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ETHICS

AND

POLITICAL ECONOMY,

FROM

NOTES TAKEN IN THE LECTURE ROOM

OF

LYMAN H. ATWATER, D. D., LL. D.,

PROFESSOR OF LOGIC AND MORAL AND POLITICAL SCIENCE.

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P R E F A C E .

The only set of notes printed on this subject, previous to the present edition, was prepared in a great hurry and, according to the acknowledgment of the editor, the work was imperfectly executed. All possible pains have been taken to make this edition strictly follow the lectures as delivered in the class-room. Changes have been made on nearly every page of the old edition. There were, often, passages in which the insertion of one word in the wrong place had materially altered the sense of the whole sentence. Care has been taken to make all such passages clear and correct. We have increased the size of the volume several pages, the added matter consisting of Dr Atwater's articles which appeared in the *Princeton Review* of May, 1879 and 1880, respectively entitled "The Supremacy of Conscience and Revelation," and "Political Economy, a Science—of What?" aside from the additions before referred to. In our work we have made use of several of the best sets of notes taken by the members of the class of '80, to whom we take this opportunity of returning thanks.

It is needless here to deliver any homily on the use and abuse of printed notes; but merely trusting that the notes will meet the wants of the students, and grateful for the encouragement which our classmates have given by their very large subscription, we subscribe ourselves,

EDITOR FROM THE CLASS OF '81.

September, 1880.

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LECTURES ON ETHICS.

I. Define *Ethics or Moral Philosophy*: (a), *Intensively*; (b), *Extensively*; (c), *Etymologically*; (d), *In what sense a science or philosophy*.

Ethics is the science of all those acts, states, and phenomena, in rational and accountable beings, to which the word "ought" applies in such a sense that the subject ought to do or refrain from doing those acts, and to be or refrain from being in those states.

A looser sense of the word "ought" is that a thing ought to be so and so, without any reference to moral obligation.

The faculties of the mind are not the direct object of this science; but conscience, desire, will, lie within the province of Ethics. Ethics is the science of law universal for all beings in the universe endowed with free will and reason.

"That each one make the law of his own moral action that which is fit to be the law of all moral beings," is the formula of Kant. That is the same as the law enunciated by Christ, "All things whatsoever ye would that men should do to you, do ye even so to them." This duty is self-evident. Man alone is reached; hence Ethics applies only to man, and is the science which unfolds human duty.

Ethics, Ethical Science, Ethical Philosophy, Moral Science, Moral Philosophy, all mean one thing. *Ethos* and *mos* both mean "manner of life;" afterwards limited to "right manner of life."

Philosophy and science here mean not a mere knowledge of separate and disjointed facts; but of duly ascertained facts, their causes, laws, and mutual relations. (See Logic, p. 190.)

II. *With respect to extension, give, with definitions of each, its logical divisions and subdivisions.*

Ethics is defined intensively by the word "ought." Extensively its departments are two, Theoretical and Practical. Theoretical Ethics investigates the great principles and laws which underlie and condition right action; Practical Ethics expounds the due application of these to moral action and formulates the rules of practice and duty. Theoretical Ethics is subdivided into Psychological, which has to do with the faculties of the mind concerned in moral actions; and Metaphysical, which inquires into the laws which underlie and condition the rightness of the acts and states of these faculties. It is the science of that conduct which ought to be performed by men.

Practical Ethics, which develops detailed rules of right conduct, is divided into duties

1. Personal and
2. Relative.

Personal Duties are divisible into

1. Self-support.
2. Self-defence.
3. Self-control.
4. Self-culture.

Each of these admits of division and subdivision.

Relative Duties are divisible into

1. Duties toward God, which include all other duties.
2. Duties toward fellow men; divisible into duties
 - a. Toward equals.
 - b. Toward superiors.
 - c. Toward inferiors;

Or according to another principle of division, into

- a. Domestic duties.
- b. Social duties.
- c. Civil duties.
- d. Ecclesiastical duties;

Or according to still another principle, into

- a. Duties of justice and
- b. Duties of benevolence.

This gives us a logical table.

LOGICAL TABLE OF THE DUTIES OF ETHICS.

Ethics.	1. Theoretical.	1. Psychological.	1. Conscience. 2. Will. 3. Desire. 4. Affection, Feeling and Ap- petite.
		2. Metaphysical.	1. Nature of virtue. 2. Requisites to right action. 3. Essentials of moral liberty. 4. Conditions of moral obli- gation.
	2. Practical.	1. Personal.	1. Self-support. 2. Self-defence. 3. Self-control. 4. Self-culture.
		2. Relative.	1. To God, which includes all other duties. 2. To other men : a. To equals. b. To superiors. c. To inferiors. or 1. Domestic. 2. Social. 3. Civil. 4. Ecclesiastical. or 1. Duties of justice. 2. Duties of benevolence.

III. *Show how the metaphysical, non-phenomenal, or a priori element is conspicuous and unquestionable in Ethics.*

No better proof of the metaphysical as distinguished from the experimental element, could exist than is furnished by its differential mark, viz., the science of that conduct which ought to be followed by men. It is a science of the non-phenomenal; of that which does not, as well as that which does, appear. It is the science not only of "what is," but of "what ought to be."

IV. *State and criticise Kant's division, and also the ancient division of Ethics.*

Another division is that of Kant into duties toward—

1. Ourselves.
2. Superior beings.
3. Inferior beings.
4. Equals.

This is logically complete, but practically useless, in so far as it includes duties to inferior beings. Duties to lower animals scarcely form a department of ethical science, which has to do with things that are ends in themselves, and not with things which are not ends in themselves.

The ancient division was into the cardinal virtues :

1. Prudence. 2. Temperance. 3. Fortitude. 4. Justice. which were intended to include Personal and Relative duties. Prudence was meant to include self-support and self-defence ; Temperance, self-control ; Fortitude, courage and patience ; Justice, our duties to other men. This division omits all reference to our duties to God.

V. State the distinction of Pure and Applied Ethics. Show its importance, and how far it coincides with that of Theoretical and Practical Ethics.

A third division, which might at first sight appear coincident with the division into Theoretical and Practical, is into Pure and Applied. This differs from Theoretical and Practical, inasmuch as Pure ethics may respect Practical as well as Theoretical principles. The application is more difficult to be decided than the principle itself. Few would differ as to the principle that parents should seek the welfare of their children ; but while the Hindoo would drown his child in the Ganges, the Christian would abhor such an act. Particular attention is called to this principle by Dr. Archibald Alexander, in his work on Moral Science. (p. 33). This distinction affords a clue to many disputed questions of duty. It is a distinction which holds with reference to all science.

VI. State the logical and actual order of treatment of the foregoing departments of Ethics.

THE LOGICAL ORDER OF TREATMENT.

Pure Ethics precedes and interpenetrates Applied. Yet the two more or less blend in Practical Ethics. Theoretical precedes, and is prerequisite to Practical Ethics.

The Psychological precedes the Metaphysical, as the consideration of faculties precedes the consideration of truths made known by them. This last order can only be followed to a certain extent, for

the two mutually interpenetrate. They must to a certain extent be treated together.

In Practical Ethics, the order is duties

1. To ourselves—personal.
2. To others—relative.
3. To God—theistical.

VII. *How does Ethical Philosophy touch the practical and cognitive faculties, respectively, and what have been the successive classifications of the mental faculties in relation to this subject?*

In order that there may be an Ethical Philosophy, it is essential:

1. That certain actions should be obligatory.
2. That they should be certainly known to be so.

In order to ascertain the nature of virtue, we must ask what the mind discerns when it recognizes an action as right. The Psychology of Ethics relates only to the cognitive in so far as they are the guides of the Practical faculties.

Four successive classifications have appeared:

1. Understanding and Will; the former including Cognitive; the latter, all the Non-cognitive faculties. The Latin, Intellective and Appetitive; and the Greek, Gnostic and Orectic, have the same significations. This is the most ancient division, but appears in as late authors as Jonathan Edwards and Thomas Reid.

- 2 (a) Intellectual; (b) Moral and Active; the former are faculties of knowing; the latter, of feeling, desiring, and willing. This is the division of the latter Scotch writers, as Dugald Stewart. In it, will is a species; while in the first it is a genus.

3. Intellect, Sensibility, and Will. This is the modern and popular division. Sensibility includes what is covered by will in 1st, and moral in 2d division.

4. Cognition, Feeling, and Conation. This is the division of Hamilton. The faculty of effort is denoted by Conation—a stretching forth of the mind to grasp the subject. It goes beyond mere feeling, and is classed by Hamilton with the will. It includes desire and will. This division was suggested to Hamilton by Kant.

VIII. *Point out the radical distinction between Practical and Cognitive Faculties; between Knowledge and Feeling; also, the logical relation between Cognition, Feeling, Desire, and Will.*

The Practical faculties act and give knowledge in a certain sense. The consciousness is that by which the mind knows its own exercises. If we feel, we know that we feel. In every exercise of cognition, the mind acts. Yet there is a real ground for distinction. The end of the activity of the Cognitive faculties is to know; of the Practical, to act: the formal object of the Cognitive is truth; of the Practical, things considered as good.

Cognition, Feeling, Desire and Will.—There is a mutual relation between these, in that the operation of each preceding class is the condition of the exercises of the next following. Knowledge is the pre-condition of responsible feeling; feeling, of desire. If knowledge and feeling are pre-supposed in desire, desire is the precursor of will.

IX. *Compare the terms Mind, Intellect, and Reason. Mental, Intelligent, Rational, Cognitive, Practical, in relation to this subject. Wherein do the two latter agree and differ?*

Mind, Intellect and Reason.—These terms are often used confusedly, but differ as to breadth of meaning, each preceding one including what follows and more. The Mind constitutes the whole conscious faculty and spiritual nature, thus including Intellect, Sensibility and Will. Intellect is the knowing and guiding faculty of the soul. Not every mental act is an intellectual act, but every intellectual act is a mental act. Reason is the highest form of intelligence, and distinguishes man from brutes. It is the ruling element in human intelligence. There are acts of intelligence which do not proceed from reason, and are called acts of brute intelligence.

All the cognitive faculties may be directly or indirectly concerned in giving us knowledge of Ethical Principles.

X. *Distinguish Conscience from Consciousness. Show its characteristics as cognitive, emotional, and as compared with Taste.*

One faculty, partly cognitive and partly emotional, or a Cognitive faculty whose exercises are partly emotional, whose essential

attribute is that it gives us our idea of the right, and capacity to discern moral distinctions, is known as the Conscience.

Both consciousness and conscience have the same derivation. The former is an element of all intelligence, of all the acts and exercises of the mind; for in knowing we know ourselves as knowing. Self enters here as being penetrated, or as being the subject of knowing. In conscience, in addition to knowing, there is a feeling of complacency or displacency, either of self-approbation or of approbation of others, either of remorse or condemnation of others. Beyond all there is connected with conscience a *knowledge* of things as right, and an *impulse* to do the right and avoid the wrong. These impulses may, however, be counteracted. They are in proportion to the general moral sensitiveness of the man.

