doivent être comprises les consommations de tout genre, quels qu'en soient le but et le résultat, celles d'où il doit sorter une nouvelle valeur. et celles d'où il n'en doit point sortir ; de même qu'on comprend dans la production annuelle d'une nation la valeur totale de ses produits créés dans l'année. Ainsi l'on dit d'une manufacture de savon qu'elle consomme en soude une valeur de vingt mille francs par an, quoique la valeur de cette soude doive reparaître dans le savon que la manufacture aura produit ; et l'on dit qu'elle produit annuellement pour cent mille francs de savon, quoique cette valeur n'ait eu lieu que par la destruction de beaucoup de valeur qui en réduiraient bien le produit, si l'on voulait les déduire. La consommation et la production annuelles d'une nation ou d'un particulier sont donc leur consommation et leur production brutes.

"Par une conséquence naturelle, il faut comprendre dans les productions annuelles d'une nation, toutes les marchandises qu'elle importe, et dans sa consommation annuelle toutes celles qu' elle exporte. Le commerce de la France consomme toute la valeur des soieries qu'il envoie aux Etats Unis; il produit tout la valeur des cotons qu'il en recoit en retour."

Say's idea is that the nation loses the value of what it exports, and gains the value of what it imports,-it may therefore be said to consume the one and produce the other.

But surely this is inconsistent with accepted language. A nation surely produces what it exports and consumes what it imports.

If this doctrine be true, the seller and the buyer of goods must both consume them. Because the seller loses their value, gaining their price in exchange, and the buyer, in most cases, destroys them. If this be true every shopkeeper consumes his goods by selling them.

We shall now see the consequences of this contortion of language. Say says a little further after the last extract, at p. 440 :--- " L'effet le plus immediat de toute espèce de consommation est la pert de valeur et par consequent de richesse, qui en résulte pour le possesseur du produit consommé. CONSUMPTION.

sur cette matière. Un produit consommé est une valeur perdue pour tout le monde, et pour toujours.'

Now let us apply this last doctrine to Say's previous one, that a nation consumes what it exports. Two nations export their produce one against the other. Each, therefore, according to Say, consumes its exports. But every consumption is destruction. Therefore, each nation destroys its exports for all the world and for ever ! Therefore, nations by trading with each other destroy their wealth ! A watchmaker sells a gold watch to a customer for money. According to Say he consumes the watch, and the buyer, by the same doctrine, consumes the money. But every consumption is a destruction of wealth for all the world and for ever. Therefore, the buying a gold watch for money, is a destruction of the money and the watch !! Therefore, by exchanging things, we destroy them !!

But, as according to the same passage, each produces what he purchases, that is the creation of two new values, it follows that the same act of exchange is at the same time a total annihilation of the things exchanged, and a creation of two new values !!

Such are the astonishing absurdities into which able men are led by a premature grasping at the meaning of a scientific term. The settlement of the meaning of a term requires as genuine an act of induction as the settlement of a principle.

Say, then, considers the different kinds of Consumption, which he considers the same as expenditure, and under this head places taxation and the public expenditure of all sorts, public debts, &c.

Now, it is manifest that these are all exchanges as truly as exchanges of merchandise. The army, the administration of all descriptions, public instructors, receive their pay in exchange for a service rendered.

Ricardo says nothing about Consumption. Malthus (Definitions in Political Economy, p. 247), says: - "Consumption. The destruction, wholly or in part, of any portions of wealth." And at p. 259 — "Consumption is the great purpose and end of all production." So Mr. McCulloch says-" By Consumption is meant the annihilation of those qualities which render commodities useful or desirable. To consume the products of art and industry, is to deprive the matter of which they consist of utility, and consequently of the exchangeable value communicated to it by labour. Consumption is, in fact, the end and object of human exertion ; and when a commodity is in a fit state to be used, if its consumption be deferred, a loss is incurred.

On this Mr. Senior has justly remarked (Political Economy, p. 54), "That almost all that is produced is destroyed, is true; but we cannot admit that it is produced for the purpose of being destroyed. It is produced for the purpose of being made use of. Its destruction is an incident to its use, not only not intended, but as far as possible avoided. In fact, there are some things which seem unsusceptible of destruction, except by accidental injury. A statue in a gallery, or a medal, or a gem in a cabinet, may be preserved for centuries without apparent deterioration. Cet effet est constant, inévitable, et jamais on ne There are others, such as food and fuel, which

as these are the most essential commodities, the word Consumption has been applied universally, as expressing the making use of anything. But the bulk of commodities are destroyed by those numerous gradual agents which we call collectively time, and the action of which we strive to retard. If it be true that Consumption is the object of all production, the inhabitant of a house must be termed its consumer, but it would be strange to call him its destroyer, since it would unquestionably be destroyed much sooner if uninhabited. It would be an improvement in the language of Political Economy if the expression, "to use," could be substituted for that of "to consume."