In conscience and taste are the two elements of cognition and emotion. The latter includes the perception of the beautiful and the pleasure arising therefrom. Taste in the soul is analogous to taste in the palate. Conscience and taste proper have been called *Æsthetics*, as being the science of the faculties of mingled knowing and feeling.

XI. *Explain Æsthetics. Give its etymology and present meaning, in comparison also with the Latin sentio and its derivatives; also with the use of the word "feel."*

Æsthetic (*aïsthanomai*) is the science of mingled knowing and feeling. Among Germans it is used to include Ethics. The corresponding word in Latin is *sentio*, which means to know and feel. Of English derivatives, some have one meaning prominent and some another, as sensibility and sensation. The word "feel" is often used like *aïsthanomai* and *sentio*, in the sense of knowing.

XII. *Define Feeling, Desire, Appetite, Instinct, Emotion, Emotional, Passion, Affection, Will, Habit, Disposition, Propensity, Inclination, Wish, Volition, Resolution, Motive,—subjective and objective, Hope, Fear, Joy, Sorrow.*

Feeling is the sense of pleasure or pain, and may be animal or rational. It arises blindly, like appetite. Its seat is in the body

or in the mind. Those inspired by rational apprehensions alone have an ethical character in themselves. To be affected with malice towards the good is immoral character. Animal feelings have no immoral character, *per se*. Reid defines feeling as "that act of the mind which has no object beyond itself."

Desire originates in feeling and goes beyond it, being the reaching forth of the soul to grasp what is good. It belongs to the Orectic faculties.

Taste includes the intellectual perception of the beautiful or deformed, and the corresponding emotion of pleasure or disgust. Taste—*Æsthetics* (mingled knowing and feeling).

Appetite is an uneasy feeling in the animal organism, accompanied by a desire for what will allay it, and which when allayed, periodically returns.

Emotion is a vivid but transient feeling, inspired by objects apprehended by the intellect, and operates upon the intellectual faculties. *Emotional* is broader, and includes the whole of sensibility. Animal sensations are not emotions.

Passion is not only a paroxysm of anger, but a vehement ruling desire, which may be transient, but which is generally permanent and cannot be mastered, as a desire for painting, "ruling passion strong in death," etc.

Affection is a feeling towards sentient beings, either of love and complacency, or of hate and displacency with the desire to do them some good or evil. It is benevolent or malevolent, and cannot properly be applied to insentient beings.

Instinct is that psychological state or condition which prompts the doing of rational acts without any insight into the reason of them. It is a most important guide and spring of action in man and brutes. In man it dominates in infancy. In manhood it yields to reason and becomes subject to our guidance. It is part of our moral training to bring instinct under the control of reason and conscience.

Will is the executive of the soul, whereby it puts forth its energy for the execution of its desires, or chooses the means of their gratification. It is a first axiom that "the will is free."

Optative happily expresses what is meant by Appetitive and Orectic.

Habit and *Disposition*.—*Habit* was formerly used for all conditions of the soul, whether natural, acquired by repeated acts, or imparted by Divine grace. It covered all that we now mean by *disposition*. This latter word means the aptitude, facility or tendency to *mental* exercises, especially if they are moral.

In present usage, habit is confined to those aptitudes and facilities acquired by repeated acts; *disposition* to those states of the soul which are moral, as a benevolent or holy disposition.

Principle subjectively is much the same as disposition, as man is controlled by a principle of piety. Objectively it is a rule of action, as "I hold to the principles of the golden rule."

Propensity and *Inclination* are often employed for disposition, or for any bias of the soul.

Wish is desire in its highest potency, short of passing into an act of volition, which like *determination*, *resolution*, etc., is an act of the will.

Motive, according to Edwards, is "whatever excites the will to volition or choice." Subjectively, it is the inward desire which prompts the will to choice. Objectively, it is the object which the will chooses or seeks in volition, and which thus excites the choice. The subjective motives are the real ones which give the objective motives all their power to move us, objects having no power over us till our desires are fixed upon them. Thus in place of the Fatalistic maxim, "the motive makes the man," far truer is it that the "man makes the motive." This distinction of outward and inward motives is of great importance in the controversy relative to the control of volition by motives or the freedom of the will. If by motives be meant inward motives, it must be conceded that the will, or mind in willing, determines itself in accordance with preponderating desires. If by motives be meant outward, they have no power but what inward motives give them. The mind in willing determines itself ultimately; for when two desires are balanced, it often chooses the weaker. To say that a man determines according to his desires is to ascribe to him the highest freedom.

Hope is Desire + Expectation.

Fear is Aversion + Expectation.

Joy is Desire + Realization.

Sorrow is Desire + Privation.

XIII. *What of the faculties of the soul, as guides and impulses to action, and as to these characteristics including or excluding each other? State and explain the secondary or adventitious impulses to action.*

Conscience is an informing and impulsive power. All mental faculties have one or the other or both of these characteristics. The cognitive faculties, including the cognitive element in the conscience, as far as they are concerned in moral actions at all, are guides. Feelings, desires, instincts, etc., the orectic faculties, are impulses to action. While each predominates, it is not to the exclusion of the other. The will is the faculty of action, which action the other faculties direct. Whatever faculty guides, the moral action furnishes some impulse or motive to its performance. Some faculties are guides, others are impulses. The guides to action in the soul are (1) the moral faculty, which impels to duty; (2) the prudential faculty, which leads us to seek and prescribe the means of promoting our happiness. The impulses are feelings, desires, etc., with their subdivisions. Distinction is made between the original, native, primary, on the one hand, and the secondary, acquired, factitious, on the other. Most of these enumerated belong to the former class. The secondary are (1) Habit, which largely modifies the primary; (2) Association, which is both objective or real, as referring to objects, and subjective or imaginary. Association gives to fashion its transcendent power: a thing is often beautiful in dress, architecture, etc., simply because it is in the prevailing fashion.

XIV. *Show the several points of mutual relation of the cognitive, sensitive and conative powers, particularly in reference to the mind's indivisible unity.*

1. Mind is one and indivisible—one substance or agent with diverse modes of activity. When we speak of intelligence, sensibility and will, we do not mean separate agents, but the one, indivisible mind. Dualism would subvert personality and accountability.

2. The formal and final object of the intellect is truth—things considered as true; the formal and final object of the sensitive and conative powers is things considered as good. This distinction, though obvious, must not be pursued too far. It must be observed (a) that the apprehension of any object as good is a cognitive act;

(b) that in order to be so apprehended, it must be apprehended as true; (c) that in order to be desired or chosen as good, it must be apprehended as such.

3. The powers of feeling and conation are dependent on the intellect for light to guide them. This is undeniable. Even if these powers act in opposition to this light, they need light of some sort to guide them. They are responsible, not blind faculties. They do not act fortuitously, by brute impulses. There is a high, but not a total sense in which man feels and chooses as he knows and thinks, and *vice versa*; yet not in such a sense as that men do not know that they ought to act better.

4. It is a familiar fact that the intellect, feeling and will exercise a strong reciprocal influence on each other. Views, feelings, etc., interpenetrate each other. Men are apt to view and apprehend things as they wish, especially in reference to morals.

5. Attention is a cognitive act. "The concentration of the consciousness on a given object."—*Hamilton*. Without such concentration it is impossible to know objects. Attention is a voluntary exercise, but sometimes involuntary and even anti-voluntary; as when we do not desire to hear any thing, it is often forced upon our attention by this very fact. Our knowledge and appreciation of truth is largely voluntary, because our attention is largely so. Wicked men will not retain God in their knowledge. Thus the mind has all its faculties and workings so mutual that they largely modify each other.

6. The relation of the emotional and voluntary to the cognitive powers is still closer, as is obvious from the æsthetic apprehension of moral acts. The conscience and taste have been seen to resemble each other in being partly cognitive and partly emotional. The æsthetic apprehensions are such as to mould and determine the feelings. Æsthetic apprehensions are those which perceive the beauty and deformity of objects as attractive or repulsive. Beauty is that quality of objects by virtue of which they are perceived and loved as good. There is a moral beauty in moral excellence. The faculty is sometimes called the moral æsthetic. It is more than mere conscience, which discerns the moral quality of actions. It is this æsthetic insight which wickedness destroys and purity restores. It

follows that the intellect is largely implicated in the moral states and acts of the soul, and shares its depravity and uprightness. Many reason as if depravity, etc., were confined to the will. It has been proved that they reach the intellect. Hence we have high authority for asserting, "Woe unto them that call evil good, and good evil; that put darkness for light, and light for darkness; that put bitter for sweet, and sweet for bitter."

XV. *Explain the primary and secondary sources of the mind's ethical knowledge.*

The primary source is our consciousness. In this the operations and deliverances of conscience are manifested to us. Without the primary conception of first morality arising from the soul, the soul could never be taught moral precepts from without. The secondary, which is auxiliary and presupposes the primary, is the moral judgment of mankind as manifested in their acts and language, and as recorded in history and literature.

XVI. *State the necessary relation between Ethics and Religion, true or false.*

Under any and all systems, Ethics sustains a four-fold relation to religion; whence it comes to pass that religion must needs exert a controlling influence on its principles.

1. Religion amplifies the sphere and measure of duty by adding to it whatever services religion requires, and the duties it enjoins to superior beings. (Also to equals and inferiors as a part of our duty to superiors.)

2. It enforces all other duties by supreme obligation of obedience to God. This supreme obligation to God comprehends all other duties, and is enforced by our accountability.

3. Religion and morals interpenetrate in the conscience, which could never discern our duty to God, if we had not first an originating sense of right and wrong, whereby we recognize our duty.

4. Conscience, as a guide to right actions, constrains us to recognize God as supreme ruler, who, being perfect, His law is perfect. Conscience needs guiding, and must accept the light which shines from a perfect law and a perfect guide. It cannot be so perverted as not to see the duty of being guided by the supreme law.

XVII. *Compare Natural and Revealed Ethics, and show how far they are mutually dependent or independent. Explain the "Light of Nature," subjectively and objectively; also, as affected by man's fall and redemption, and by Revelation.*

Ethics is two-fold, as founded on and determined (1) by what the Light of Nature teaches, and (2) by what, over and above and controlling all this, is taught by the Light of Revelation.

Some of the treatises take the title of Christian Ethics. Some materialists set forth things as discovered by the Light of Nature, which never could be discovered except by revelation.

There is a double meaning of the "Light of Nature," as subjectively or objectively used.

The "Light of Nature," in its generic sense, is whatever knowledge or means of knowledge man possesses or may possess independently of supernatural, divine revelation or illumination. In regard to Ethics, it means whatever man may know in reference to his duties, without any supernatural light within or without him. So far as sin has not dimmed our moral vision, the natural conscience, as such, is capable of knowing all the duties we owe to God and man. Objectively the "Light of Nature" is sufficient for a correct system of Natural Ethics in regard to the duties to God and man, if man still existed in a state of purity.

Subjectively, the mental eye is dimmed and darkened by sin so that it cannot come to the right knowledge of duty in all its aspects. (Romans, i. 19-22.) While the true knowledge of duty and God is obtainable through the right use of the conscience, yet, through lust of evil, men do not retain Him in their knowledge. Mankind possess eyes and light, which, if properly used, would guide them to duties to God and man, but these have become perverted, and the light turned to darkness.

XVIII. *Compare the Natural Ethics recognized in Christendom with those of Heathendom, and each with the grades of Positive Christian Ethics.*

Natural Theology and Natural Ethics, which mankind form in countries, not in the knowledge of God, are not the product of the

light of nature, but of nature degraded and perverted by sin. Revelation uncovers evidence furnished not only by its own light, but by the light of nature. The Bible is in a high sense the source of that light which enables us to construct a system, even of Natural Ethics, styled improperly Christian Ethics. The light of nature teaches a large amount of Christian truths. The Trinity, Incarnation, etc., are not taught by the light of nature; but, by it, as the Bible shows, we are taught the knowledge of God.

There are two higher grades of what may be distinctively and positively called Christian Ethics.

1. When the code of actions, maxims and rules for the government of life is taken directly from the Word of God, not only from the Decalogue, but all precepts which apply in any way. (2) There is a higher grade of Christian Ethics, found not only in the systematic duties prescribed by the Church, but in subjective and objective motives to their performance. The Christian people of the globe are the highest in morals. Their motives arise from their new relation of soulship to God. Scripture sheds important light on Ethical Psychology, and Christian as compared with Theological Ethics. Christian Ethics is distinguished as that which is founded on Christian conscience, and developed in great communities of saints, and diffused by them through the world. Theological Ethics is said to be that which is founded on Scripture, or is that Ethics found in Scripture. What is often called Christian Ethics is Natural Ethics, as they appear in Christian countries. This distinction between Christian and Theological Ethics will not hold.

XIX. What of moral perceptions being existent or extinct in Atheists, Heathens, etc.?

Although the knowledge of the being and belief of God greatly amplifies the sphere of duty, and invigorates moral obligation, this is not essential to the existence and sense of moral obligation. It is not possible to eradicate; but easy and common to pervert and deaden this moral sense. The belief that there is no reality in moral distinctions is false. The Atheists and others may have misguided consciences, but they cannot rub out that law written on their heart.

XX. *How do we test the true nature of our cognition of Right, and what elements does it involve? Prove the requisites to moral agency, a priori and deductively; also a posteriori and inductively by the method of agreement and difference.*

What is right? The Nature of Virtue? This question is best solved and answered by a psychological analysis of the operations of this moral faculty which gives us the knowledge of right. Here Psychology and Metaphysics intermingle. This may be called the Metaphysico-Psychological department of the subject. The nature of the cognition of right is manifested in all healthy normal consciousness. This must discover its real quality, or it is impossible to be known at all.

We know right as a quality of the acts of moral agents, including the inward principles and disposition from which such acts proceed. What is a moral agent? This may be answered *a priori*, *a posteriori*, inductively, or deductively, by the method of agreement and difference. In ordinary usage, a moral man is a man of good moral habits. Here morality is used in its scientific sense, and may be either a good or bad quality. A moral agent is synonymous with a responsible agent. He is one to whom the word "ought" applies in a strict sense. This is admitted by all.

Requisites to Moral Agency.—1. A moral agent is a real agent. He is himself the agent or doer, and immediate author of his own acts, and not a mere passive instrument. If this were so, his acts would not be his own acts, but those of the being moving in and through him. If a man plunge a dagger into another, it is his own act, and he is guilty. In order to be responsible the act must be his own. We know this *a priori* and inductively, as well as by the method of agreement and difference. We know that a man who is not an agent is not a moral agent, and that where there is agency and accountability there is a real agent.

2. A moral agent is a free agent, and as all actions are his own so they must be uncoerced, nor is he responsible for those actions in himself which go on blindly, as circulation, rising of appetite, etc.

3. We do not judge any one responsible for his actions who is destitute of a moral faculty, which gives idea of right and wrong. There can be no responsibility where there is no free agent. One

who has all knowledge, as Mathematics, Metaphysics, Philosophy, etc., and not the moral faculty would not be a moral agent. We know this *a priori*; we know one cannot be responsible unless he knows the difference between right and wrong. We know it also *posteriori* and inductively, because wherever there is accountability there is such a faculty present.

4. Reason must be present, without which there is no moral faculty, for one element of this faculty is the rational element. Some have the most perverted idea of what is right and what is wrong. Idiots and madmen, in whom there is no reason, are not moral agents, and are not held responsible by mankind. Insanity is a defence against criminal prosecution.

These, then, are the four requisites to moral agents :

1. The act must be of the agent.
2. It must be free.
3. There must be a moral faculty.
4. The state of mind must be sound and in some degree developed.

XXI. *The supremacy of Conscience and of Revelation.*

Rightly understood, laws inscribed on external nature, written on the heart of man, and revealed in the Word of God must harmonize. They are all from the same infallible Author. However they may differ, so far as they relate to diverse objects, they are at one, and utter one voice when they relate to the same things. Any seeming contrariety must arise from misconceptions of, or false inferences from, one or more of them. There can, therefore, be no real antagonism between the normal conscience or law graven on the heart and that written in the Revealed Word, however greatly the latter may outreach and surpass the former. This, moreover, results from the supremacy of each. The principle that conscience is the regal faculty in man, entitled to rule him, if first duly articulated and emphasized by Butler, reinforced by Kant and Chalmers, was not first recognized by them. Men always acted and reasoned on the assumption of its truth, and were mastered by it though they had not mastered it. But it is no less, if possible it is more, true that the Scriptures, as the unerring Word of God, are the supreme,

sufficient, and absolutely binding rule of faith and manners. Conscience, then, is supreme. The Bible is supreme. At their common points of contact, therefore, they must coincide. They cannot contradict each other, even as no truth can contradict any other truth.

But it is constantly and vehemently asserted by persons claiming to have specially deep and broad views of Christian truth, that the conscience, in its categorical imperatives, especially in its most primitive and unsophisticated moral intuitions, goes athwart certain doctrines apparently lying on the very surface of the Scriptures, and incorporated into the symbolic and devotional literature of evangelical, in a high sense of entire, Christendom. We refer especially to the Fall and Corruption of Man, the Trinity, Incarnation, Redemption through sacrificial Atonement, Spiritual Regeneration, Justification by Faith, Eternal Retributions. Hence it is argued by some that one, by some that another, by others that several or all, of these and affiliated doctrines should be wrenched out of Scripture by some kind of rationalistic special pleading. It becomes necessary, therefore, to inquire whether the supremacy of conscience requires any such torture of Scripture in order to meet its behests. If an alleged conflict arise between the dicta of conscience and the Scriptures, which ought to rule over and rule out the other? On this question we now enter.

For our present purpose it is not necessary to discuss different theories of the nature or genesis of conscience: whether it be, as we consider it, a simple and original faculty of the one indivisible soul: or whether it, with its perceptions and judgments, be ultimately derivatives from other forms of consciousness more primitive, such as the sense of truth, fitness of things, sympathy, the spirit's own excellency, the feeling of pleasure or pain, even in the way of evolutionistic heredity, as set forth by Herbert Spencer and other materialists. However they may say it is derived or originated, they all admit the present supremacy of conscience. Even mechanical evolutionism does not undertake to set it aside. Its great effort is to find a place for conscience and for supersensuous truths of the speculative reason without displacing itself—an effort, in our view, notable chiefly for ingenious devices to achieve the impossible, which come near achieving self-stultification.

Precisely, what is meant by the "supremacy of conscience"? This and this only: That it is of right, and ought to be in fact, the regnant faculty of the soul; that whose dictates all other faculties and susceptibilities, volitional, affectional, emotional, and practical, ought to obey. These all may control us in excess: conscience never. The very nature of its behests is, that it is the affirmation of the man to himself, "I ought to do this or that, for it is right; to abstain from this or that, for it is wrong." It is the categorical imperative in the soul, which is to it as the echo of the voice of the supreme Lawgiver: "Do this because it ought to be done, is right in itself, no matter what other considerations may weigh for or against it." It has underneath itself a tacit or conscious reference to God as the Maker, Sovereign, and Judge, who ordains, approves, and will enforce the right. Hence no one can disobey his conscience without sin. This is self-evident. To say otherwise is to say that a man can innocently do what he believes he ought not, or refuse to do what he believes he ought to do. This subverts the very idea of morality and moral obligation. A dilemma may hence arise. For it will soon appear that it is possible for men to bring themselves to believe that to be right which is wrong and *vice versa*, without making it so, or clearing them of guilt in having, or acting upon, such perverse convictions. But we reserve the solution of this until we regularly reach it.

It is implied in all this, that men in the right use of their faculties may know their duty, and cannot without fault be in ignorance or error about it. That men do fall into great and fatal errors respecting their duty, is proven by the simple fact of the vast disagreements among them about it. Some of them must be in the wrong, although, as we may yet see, less in fundamental moral insight than in its concrete applications. This must then arise, if they are accountable for these aberrations, or the misdeeds to which they prompt, from the criminal neglect or refusal to look at the light and evidence at their command. So reason affirms, and it is the inspired solution as well. "The wrath of God is revealed from heaven against all ungodliness and unrighteousness of men, who hold the truth in unrighteousness; because that which may be known of God is manifest in them; for God hath showed it unto them. For the invisible things of Him from the creation of the world are

clearly seen, being understood by the things that are made, even His eternal power and Godhead ; so that they are without excuse." (Rom. i. 18-20). This surely asserts such abundance of objective and subjective light, even by nature, in regard to the true character and service of God, that all ignorance of and error about them, on the part of the heathen, are inexcusable, because due to wilful negligence and refusal fairly to note and estimate the evidence thus arrayed before them. This solution of the case is more explicitly given in other parts of this tremendous portraiture and in other portions of the Bible. It is charged that "they did not like to retain God in their knowledge" (ver. 28), that "when they knew God, they glorified Him not as God, neither were thankful; but became vain in their imaginations, and their foolish heart was darkened" (ver. 21). They "changed the glory of the uncorruptible God into an image made like to corruptible man, and to birds, and four-footed beasts, and creeping things" (ver. 23). "Who changed the truth of God into a lie, and worshiped and served the creature more than the Creator, who is blessed forever" (ver. 25). It is thus past all question that heathen blindness to the truths of natural religion even, is due to an inexcusable shutting out or turning from the light. This at once arises from and thickens the films of prejudice against, or the vail of enmity to the truth disclosed by such light. So the heart becomes at once "foolish" and "darkened," the imaginations vain. Professing themselves to be wise, they become fools. In aid or aggravation of this comes that divine judicial abandonment to the lusts they cherish, and the delusions which feed them, in virtue of which God no longer arrests their downward course by His restraining providence and grace.