Mr. Senior's remarks, that consumption cannot mean destruction, are perfectly just, partly because it is wholly false that all articles are produced for the purpose of being destroyed; and partly because Political Economy has nothing whatever to do with the destruction of things. Mr. Senior's proposal to substitute the word use for destruction is open to the same objection, on the latter ground. On the former ground it is quite correct. Things are produced for the purpose of being used,-but then Political Economy has nothing whatever to do with their use. At page 14, Mr. Senior says that Consumption is sometimes used as synonymous with Demand.

Mr. J. S. Mill has truly seen that the destruction of things is no part of Economic Science, and has therefore not given any part of his work to consumption, which he uses in the sense of destruction.

What then is the meaning of this word Consumption ? It is agreed that it is the correlative of Production, and that the end of Production is Consumption. Now, it has been manifestly shewn, that if Production be held to mean to creation of a Value, and Consumption the destruction of a Value, the proposition cannot be maintained. It is wholly untrue that all values are produced or created for the express purpose of being destroyed; it is therefore not true that Consumption is the end of all Production.

The fact is, all the confusion arises from Economists never having formed a clear and distinct conception of the nature and limits of the science. and selecting that idea alone among those conveyed by the leading terms which are in harmony with the fundamental conception of the science. We have shewn under PRODUCTION that Political Economy has nothing whatever to do with the art and process by which things are manufactured, or formed, but only with their price when produced, or the things for which they will exchange. We have shewn there, that strictly following the true etymology of the word, and interpreting it in strict harmony with the fundamental conception of the science, the only true economic meaning of to produce, is to place a thing on a given spot for the purpose of exchanging it for something else. It makes no difference in what way the article was formed or procured. whether by growth as corn, by manufacture, or by commerce, the PRODUCER, in an economic sense, is the person who offers it for sale. And here at once we see how Consumption is the correlative of PRODUCTION. For if the Producer is the one who offers something for sale, the Con-

perish in the very act of using them; and hence, | SUMER is the purchaser of it with something else. and the CONSUMPTION means the quantity purchased.

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As soon as we grasp the distinct concention that Economic Science is the Science of Commerce, or of Exchange, or of Values, it is clear that we must admit no considerations exceeding these limits. An Economist has no business to examine how, or by what process, or art, things were produced; nor has he any business to inquire for, or follow after, them when once they have been exchanged, to see what becomes of them. The domain of his science is expressly limited to the phenomenon of the exchange.

If we were to examine how things are produced, that would at once let in all the arts and manufactures of every description into Political Economy, which no Economist would dream of doing. His only office is to ascertain the laws of the changes of value of the thing when produced.

So also, as far as regards the purchaser, the Economist has nothing to do with the use he puts the thing to, but only with the price he pays for

Now things which a man makes and uses himself do not enter into the domain of Economics at all, only those which he acquires by purchase. If a person uses his accomplishments for the delectation of himself and his friends, the Economist has no business with him. It is only when he endeavours to exchange or turn them to profit, that they become the subject of value, and an economical phenomenon.

And this is the true commercial sense of the word, and Economics being the science of Commerce, it is proper, as far as possible, to adopt the language of Commerce. Now in the language of commerce, producers and consumers are simply sellers and buyers. Production and consumption are simply supply and demand. It is by Economists divagating from the true limits of the Science that all the confusion has arisen. Bastlat has expressed it truly (Harmonies Economiques, p. 360. Art. Producteur-Consommateur) -" En général nous nous adonnons à un métier, à un profession, à une carrière ; et ce n'est pas à elle que nous demandons directement les objets de nos satisfactions. Nons rendons et nous recevons des services ; nous offrons et demandons des valenrs ; nous faisons des achats et des ventes ; nous travaillons pour les autres, et les autres travaillent pour nous : en un mot nous sommes Producteurs et Consommaleurs."

Now we see that this is the only sense in which the doctrine that Consumption is the end of Production is true, and in fact it becomes tautology, for it is reduced to this, that people offer things for sale for the purpose of being sold.

It is the only sense, too, in which consumption is the correlative of production. It is, as we have seen, wholly false to assert that all things are produced for the purpose of being destroyed.

Hence we see that Production and Consumption together constitute Exchange-the domain of Economic Science. And it is quite easy to show that the conception of the science as that of Exchanges, is fundamentally the same as that of those writers who consider it to be that of the Production and Distribution of Wealth. Because by distribution these writers mean the quantity of things acquired by persons in ex-

change for their services, &c., that is, what they | supposed, but to teach them how to JUDGE of the Smith above, that he several times uses consumers as synonymous with purchasers, which is its true commercial sense. Consumption, therefore, is equivalent to Distribution, and thus the science comes to be that of Production and Consumption, or of Exchange.