But the question arises, whether a misguided conscience justifies acts morally wrong, which the doer sincerely thinks right; or whether the intention with which an act is done alone has moral character and good or ill desert, irrespective of the nature of the act done. It must be confessed that these questions cannot be satisfactorily answered by a categorical yes or no. If we take an act intrinsically bad, like fraud, cruelty, blasphemy, persecution, no good intention or conviction that it is morally right can make it so. Paul's persecution of Christians was not right nor innocent, even if he "verily thought" it so. This is the dread dilemma already

noted, to which an utterly misguided and misleading conscience brings its subjects. We cannot disobey its dictates without sin: we cannot innocently commit the sin it prompts or sanctions. "To him that esteemeth anything to be unclean, to him it is unclean" (Rom. xiv. 14). But the true solution of this case goes deeper, to the underlying causes of the false moral judgment. These are culpable, even as it is culpable. As we have seen, they involve a faulty neglect of, or turning from, the light that would have prevented its aberrations. A good intention of "doing evil that good may come" is a misnomer. It is emphatically condemned by the Bible and all unperverted consciences. We can never give place to the maxim that "the end justifies the means," if those means be immoral. No man can innocently "call evil good and good evil." What can justify one in thinking theft or murder right, Christianity an imposture, or the persecutions of Christians "doing God service"? Were the crucifiers of Christ excusable for not knowing what they did? for their blindness to what convinced the disciples, the converted thief, the astonished centurion, the faithful women, and Joseph of Arimathea—that Christ was indeed the Son of God, and the purest of men?

Yet it is evident that ignorance, though culpable, mitigates the guilt of the sin it cannot excuse. This is the intuitive judgment of men. It is implied in that prayer of Divine benignity on the cross already quoted; in Paul's declaration that he was "before a blasphemer, and a persecutor, and injurious; but I obtained mercy, because I did it ignorantly in belief" (1 Tim. i. 13).

Moreover, there is this truth in the principle that the moral character of actions depends upon the good or evil intentions which prompt them: That acts in themselves morally indifferent acquire moral character wholly from the good or evil intention with which they are done. In respect to acts of this kind, "unto the pure all things are pure" (Tit. i. 15). While no bad intention can be right, even though it prompt to acts that would be good if done with a good intention; and no good intention, even if one perfectly such were possible in the case, can justify acts in their own nature morally evil, still, within these limitations, the morality of an action depends upon the intent of the actor. In short, in order to fulfil the moral law, an act must be both materially and formally

good—good in itself and its motive. For the law prescribes both conditions.

This brings to the front the question, how far conscience is infallible, and incapable of education. That it is so, is asserted by that high authority, Professor Calderwood, after Kant, as follows in his "Handbook of Moral Philosophy," p. 8: "Conscience is a faculty which from its very nature cannot be educated. Education either in the sense of instruction or training is impossible. As well propose to teach the eye how and what to see, and the ear how and what to hear, as to teach Reason how to perceive the self-evident and what truths are of this nature. All these have been provided for in the human constitution." He quotes Kant's declaration, "an erring conscience is a chimera" ("Met. of Ethics," iv., 12). In an appendix to after editions prepared in part for the purpose of obviating criticisms upon this deliverance, he says: "There is no part of this text-book which has more uniformly met with adverse criticism from those who give a general assent to its theory, than the position that conscience cannot be educated." He contends that if "we labor to enlighten and instruct our conscience, we regard it as deficient in guiding power and authority. If so, it is impossible to speak of the supremacy of our conscience. Butler's most important position is lost. . . . That conscience intuitively recognizes the moral law; that it is supreme in its authority and that it cannot be educated—are three propositions which hang or fall together" (pp. 271-2).

The familiar phrases "practised ear" and "trained eye," imply a capacity for education in these organs which renders them poor illustrations and proof of the non-educability of conscience. If our limits do not permit us to go further in that complete refutation of this Kantian position of which it is susceptible, it is the less necessary, as Professor Calderwood concedes "there is undoubtedly a measure of truth underlying the popular declaration that conscience needs to be educated" (p. 271). This is unquestionable, although the contrary appears to be argued by the author from the intuitional character of the faculty. It is such so far as discerning the nature and first principles of morality is concerned; but in deductions from these first principles, and application of them to concrete cases for our guidance, it is discursive. Besides it is no small part of

education to settle what are and what are not intuitive maxims in any science—for while all men are mastered by few have mastered them—and much more to determine what, by right reasoning, can be deduced from them. All mathematics start from a few axioms intuitively known, but nevertheless adequately known only to the fewest without that education which has brought them and the proper statement of them to the mind of the learner. But then is not the mathematical faculty indefinitely capable of education? And may not men by “use have their senses exercised to discern both good and evil”?

So the moral faculty is capable of education—simply and purely as a faculty, like any other, by instruction and training, irrespective of the need arising from its defilement and error, through the perversion of sin already set forth; then especially in consequence of its bewilderment through sin; and still further as the truths made known through supernatural revelation vastly amplify the range of duties discoverable by the mere natural conscience and reason; or as Christianity creates duties unknown to natural religion.

Nor does this capacity for or need of education undermine the supremacy of conscience as the guiding faculty of the soul. In order to be competent for this function, it is not requisite that it be capable of error, if perverted; but capable of being a right guide of life, if unperverted. It is not necessary that it be qualified for the office without availing itself of all the light and helps within reach; but that it be capable by the due use of its powers, first of discerning the lights and aids natural and supernatural within reach for its adequate illumination, and then of using them aright, “not walking in craftiness, nor handling the Word of God deceitfully.” To assume that, in order to the rightful supremacy of conscience, it should be impossible for it, if wrongfully used, to err, is as absurd as to say that we ought not to be guided by our understanding, because, through perversion or neglect, it may come to erroneous conclusions; through wilful inattention to the truth and evidence it may leave us ignorant of the snares and pitfalls before us. The misuse of the understanding is no excuse for not rightly using it and following its lead, at least to the light stronger than its own, where this is insufficient. We are not to be “as the horse, or as the

mule, which have no understanding," even if "the way of the wicked is as darkness" and "they know not at what they stumble." It is not the prerogative of the conscience more than of the whole understanding, although both alike in their due place are set for the guidance and rule of the soul, to possess a self-sufficing light, further than as they can discern and open themselves to the light that may come from all quarters for their guidance. The eye is not sufficient of itself without the light which makes manifest the objects it beholds, or without the proper beholding on different sides of the objects so manifested. So of the inward eye of Conscience and Reason. In God's light it sees light.

Here we find the clue to the perfect consistency of the Supremacy of Conscience with the Supremacy of Scripture. In a sound, normal state conscience acting as our supreme inward director commands us to submit ourselves to the guidance of God's Word, and make that the supreme rule for the guidance of the whole man, itself included. So the supremacy of conscience in its sphere leads, and commands its own submission to the supremacy of the Bible, the moment it is seen, in the light of its internal or external evidences, or both combined, to be the Word of God, given by His inspiration and stamped with His infallibility. Into the proofs of that inspiration and infallibility we cannot now enter. We must for the present assume them—and that this inspiration has secured the utterance of the mind of God, "not in the words which man's wisdom teacheth, but which the Holy Ghost teacheth," in a manner compatible with all the individualities of style of the several human writers, while it bears to every candid mind the impress of divinity, and is recognized as the utterance of One speaking as never man spake. Now, when once convinced by this internal evidence of divinity confirmed by miracle and prophecy, the conscience enthrones the Bible in and over itself as the Word of God, it perfects instead of impairing its own supremacy, in the supremacy of the Bible. This is prolific of important consequences.

1. Conscience must assume the truth of this revelation, and its perfection as a rule of faith and practice, "The law of the Lord is perfect." "All scripture is by inspiration of God, and is profitable for doctrine, for reproof, for correction, for instruction in righteousness: that the man of God may be perfect, thoroughly furnished

unto all good works" (2 Tim. iii. 16, 17). This covers the whole ground. They are "able to make wise unto salvation." Now suppose the conscience, the moral or even speculative reason, finds what seems to jar with its antecedent judgments? What is the presumption? That it is wrong, or the oracles of God are wrong? Or if it be sure of its own accuracy, that it may or may not have misconceived that representation of Scripture to which it demurs? And is it not better even with sightless eyes to be led by the hand of the All-seeing, than to grope and stumble in its own darkness?

2. It is withal to be observed, that, if the matters revealed be above the plane of the light of nature, or beyond the horizon of natural reason, such as the Trinity, Incarnation, Redemption, Regeneration, Atonement, and Justification, natural reason or conscience cannot adjudicate upon or against them, unless they offer some indubitable contradiction of intuitive first principles. In this case the presumption is of some misconception, of the supposed Scriptural utterance, or of the intuition supposed to be arrayed against it. Of revelations in the sphere of natural reason and conscience which seem to conflict with them, we have seen how all this may be accounted for by perversions of them arising from dislike and inattention to the truth. The presumption here then is, until the contrary appears, that the alleged contradiction comes, not of error in the Bible, but the aberrations or defilement of our own consciences. Of revelations of truths above nature this is still more emphatically true.

3. And this all the more, as when once the mind acknowledges the Divinity of the Scriptures through whatever proof, and deals with them accordingly, it is quick to discern beauties, concinnities, harmonies, outshinings of the glory of God in the face of Jesus Christ, and in the heavens which also declare it, all blending in the heightened effulgence of the one God of nature and revelation, which were hidden from it before. Thus a holy wisdom illumines the soul, scatters mists and errors, solves apparent paradoxes and contradictions, or relegates them to the sphere, not of contradictions, but of insoluble mystery, where it is the "glory of God to conceal a thing." So also the Scriptures claim to speak: even "the wisdom of God in a mystery," "the hidden wisdom," "which none of the princes of this world knew: for had they known it they would not

have crucified the Lord of glory" (1 Cor. ii. 7, 8). The very knowledge that the Bible is from God wonderfully facilitates and quickens the appreciation of its truth, beauty, and divinity, as a whole, in its parts, and their harmony with each other and with right reason. Chalmers very felicitously avails himself, in illustration of this point, of the observation of Sir Joshua Reynolds, that once we know certain paintings were by the great masters, such as Titian, Raphael, Michael Angelo, we proceed with promptness and decision to mark their beauties, which we might have been much longer in detecting, had we not the impulse and support of such a predisposition to discern them. So is it with the Word of God. When once recognized and treated as such, its divine beauties stand out to our gaze, and are quickly taken in by the eye, so that the difficulties that have perplexed, and the mists that have bewildered us, are scattered by the rising beams of the Sun of Righteousness.

4. Thus, even if we meet in the Bible with revelations or requirements of God which we cannot at once reconcile with our moral standards, or ideas of goodness, conscience will assume that it is consistent with absolute righteousness and goodness, and would appear so to all right-minded persons, if it could be brought in all its aspects and relations to our view as it is to the Infinite Mind. A typical instance of this is the command to Abraham to offer up Isaac, obedience to which is declared in the New Testament to have been an eminent act of faith (Heb. xi. 17-19).

The reason and conscience when confronted with insoluble cases will take into account that, in a large sense, they cannot be the measure and standard of what is possible with God; for two reasons: 1. Their finitude. How shall the finite span the Infinite or know more than "parts of His ways"? 2. Their perversion, as already shown, resulting in a comparative blindness to many sides of moral and religious truth, too often so long persisted in as to become indurated into the bondage of habit. Remembering this, the candid inquiring spirit will be slow to conclude that the apparent teachings of the Word of God, which have commanded the faith and moulded the life of the best peoples of the earth, are, rightly understood, incompatible with the dictates of unperverted conscience and reason.

It is said, "We never can give up first truths: we can't use our reason to find out essential truths, and then hold that our reason is not to be trusted." Indeed we never can give up first truths. But we may well cease to summon against the Word of God spurious claimants of that dignity and authority which represent only strong personal or partisan convictions, or distortions and misapplication of such truths. Of this more to come. The proposition "We can't use our reason to find out essential truths, and then hold that our reason is not to be trusted," if true in one sense, is not true in every sense. Reason may find evidence of a divine revelation of truths entirely above its own plane and comprehension—its own moral standard even—which it can never discover, master, or judge of by its own insight. It simply finds them affirmed by the testimony of God. If He affirms them, that is enough, whether it can understand all about them or not, nay—though it does not as yet see how they can fail to contradict some indubitable intuition of sense or reason. In this case, neither the intuition nor the divine testimony is to be questioned, but our own interpretation or application of one or the other of them. May not reason be employed to find evidences of revelation, and what it teaches, without being "trusted," in a higher range for which a divine chart has been given? Is it indeed so that reason is to be trusted to determine that God cannot, without denying Himself, reveal the Trinity, Incarnation, Regeneration, Justification, Eternal Retribution? As well say that because the naked eye may be trusted to guide the helm down the Hudson, or through Long Island Sound to the Atlantic, without chart or compass, it can be trusted without them through the trackless ocean; or that it can be trusted to determine the *a priori* possibility of the magnificent revelations of the telescope and microscopy of modern science; or that after such revelations it can even read the phenomena within its own proper horizon as before—that the meaning even of the rising or setting sun will remain unaltered. Even so faith, reinforcing reason, and trusting the testimony of God, is "the evidence of things not seen," *i.e.*, not discoverable by any native power of sense or reason. "Religion passes out of the ken of reason only when the eye of reason has reached its own horizon, and faith is then but its continuation. Even as the day softens into

the sweet twilight, and twilight, hushed and breathless, steals into the darkness" (Conclusion of "Biographia Literaria," by S. T. Coleridge).

And the truths of the Gospel in its purity positively commend themselves to the conscience purified of its perversities. They cannot go athwart any unperverted conscience. So the apostle declares: "Not walking in craftiness, nor handling the Word of God deceitfully; but by manifestation of the truth commending ourselves to every man's conscience in the sight of God" (2 Cor. iv. 2).

We are now face to face with the whole scope of the *judicium contradictionis* which natural conscience or reason possesses as a warrant for denying that certain doctrines can come from a perfect God, or can be contained in any revelation of His will. In determining its scope, it is a safe attitude to strive rather to lift our reason up to God's Word, than to bring that down to our reason: to take the yoke and learn of the great Teacher, remembering that in a large sphere "the wisdom of this world is foolishness with God" (1 Cor. iii. 19). Nothing is to be accepted as the Word of God which contradicts any other unquestionable truth of sense, reason, or conscience. So the bread and wine of the sacrament are figuratively, they cannot be literally, the body and blood of Christ. So two cannot be four, nor the same subject three and one at the same time and in the same sense—an objection sometimes falsely made against the doctrine of the Trinity. So nothing can be from God which denies the axioms or demonstrated truths of mathematics. So that could not be a revelation from God which commands, sanctions, or promotes irreligion or immorality, lying, treachery, cruelty, profanity, blasphemy—although the character of the Bible in this respect is to be estimated rather by its plain indubitable tenor and influence, than by some exceptional unsolved cases. So what clearly contradicts our indubitable moral intuitions, as that we should do justly, love mercy, and walk humbly with our God, cannot be recognized as from Him. So far reason keeps within its true province, not vaulting into rationalism.

But we have seen how widely men under the blinding influence of passion or prejudice may misstate or misapply their own moral intuitions, or how they may elevate to the rank of intuitive truths their own strong prepossessions, or the tenets of party, sect, or tra-

dition, which they have been wont to count sacred. Those who have given competent attention to this subject have therefore seen the importance of finding criteria to distinguish such intuitive truths, moral and otherwise, from unwarrantable pretenders to this dignity. *Unaqueque gens hoc legem naturæ putat quod didicit.* We have not far to seek for the main test, which is the universality of their acceptance—not, indeed, in the avowed profession or acknowledgment of them, but in the real, even if unconscious, submission to their regulative force in thought and action. Men thus recognize their truth in the concrete, even if they dispute or are ignorant of them as abstract, formulated propositions. Let the fatalist deny free-agency, or the reality of moral distinctions, he will nevertheless show his belief of them when himself injured or maligned. Let one deny causality, he will show that he believes it in reference to the next event he observes. So whoever may deny or blind himself in any way or degree to these moral intuitions or their proper import, nevertheless feels their undertone in his soul, which constantly tends to make itself heard in reasserting them and compelling their recognition. The law of God “written in their hearts” may be defied, blurred, or distorted in the soul’s manner of dealing with it. Nevertheless it will assert itself among those who, given “over to a reprobate mind,” in the commission of all heathen abominations, yet, underneath all, know the judgment of God “that they which commit such things are worthy of death.” “Which shew the work of the law written in their hearts; their conscience also bearing witness, and their thoughts the meanwhile accusing or else excusing one another” (Rom. ii. 15).

Indeed, however these intuitions may be smothered, or kept in abeyance, so making room for those conflicting moral judgments which have so wide a prevalence among men, yet it has been noted by moral philosophers that this agreement pertains more to the use or abuse, the application or misapplications, or fallacious reasonings from, the first principles of morals, than to the principles themselves. Or it is more in the region of positive than moral laws; in reference to some aspect of actions *per se* indifferent, than to what is intrinsically good or evil: more in respect to moral judgments founded on varying representations of the intellect in different persons regarding the act approved or condemned, or the aim and intent of the

doer, than in respect to the moral character itself of such aim and intent when these are seen by different consciences to be identical. The famous case of Caius Toranius, adduced by Paley to prove that there is no original moral faculty, no intrinsic moral good or evil in actions, because no uniformity of moral judgment among men ("Mor. Phi.," i. 5), rightly viewed, proves just the contrary. The wild boy of Hanover, with faculties all undeveloped, brought forward by Paley to act as judge of the moral character of the act, is no more to the purpose than an infant. But let the case be submitted to men of developed minds the world over, and there might be differences of opinion as to the moral character of this betrayal, from varying representations of the motives which prompted it: not otherwise. If it were understood that Caius Toranius did it to further his own interest by aiding the murder of his father, scarcely any man who had not dehumanized himself would fail to brand him as the worst of parricides. But if he did it feeling that he was called upon to make the dreadful sacrifice to save his country, it might look more like Abraham's offering up his only son Isaac at the command of God. "And thus the identical acts which in one nation are the subjects of a most reverent and religious observance, may in another be regarded with a shuddering sense of abomination and horror. And this not because of any difference in what may be termed the moral categories of the two people, nor because, if moral principles in their unmixed generality were offered to the contemplation of either, either would call evil good or good evil. When theft was publicly honored and rewarded in Sparta, it was not because theft in itself was reckoned a good thing; but because patriotism and dexterity, and those services by which the interests of patriotism might be supported, were reckoned to be good things" (Chalmers, "Nat. Theology," B. ii. 20).

The "deceitfulness of sin" is spoken of in Scripture as one of its unquestioned attributes. It invents specious pretexts to veil its own deformity and ill-desert. It has ever done this from the primal sin in paradise to the last murder and even peccadillo. That "with names of virtue it deceives," and "has a thousand treacherous arts to practice on the mind," is the utterance of childhood hymns which articulate the experience of the race. The historian thus reflects

upon the hideous atrocities of the Jacobins in the darkest crisis of the French Revolution. "Even the blood which they shed was often the result, in their estimation, not so much of terror or danger as of overbearing necessity; they deemed it essential to the success of freedom. . . . They massacred others because they were conscious that death, if vanquished, justly awaited themselves; but still the weakness of humanity in their, as in many similar cases, deluded them by the magic of words, or the supposed infunec of purer motives, and led them to commit the greatest crimes while constantly professing the purest intentions" (Alison's "History of Modern Europe," chap. 14; see also Cicero's "Republic," iii. 22-33.

XXII. *To what in moral agents beyond mere acts do moral quality and responsibility pertain, and why? Show what moral rectitude involves in respect to the matter and form of moral actions. Popular and scientific sense of the words moral and morality.*

The moral quality thus far has been confined to the voluntary actions of moral agents, but it applies further.

1. We are responsible not merely for doing what we ought not, but for not doing what we ought. A man seeing a fire ought to put it out, and in neglecting to do so does wrong. Negative sins are as real as any other.

2. While it is of actions, that the mind takes immediate cognizance, it is on the motives and desires that the conscience bases its judgment. A man with a gun may pull the trigger to defend a friend or to commit murder. The law requires malice aforethought for murder. The real seat and centre of responsibility is in the desires and intentions with which acts are performed.

3. This principle must be received with the qualifying exception that there are some acts which either cannot be performed with any good intentions or desires, or in which the entertaining of such intentions must be inexcusable. What good intent or desire can prompt one to profane or blaspheme the divine truth? If we do what is right in itself, intending to do wrong, we incur the guilt of doing wrong. In order for an act to be *morally good* it must be materially and *formally right* as to matter (*genus*) and as to manner (*differentia*). It is a very important principle that the act and

intention must be right. It shows that all virtuous conduct of the irreligious is not materially nor formally right. It is not animated by the love of God. The ends do not justify the means. A bad intention vitiates the moral merit of an act even if it leads to good, as in the instance of a man telling the truth when he meant to tell a lie.

The moral quality pertains not only to the acts but to the latent disposition of the soul from which they spring. If a man be in that state in which when the name of God is mentioned he becomes devout and religious, we approve of such inward disposition. If on the contrary the mention of God's name leads him to blaspheme, we condemn the inward state. The conscience, in the cognition of right and wrong, sees this quality of right and wrong as extra mental. It is in the conduct, not in our perceptions of it, objective, not subjective, real, not ideal, exists whether we discern it or not.

The moral quality is extra mental. That act which is discerned to be right or wrong is a thing cognized; and this quality lies not in the seeing, but in the thing itself. It is a simple and original quality, and is not derived from anything simpler than itself. Pleasure and usefulness do not come up to right, and no combining of these can make right.

XXIII. *What would you answer to those who demand a definition of the idea of right? Analyse the most prominent attempts at such definitions, and show their common faults.*

It is seen as a simple and original quality, not derived from other qualities more original and simple than itself. It is not known as a mere formative or derivative of happiness or utility. These do not give the moral idea of right and wrong. As it is a simple, not a logical definition, like other simple definitions it is not resolvable into *genus* and *differentia*, which are requisites to a logical definition. Although incapable of logical definition, it admits of descriptive words. It may be described by other and equivalent terms, by "moral goodness;" by its effects, as "that which gives peace and happiness" to moral agents. It is no mere child of happiness and utility. If we had only ideas of happiness and utility, we could not have had ideas of right and wrong.

Terms by which it is described :

“Mean between extremes.”—*Aristotle.*

“Fitness of things.”—*Samuel Clark.*

This is well enough if it means *moral fitness.*

“Conformity to truth.”—*Adam Smith.*

Conformity to truth is not necessarily a virtue ; animals conform to truth. It must be *moral truth.*

So fitness of things is only a virtue as moral fitness.