And here, too, we see the truth of what is said under CAPITAL, § 94, that it is consumption, or demand, that gives value to production, and not labour. Smith himself, after saying that the real wealth of a country consists of the annual produce of its land and labour, says that if an article will exchange for nothing, it has no value, and therefore is not wealth.

The value of a thing being the thing it will exchange for, it is quite clear that if there be no demand for it-that is, if no person will give anything for it-it has no value, whatever quantity of labour may have been bestowed in producing it. Again, if people will give a great deal to possess a thing, it has great value, no matter what labour has been bestowed in producing it. There are immense species of property which never had, nor by any possibility could have, any labour bestowed on them at all. What is it that gives value to the copyright of a work, and in fact creates a valuable property at all, but the demand for the work? What gives value to Government Stock, but the willingness of the public to purchase it? And so on of everything else whatever. By the very terms of the expression, it can be only the consumer, or purchaser, who confers value on anything whatever. When demand springs up for a thing, it has value; when the demand ceases, it loses its value, and is not wealth. Hence we see that-

CONSUMPTION or DEMAND, and not LABOUR, is the ONLY SOURCE of VALUE.

CONTARENUS, VINCENTIUS.

De frumentaria Romanorum largitione liber. Venetiis, 1609.

CONTINUITY, LAW OF. The great fundamental doctrine of the Continuity of the Sciences. and what is more particularly called the Law of Continuity, are so intimately blended together in spirit, that it is impossible to separate them. In fact, we may extend the term of the Law of Continuity, which is generally applied to certain doctrines in each particular science, to include the method of arguing by analogy from Science to Science.

The Law of Continuity is one of the most powerful weapons of Inductive Logic, and is of very wide application in Physical research. It has been applied with immense effect in settling the fundamental conceptions of Mechanics, Elec-tricity, Geology, and, indeed, of every other science. Its capability of being applied to settle the fundamental conceptions of Political Economy has never yet, that we are aware of, even been arts and sciences have been disincorporated from suspected !

The grand function of the Law of Continuity in its application to each particular Science is to abolish false distinctions. The province of Logic being, as we have shewn (Logic), not to lead use which one science hath of another for ornapersons to argue correctly, as is very commonly ment, or help in practice, as the orator hath of

have the right to consume, or purchase. And truth of arguments proposed. The function of we have seen in the extracts given from Adam | the Law of Continuity may, in a general way, be said to be to abolish false distinctions. In the wider sense, which we wish to give it, as applied to the connection of the various sciences, its function is to judge by the analogy of the acknowledged standards of reasoning in one science, whether certain modes of reasoning in another are correct or not.

We shall endeavour to shew that a due application of the Law of Continuity in its wider sense of arguing by analogy from science to science, as well as by its particular application within the science itself, will be sufficient to close for ever a very large portion of the controversies in Political Economy.

It was a very favorite opinion of the ancient philosophers that there was a great chain of continuity throughout all nature. But it was impossible for them to perceive the full extent of this principle, and that the general principles of the reasoning in Physical Science were applicable to Moral Science. We have seen (AXIOMS AND DEFINITIONS) that Socrates was so far from perceiving any connection between the two, that he expressly discountenanced the study of physical science, and enjoined his disciples to confine themselves to the study of moral Science.

It is one of the transcendant merits of our immortal Bacon to have perceived, and proclaimed with the voice of a trumpet, this grand doctrine of the Continuity of the Sciences. And we must be the more earnest in defending the just title of Bacon to this glorious discovery, because the admirers of another writer, recently deceased, have had the preposterous absurdity to claim for him the originality of this idea, (COMTE.) But we have shown abundantly that Bacon was the true discoverer of the doctrine. With physical science not in a very much better state than it was in the days of Socrates, Bacon not only did not discountenance it, but he had the miraculous sagacity to perceive that the way to true and certain reasoning in Moral Science lay through Physical Science. And he complains bitterly of the mutual damage to the sciences by their separation, and neglect of Natural Philosophy, which ought to be held as the great nursing mother of them all. We have shewn (AXIOMS AND DEFI-NITIONS) that it is the whole scope and purpose of the Novum Organum to lay down fundamental principles for the formation of Conceptions and Axioms in Natural Philosophy, and to enforce the doctrine that the Conceptions and Axioms of the Moral Sciences must be framed by analogous methods. So also in Valerius Terminus, he says. -"And it is a matter of common discourse, of the chain of sciences, how they are linked together, insomuch as the Greeks, who had terms at will, have fitted it of a name of circlelearning. Nevertheless, I that hold it for a great impediment towards the advancement and further invention of knowledge, that particular general knowledge, do not understand one and the same thing which Cicero's discourse and the note and conceit of the Grecians in their word Circle Learning do intend. For I mean not that