As to mean between extremes ; how do we know the extremes, and how the mean ? These furnish more genera, not differentia. Virtue is defined as “the deference which every one owes to his spirit’s excellency.” This is a definition *in circulo*, for what is man’s excellency but virtue ? Simple ideas are incapable of definition, because they cannot be divided into *genus* and *differentia*. We adopt the intuitional as distinguished from the Utilitarian Theory of the nature and origin of virtue, viz., that we have a direct intuition of right. It is as impossible to account for right or wrong in man’s soul, without a faculty to distinguish it, as to have sight without an eye.

Right is seen as that which ought to be performed at all hazards and at any cost. Chalmers says, “Conscience is supreme ‘*de jure*,’ if not ‘*de facto*.’”

We know right as that which we are under obligation to do, and which deserves reward. “Morally obliged” means that we are obliged to do what is right.

The idea of the quality of right is super-sensual. Outward acts are endued with the quality of right only as they are exponents of such virtues. This cannot be cognized by the senses, but is discerned by the inner eye of conscience.

XXIV. *State and discuss Paley’s two definitions of moral obligation. Show their logical consequences.*

Paley says, “The whole subject was involved in confusion until I found that obliged meant to be induced.” A man does not do a wicked act unless induced. This destroys the distinction between virtue and vice.

Paley says again, “That a man is obliged when he is urged by a violent motive from the will of another.” If a man receives a large

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bribe to do wrong, he is urged by a violent motive from the will of another.

XXV. State and discuss the argument raised by some against our original Moral Faculty, and the intuitive cognition of Right, as a simple and original quality of actions, based on the diverse moral judgments of men.

Arguments based on the diversity of moral judgments in men have been raised to prove that men have no moral faculty, and that right is not a simple original quality. They ask, If there be such a faculty, how can there be such disagreement in men? Locke says, "If any principle can be thought to be naturally imprinted, none, I think, can have a fairer pretence to be innate than this, viz., that parents preserve and cherish their children." Yet this is not universally observed. When it is said that this is an innate rule, what is meant? Either that it is an innate principle which, upon all occasions, excites and directs the actions of all men; or that it is a truth which all men have imprinted on their minds, and which, therefore, they know and assent thereto. But in neither of these senses is it innate. It is so far from being an innate truth, that it is no truth at all. It is a command, and not a proposition, and so not capable of truth or falsehood. To make it capable of being assented to as true, it must be reduced to some such proposition as the following: It is the duty of parents to cherish and preserve their children.

XXVI. State how far such diversity actually exists; and so far as it does exist how it may be explained consistently with the intuitional theory.

- a. *By the distinction between pure and applied Ethics.*
- b. *By the nature of conscience as a faculty of human intelligence, intuitive and discursive.*
- c. *By the nature and bearing of the distinction between actions as good, bad or indifferent, by the doctrine of expediency, and by the distinction of moral and positive laws, mala in se and mala prohibita.*
- d. *From a distempered and misguided conscience, and by seeing actions through a false medium or a perverted and distorted representation of them to the conscience.*
- e. *By the dependence of the judgment on the power of voluntary attention. Forms of distempered conscience.*

This disagreement is not entire. It does not pertain to all princi-

-ples. No nation has lost all trace of the distinction between right and wrong. That the distinction is perceived shows it to exist, and that we have a faculty of observing it. It is no argument against sight that some persons disagree in discerning colors, or that some are blind. So it is no argument against an original moral faculty that some men disagree as to what right is. Or if some deny or ignor right it does not prove there is no faculty to discern it, any more than blind men could prove that there were no such thing as sight.

a. The differences between men as regards moral duty are far less in regard to the great principles of duty than to their application in detail. Heathen and Christians agree in worshiping God, but in different ways; the one worships him in spirit and in truth; the other tries to propitiate him by horrid orgies. Christians and pagans agree in the principle that "parents ought to preserve their children," but they disagree in the application. This belongs to the department of Applied Ethics. They agree in principle, but disagree in application. The causes are under heads which touch upon Applied Ethics.

b. Conscience is a faculty of the human intelligence to a certain extent endowed alike with the prerogatives and infirmities of that intelligence. It is neither more nor less infallible than the other faculties. As the moral faculty is appointed to govern every other faculty, it might be expected in the effort to discern every line of duty and to obtain light that it would be able to do so. In the true use of the faculties we can obtain knowledge of all things pertaining to our interests. This knowledge is intuitive and discursive, of things self-evident and inferred from those which are self-evident. Intuitive truths are self-evident as mathematical axioms. The object of the senses is its own evidence to the senses. There are no serious disputes as to this except among speculatists. So in regard to the first truths of morality, they are self-evident to all whose minds are not perverted. Veracity, kindness, honesty, duty to God, are self-evident. They cannot be made apparent by any other evidence. Some duties are not presented pure and simple, but are implicated with many circumstances and surroundings, which obscure them. These lie in the region of Applied Ethics. In many acts, complicated in their actions, it is difficult to ascer-

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tain what moral faculty is involved. When Brutus killed Cæsar, was it patriotism or murderous intent? The further we get from originating self-evidence, the greater danger there is of some flaw in the step of reasoning. So long as it remains purely intuitive, it is sure and reliable.

c. There is a distinction in actions, come down from antiquity, of those morally good, morally bad, and indifferent. By good and bad actions are meant those which are so intrinsically; as honesty and dishonesty, truth and falsehood, in regard to men; profanation, blasphemy, in regard to God. Indifferent (*adiaphora*) are those which are neither morally good nor evil. The obligation to do or avoid them is indirect, in view of their tendency to further what is morally good or evil. There is a wide range for diversity. To glorify God supremely is obligatory. The choice of a profession is indifferent, neither morally good nor morally evil; but it must be chosen so as to glorify God. So in eating, we must eat to glorify God. To spend two or eight hundred dollars a year is indifferent; it depends upon the resources, relation to internal improvement, and the promotion of religion. Things indifferent are mixed with things morally good and evil. It is difficult to distinguish them. There is a wide field for difference. Lack of candor and diligence in seeking truth is due to this. The great defect of Paley lies in placing actions indifferent on the same ground as actions intrinsically good or evil. The doctrine of expediency is, that moral actions are not such in their nature, but they become such in their tendency to promote happiness. The sphere of expediency, in reference to actions in their own nature, is indifferent. We determine this by their consequences. There is a regulation of expediency applied to acts indifferent, but not to actions intrinsically good or evil.

Distinction of mala in se and mala prohibita.—If we take actions in themselves actually wrong, as blasphemy, frauds, etc., they are *mala in se*. There is another class forbidden; but if not forbidden, would not be right or wrong, as avoiding payment of taxes, transgressions of police laws. Whatever indifferent thing is forbidden by authority, becomes *mala prohibita*.

Distinction between moral and positive laws.—Moral laws are

those which are binding, whether they are formally enacted by authority or not, as the Decalogue, with the exception of the fourth commandment, which is positive. Positive law is that enacted by competent authority, and would not be binding otherwise, as police regulations, the Jewish mode of observing the Sabbath, etc. Positive laws have reference to actions in their own nature indifferent. The Christian sacraments, unless directed, would not be binding. If God had not ordained them, they would not be obligatory; but, as He has done so, we ought to profit by them. If a competent authority ordained some requirements, the propriety of which we cannot see ourselves, we ought to obey. Abraham's offering up Isaac is right and just, because God commanded it. If the Bible were productive of immorality, we would know that it did not come from God. But if we do not see how some doctrines bear on morality, yet we must accept them.

d. If the sensual organ of vision be vitiated, the vision would be so. None the less so with moral eye—the conscience. “The light of the body is the eye; if, therefore, thine eye be single, thy whole body shall be full of light. But if thine eye be evil, thy whole body shall be full of darkness. If, therefore, the light that is in thee be darkness, how great is that darkness!” The conscience contracts more or less of the defilement which spreads through our whole nature. Titus, i. 15. In looking through stained windows, how obscure the scene as compared with the glorious reality! So with the conscience.

e. Attention is largely under the control of the will. We cannot know what we do not attend to. If we do not attend to right or wrong actions, we will not know them.

The forms of distempered conscience.—It may be distempered; (1) As to guiding power. It may itself be misguided, for our guide requires for itself proper guidance. There is no paradox in this. If we were going to explore an unknown mountain, we would use the eye and faculties of intelligence. Our conscience is a guiding faculty, and its first and supreme duty is to submit itself to that light requisite for its guidance. It demands that we find out what truth is.

(2) As to its impulses. (a) There may be a morbid sensibility

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as to trivialities. The greater danger, however, is to become indifferent and callous to what are sins. (b) It may abound in impulsive power, but its ideas of right may be wrong.

XXVII. *State the relation of conscience and the nature of virtue, to the will of God, and of the latter to any standard within or without the Divine nature.*

When the conscience is acquainted with the being of God, it will recognize a new range of duties due Him, and unknown otherwise; also the sense of duty and accountability will be quickened. The conscience recognizes that the infinite and perfect God is wiser than a finite creature, and is a holy God, purer than a sinful creature and that He may ordain many things which cannot be explained by our short-sighted views of what is right. If we had no conscience, we would not know that God ought to be obeyed. Conscience tells us to obey the law of God, and thus the conscience and will of God are reconciled.

There is a difficulty in regard to the will of God being the standard or criterion of virtue. Some affirm that virtue is not founded in mere will, as it is a capricious force. The will of God is conformed to rectitude. The erection of any standard to which the will of God is referred is an infraction of God's sovereignty. This is resolved by placing this rectitude in no standard or fitness of things whatever, outside of God, but in the perfect and unchangeable goodness of His nature. He is absolute goodness, holiness, truth. All standards have their origin within himself. The standard of virtue is in the perfection of the divine nature. God's will is the supreme rule of conduct, as it is altogether righteous. All attempts to resolve virtue into anything more simple or original than itself, as sympathy (proposed by Adam Smith), fitness of things, or conformity, presuppose the very idea which they seek to prove, and hence result in *argumentum in circulo*. Mandeville resolves virtue into hypocrisy, but there can be no counterfeit unless there is the real thing to be counterfeited. Aristotle calls it the mean between extremes. The Transcendental or Pantheistic definition is, "Virtue is that which a man owes to his spirit's excellency." What is the spirit's excellency but virtue? This is *argumentum in circulo*. Moreover, it deifies man: every man would be his own god.

XXVIII. *Define and discuss the Intrinsic and Intuitive theory of virtue, in contrast to the Utilitarian theory of the nature of virtue.*

The Utilitarian scheme resolves virtue into a means or instrument of happiness. When Utilitarians are told that upon this supposition it makes no difference what the kind of happiness, but the quantity of such happiness, they answer that they mean holy happiness. Dr. Mark Hopkins says, "Do we say that the end of man is happiness? No: but holy happiness." But if a holy happiness, must we not presuppose holiness, and so have *argumentum in circolo*? Utilitarianism is that scheme of morals which resolves virtue by saying that it is not a good in itself, but good as a means to another good, and that good is happiness; and that out of this the idea of virtue arises, and there is no other virtue. The intrinsic scheme is that virtue is a good in itself, and the above theory denies this.

This utilitarianism has two subordinate schemes;

1. That which resolves virtue into a means for promoting the happiness of the agent.

2. That which resolves virtue into a means for promoting the happiness of the sentient universe, the agent himself included. This is the broader view. The first—the selfish scheme—is called Epicureanism, from Epicurus, who was one of its strongest advocates. Utilitarianism is employed to cover both of these schemes. When Utilitarianism is spoken of, it has reference to the broad sense, or to the second, subordinate scheme. Generic utilitarianism includes both schemes. Specific utilitarianism is comprehended in the second scheme.

XXIX. *Explain the term Hedonism (hedone), Egoistic and Universalist, also Eudemonism as related to this.*

Hedonism, a technical term, from *hedone*, makes virtue a means to happiness. That which promotes the agent's happiness is egoistic Hedonism. That which makes it a means of promoting the happiness of the sentient universe, agent himself included, is universalistic Hedonism, also called Eudemonism, which signifies a happy destiny.

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XXX. *Give the real state of the question in regard to the selfish-happiness, i. e., Epicurean scheme or egoistic Hedonism, in contrast with all false issues.*

1. It is not an issue whether virtue leads to happiness, sooner or later. This we believe, as we believe in the administration of a righteous God. A scheme which leads to happiness, is no more happiness than a road to a town is the town itself. That which promotes health is not health.

2. It is not an issue whether there is so much subjective pleasure in all acts of the will, as is involved in choosing as we please. It is admitted, that when we choose we choose as we please, but denied that pleasure is the ultimate object. We choose things as true and right, and grant there may be pleasure in choosing, but in choosing them as right. Driven from every other refuge, those who hold this scheme argue that we choose only our pleasure, which is the same as saying that if we choose as we desire, we choose only our desires. This theory overturns all distinctions between good, bad and indifferent. The distinction between virtue and vice would be obliterated.

3. It is not a question whether it is right, within certain limits, to pursue happiness. It is often argued as if this were the real issue. It is right to pursue happiness, within certain limits, imposed by our moral faculty. What is denied is, that what is implied by moral goodness is not contained in the word happiness. Happiness should only be pursued in subordination of right. The truest happiness results from making right the true aim of life.

4. It is not an issue whether we are to consider the consequence of our actions in many cases. When it is settled that an action is right or wrong in itself, it is enough. In regard to indifferent actions, the law of expediency prevails. We are to do what is expedient; not to the end of happiness, but to that which is subservient to right. Right is paramount and must control the expediency which seeks mere happiness.

XXXI. *Give your views of this, also of expediency or the calculation of general consequences as the standard or criterion of moral goodness.*

5. The question is, Is the quality or idea of moral rectitude,

merely, simply, purely, that of tendency or conduciveness to happiness, so that when we think of an action as promoting our happiness, we think of it as right? The statement of this question is its answer to every unperverted conscience. It cannot be true, for: (a) The very statement is revolting to every ingenuous mind. It is felt as a debasement of our nature.

(b) This scheme subverts all real distinction between virtue and vice. That bad men pursue their own happiness is undeniable. The difference between the good and bad is, that the good are shrewder.

(c) On this theory, such words as "ought" and "moral obligation" are meaningless. To whom or what is a man bound? Who can call him to account?

(d) All obligation in regard to the welfare or happiness of others is suspended, according to this school, as its tendency is to promote our own happiness. All obligations of honesty, justice, and truthfulness hang upon a slender thread. The same is true of duties and obligations to God.

Universalistic Hedonism is that which makes virtue to consist in benevolence—highest happiness of the sentient universe, the agent himself included. This scheme escapes the degrading character of the former theory. We raise the following objections:

(1) It makes virtue not a good, intrinsically, but only as a means to some other good. It makes the quantity rather than the quality the standard. Paley says that "Pleasures differ from each other in their intensity and duration." Jevons proceeds to establish a quantitative relation between actions and their motives by a mathematical ratio.

(2) This breaks down all moral standards. The standard will be as variable as the judgments and tastes which control individuals.

(3) Utility is not synonymous with right. Many useful actions are virtues, but many are indifferent. It may be *useful* to give estates to the poor, but it is wrong to do so without the consent of the owners. Many actions, though not useful, are right. We should pay a miser what we owe him. On this principle communistic movements are founded; the workingmen claim the property of the rich.

(4) The highest view of it resolves all virtue into benevolence. This theory has been held by many philosophers and divines. Edwards says, "Virtue consists in the love of being in general." This scheme may be unselfish, but a man should be "just before he is generous." If some good actions are not benevolent—and this is the case when we deny ourselves, that we may increase in virtue—it is worse than useless to endeavor to bring all virtue under this one principle. It also introduces perversion in socialistic discussions, *e. g.*, in the punishment of crime.

(5) It virtually ends in the purely selfish and egoistic scheme. According to this, happiness is the only good, and all other things are good relatively to this end, and not in themselves. If happiness be the only good, what remains to any one but to get as much as he can, and as soon as possible?

(6) As bearing on and helping to the solution of this and previous questions: Happiness is not so much an ultimate object of pursuit as it is harmony between desires, susceptibilities, on the one hand, and their appropriate objects on the other. We are made to pursue right supremely, and our susceptibilities are conformed to their appropriate objects, but if we exalt happiness, we forfeit what we are in pursuit of, for we subvert the conditions upon which it is attainable. In order to be happy, we must seek in due order the objects which we were made to seek. An analogous case is found in the bodily exercise requisite to health. When this exercise is obtained in the way of seeking some other object—as amusement—it is more advantageous.

XXXII. *Define and discuss the Sentimental theory of virtue.*

The *sentimental* theory of virtue. The word "sentiment" affords illustrations of the derivation of words and modifications of their meaning. From *sentio*, to know and feel, on the one hand, are derived sense, sensation, sensual, sensuous, used in philosophy; in any other line, sentiment is used for opinions, principles, etc. But in the adjective "sentimental" there is a reference to a kind of thinking, a habit of mental action, in which the intellectual part is subject to the emotional part. Sentimentalism is that kind of thinking which is overloaded with emotion. The Sentimental Theory founds the idea and origin of right on the emotions. The emotional ele-

ment is founded on a cognition that acts are right or wrong, worthy of approbation or disapprobation. The conscience is cognitive and emotional. Is the cognitive founded on the emotional, or the emotional on the cognitive? All moral judgments of actions as right or wrong precede all pleasure or pain arising from them. We reject the Sentimental Theory. The intellect should control the feelings, and not the feelings the intellect.

XXXIII. *Compare the foregoing theories with the Associational theory of virtue, held by Mackintosh, Jas. Mill, Bain and all materialists.*

The *Associational Theory* of virtue is identical with Utilitarianism or Hedonism. As advanced by all materialists, it asserts that the idea of right or wrong actions originates in the soul, in the same way as the Sentimental Theory maintains. We learn by experience from childhood, that some actions cause pleasure, others cause pain: hence we come to associate with some actions pleasurable feelings; with others, painful feelings, and therefore to regard one as proper to be done, and the other improper. This is the same as Epicureanism and Universalistic Hedonism, because the association may be of two kinds:

a. One may see that a certain kind of action will produce pleasure or pain to himself.

b. He may see that the same kind of action causes pleasure or pain to people generally.

The advocates of this theory say that the tendency to promote happiness, pleasure or pain is the reason of actions being right or wrong, and so God has ordained them. We, in judging them as right or wrong, they say, are led to it by God's law, and not because we see any necessary or obvious connection between these. The answer is, that neither they nor we know. It is conceivable that they may agree, but not in such a sense that right is derived from any form of happiness, or tendency to promote happiness. They are right actions which we see are binding, and we are fitted to conform to this right, and when we conform to it we are happiest. Actions are perceived as noble, pure, right, by us, which cannot be so perceived by lower grades of beings.

XXXIV. *Why do Materialists, Darwinians and others, espouse Hedonism and Utilitarianism ?*

All materialists hold to that system in morals, and to that analysis of the nature of virtue which we are combating, because they hold that each higher form of being is developed from a lower, by a force inherent in the lower forms. This persistence of force develops itself into higher and higher forms of being.

The criterion of this system is whether the incoming of any supernatural force is necessary to bring in the next higher order of being.

They develop right out of pleasure, because, if we suppose man formed by a process of evolution, then the elements out of which right comes are previous sensations; and these are pleasurable sensations, and if any virtue is to be made it must be made out of them. All this is *a priori* proof.

This doctrine has two principal forms. 1. While both parties agree that all beings are outworkings of some original force, yet most persons hold that we know of nothing but this blind persistence of force. 2. The others hold that back of this world stuff there is intelligence and power, representing this in the way of more or less complete personality.

We will not answer to hold men responsible for all the consequences which may be drawn from it, nor to charge upon them what we hold to be the logical consequences of their theory.

There is not the first evidence that inanimate things have formed themselves into living things, or that one species of things has ever transmitted itself into another species. The Bible is against the idea: not that God did not use the pre-existing materials, but that he turned them into a higher order of beings by supernatural agency. It cannot account for any system of redemption. The idea that there is some blind force, which is all that underlies what we call creator and creature, is very like to this. The getting into motion of a force, and working itself into all these grades, is as absurd as to scatter types in the air and think they will come down arranged in the words of the Bible.

XXXV. *What of Bentham's and Paley's view of pleasure and pain as the supreme forces in man? How does Jevons reduce Ethics and the social sciences to a mathematical basis?*

Jeremy Bentham, as quoted by Jevons in his *Theory of Political Economy*, p. 28, says: "Nature has placed mankind under the government of two sovereign masters, Pleasure and Pain. It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne. They govern us in all we do, in all we say, in all we think. Every effort we can make to throw off our subjection will seem but to demonstrate and confirm it. In words a man may pretend to abjure their empire, but in reality he will remain subject to it all the while. The Principle of Utility recognizes this subjection, and assumes it for the foundation of that system, the object of which is to rear the fabric of felicity by the hands of reason and of law. Systems which attempt to question it, deal in sounds instead of sense, in caprice instead of reason, in darkness instead of light."

Jevons, page 29, quotes Paley: "I hold that pleasures differ in nothing but continuance and intensity." Page 31, he quotes from Bain: "No amount of complication is ever able to disguise the general fact that our voluntary activity is moved by only two great classes of stimulants. Either a pleasure or a pain, present or remote, must link every situation that drives us to action." Also, page 19, from Bain: "It is only an identical proposition to affirm that the greatest of two pleasures, or what appears such, sways the resulting action; for it is this resulting action that alone determines which is the greater."

Out of this Jevons attempts to develop a system of mathematical solution of the problem of Ethics and Political Economy. Political Economy has to do with the science of Utilities, which are made such by man, as directed by his will. If this be applicable to Political Economy, it is applicable to Ethics. What determines this is the quantity of force; and we can get a mathematical basis, for the quantity of pleasure and pain is involved, and mathematics is the science of quantity.

In Ethics, no such thing as a mathematical ratio is attainable

No one can count pleasure or pain in multiples as one, two, three. It would result in strange conclusions. It is a *reductio ad absurdum* of the whole subject of Utilitarianism. It leads to the conclusion that there is a mathematical ratio between influences that operate upon the human mind.

XXXVI. *Show the points of agreement and difference between Prudence and the Sense of Duty as guiding principles.*

By prudence we mean a wise regard to our welfare and happiness. It is self-love guided by good judgment. Sense of Duty and Prudence, as guiding principles, are about the same as Conscience and Self-love.

1. They both agree in being, within proper limits, proper guides of action.

2. They both agree in being intelligent guides; for prudence is intelligence, guiding self-love, and conscience is a cognitive power and emotional faculty.

3. They both agree in having an impulsive force—an impulse to seek our own welfare. When we discern an action to be right, it is accompanied with a desire to do it; if wrong, to avoid it.

The *difference* lies here:

1. The one, conscience, is supreme, and the other subordinate, and must always be subject to the control of the former. We are bound to do what is right, to obey our conscience.

2. They differ in that it is impossible to obey the conscience too much or be excessively controlled by it; but we may give prudence an excessive authority. When we see a selfish man, we picture a degraded man.

XXXVII. *What do you say of the education of the conscience? Views of Kant and Calderwood?*

A great question has arisen as to the *education of the conscience*; Calderwood discusses this and maintains the negative; borrowing, or supposing himself to borrow, the view of Kant, viz., that the conscience is incapable of being educated. The author has come out in a short reply to criticisms on his work, but has added nothing to his argument. His argument is that the conscience is an intuitional faculty; which theory opposes all Utilitarians, and the sensu-

ous School of Materialists, as Locke, who says that we derive right and wrong from experience of pleasure and pain. He defends it not only in Ethics, but in the whole range of Intuitional Philosophy, against those who maintain the derivative character of our ideas. If, then, it is a faculty of intuition, it sees the truth purely and absolutely, and there is no room for any advance. This would apply to the whole range of intuition. He illustrates by the outer eye, saying it cannot be educated, and that by analogy it is absurd to say the conscience can be educated.

Now, all men can see external objects correctly. They have means of learning to see more accurately. The eye can be educated as to keenness or accuracy in any particular department, as in case of the marksman. Consider the power of estimating things at a distance. A child would think a thing at a distance small, when in reality it is large, because it looks small; but it soon learns to know better. So with colors, persons can become more accurate in distinguishing them. The eye, then, can be educated, and the inference must be wrong.

Take the conscience. It is undeniable that a constant education is going forward, for better or for worse. It is a faculty of intuition so far as right or wrong of many general courses of action are concerned; as truth, honesty, paternal duty, etc. But here we have principles of application, and the discursive faculties come into use. The further we go, the greater danger of flaws. As in the case of the eye looking through colored glass, so things look strangely if the conscience looks at them through a distorted medium. The intellect presents the facts before one mind in one aspect, and another in another aspect, and they come to different conclusions. This again is the region of things indifferent. So with the influence of attention. Men cannot be governed by evidence which they do not see, and there is evidence which they will not see. It is very obvious, in these ways, that the conscience is liable to see through false glasses and come to erroneous conclusions. Here, then, is a wide range for education of the conscience. As to the emotional element, nothing is more common than for the conscience to become seared. All sensibility may be lost. The habit of violating it tends to sear the conscience. It is capable of education in all these ways. In conscientious persons there is vast range for education in pointing out new

spheres of duty. In all these ways not only individuals are advancing with respect to the adequacy of conscience, but also whole communities. In many matters, with respect to international law, many things formerly allowed—as privateering—are disappearing because the moral sense of the nations is becoming educated. Conscience is a concrete faculty, including all the cognitive power, and engaged in ascertaining our duty.

XXXIII. *Compare and define Animal and Rational Motives, Desires and Feelings. Show the relation of Animal Motives to Instinct and Appetite, the Sensus Vagus and Sensus Fixus.*

One great distinction is in regard to what are called Animal and Rational Feelings and Desires or Motives.

Animal Feelings and Desires are those which arise blindly, without any antecedent action of the intellect. Will has no control over them. They are not excited by any apprehension of the intellect. They are mechanical, and have their main seat in the body, as *e. g.*, the appetite. It will come without any exercise of the intellect, whether we think about it or not.

In contrast, take the pleasure inspired by contemplating the beautiful or heroic and beneficent, or the opposites! These are Rational Feelings and Pleasures. So also are moral duties arising from the apprehension of the intellect.

APPETITE AND INSTINCT.

Appetite is instinctive, but not all instincts are appetites. They guide us instinctively, but there are instincts outside of the range of appetites, as the instinctive tendency in man to advance in knowledge. Appetites have to do with the preservation of the race itself. There is an appetite of a general nature for rest or activity, or for change. It has to do with the health of the race, and has its seat diffused through the entire system.

Sensus vagus is that sort of sensation indefinitely diffused over the whole body, as the glow of health.

Sensus fixus is the sensation confined to particular organs, as the five senses. Indirectly it is a pleasurable sensation passing through the whole body. The direct effect is confined to the organs. These terms were brought into use by Kant.

XXXIX. *Compare the Animal with the Rational Desires and Feelings.*

Animal feelings lie at the base of appetite, and are appetencies, which rise blindly within us without any apprehension of the intellect. They enter into the very essence of appetite, both the feeling which attends it and the desires it excites.

Instinct has an element which may or may not belong to appetite.

There are many rational exercises of the soul which are instinctive. All appetites are instincts, but all instincts are not appetites.

The bee gathers honey and fills its cell without any insight into the rationality of its actions. Instinct in the case of rational desires and motives may be connected with desires and feelings which arise from the apprehension of the intellect. Many such desires are instinctive, and are therefore said to be the results of the exercise of instinctive intelligence. Instincts are largely implicated with, rise from, and are stimulated by the intellect.

XL. *In what particulars are or are not our appetites attended with responsibility? Compare Asceticism and Intemperance in this respect. State the objects of the Rational Feelings.*

1. In and of themselves, as they arise by a blind and irresistible impulse, they are not inspired by any intelligence, and tend to things indifferent. They are in themselves devoid of moral quality. They become related to morality, primarily, at the point of temperate or intemperate indulgence. This being an intelligent and voluntary act becomes virtuous or vicious. The mere uprising of blind appetite has, in itself, no moral quality. The appetites in a normal and healthy state arise independent of the intellect. But the intellect may exercise a strong influence on a morbid appetite, imagination may paint the pleasure of a forbidden indulgence, and thus stimulate the appetite. We are responsible then—

(1) For all immoderate kindlings of these appetites by will, intellect or imagination.

(2) For all intemperate or unlawful indulgence of these appetites.

(3) For such a disposition of the heart toward such indulgences

as constitute, for example, adultery in the heart. That degree of moderate indulgence which morality and religion prescribe is precisely that which insures the highest, purest, most enduring enjoyment. Excessive indulgence brings its own penalty. This degree of gratification is precisely what most subserves the end for which appetite is implanted by the Creator, as the maintenance of health, life and vigor. Any excess brings a proportionate draft upon health and vigor. Appetites in their normal and healthy states insure the performance of acts for the preservation of life and continuance of the race, which would not be performed without them. Hence, Asceticism, which makes a merit of denying a moderate indulgence, and Intemperance, which overloads it, are alike to be reprehended. The desires and dispositions in relation to this matter act upon and are excited by the apprehension of the intellect or by objects as apprehended by the intellect.

Rational feelings, those inspired by intelligence, by the apprehension of the intellect or by objects so apprehended, are divided into the True, the Beautiful and the Good by Cousin. The great drawback in Cousin is in dealing with impersonal good, true and beautiful, instead of persons or objects in which they dwell.

There are three conditions to be observed :

1. That we mean the true, the beautiful and the good in the concrete, not merely in the abstract, that we love them not in an ideal way as sentiments, but as persons and objects, which are true, beautiful and good.

2. That all other affection for the true, the beautiful and the good is subordinate to the Great Supreme, First Good, the embodiment of all the true, the beautiful and the good. Any love of the true, the beautiful and the good which is antagonistic to Him is necessarily spurious.

3. That while we make this threefold division into the true, the beautiful and the good we do not mean that the true and beautiful are not good, but that they deserve a distinct classification. They are species of one all-inclusive good.

Truth is either the reality of things or such a representation either in thought, words or other signs of thought as corresponds to such reality. There is no doubt but that the formal object of the intellect is truth. The mind is so constructed as to love the

truth. So long as it finds pleasure in falsehood it is depraved. A rightly-tempered mind will be pained by much that is true. That iniquity abounds is a truth; the mind is pained thereat. The departments of truth vary; some relish one, some the other, as chemistry, mathematics, biology, etc. Whatever else may please us, moral and religious truths ought to delight us supremely, and that all the more as the truth becomes exemplified in real beings.

Beauty.—In the human soul there is a perception of and feeling for the beautiful. Beauty is a simple quality, and therefore incapable of logical definition. There are many attempts at definition, as the “harmony of being,” the “right proportion of magnitudes, distances and colors.” It is a high source of pleasure, while deformity is repulsive. It is to be noticed—

(1) That beauty is a real quality in objects, not a mere subjective impress from our own minds on the objects.

(2) That moral and spiritual beauty is that which it most concerns us to appreciate and love.

(3) That the taste or feeling for the beautiful can be educated. It is implied in all language and all the practice of the world. Like conscience it is a faculty of cognition and feeling, so, like conscience, it can be educated.

Good.—Man, as far as he is unperverted, has a feeling of satisfaction in the good, which includes the true and the beautiful. He cannot be so perverted or degraded as to lose all relish for any and every kind of good. Sin consists in exalting an inferior above a superior good. The worst objects are regarded as good in some respects. The best formula of monsters in wickedness is, “Evil, be thou my good.”

XLI. *What is Good? The Summum Bonum? How far identical with Happiness, Perfection and Moral Rectitude?*

What is good? In its most absolute sense it is quite difficult to determine. There is one explanation of good in the account of our first parents before the temptation, *i. e.*, a thing to be desired. Whatever is desirable is in some sense good. What is the quality of these desires? No one judges wicked and profligate conduct as desirable. It is undeniable that happiness is a good; some say it is the good, the *summum bonum*, that which renders all other things

good. It is a good, but a subordinate good. Another class claim that the perfection of our being is the *summum bonum*. The same might be said of conforming to the "fitness of things," "to truth," or following "mean between extremes." The question arises, what is "fitness of things," "truth," "the mean and the extremes"? "The spirit's excellency," what is it? These have the fault of being definitions in a circle. The *summum bonum* is moral rectitude. All other things are good, as they conform to this. If they antagonize this, they are evil.

XLII. Define Absolute, Relative, Supreme, Ultimate and Subordinate Good.

Absolute good is a good in itself, whether it is or is not an extended good, as happiness, virtue, honor and beauty. If happiness is a real good it is an absolute good. Relative good is good as a means to something good, as food is a means to enjoyment. We oppose virtue's being a relative good.

Supreme good is that to which all others are subordinate, to which they must conform. Moral rectitude is the supreme good, being conformity and obedience to Him who is the supreme good. Happiness is the main subordinate good.

XLIII. Specify the chief genera of good.

Particular kinds of good :

1. Moral good, which is the supreme good.
2. Happiness itself, which is a pleasure of the mind in other good as well as a good in itself.
3. Honor and esteem of others.
4. Power, including property as the instrument and source of power.
5. Knowledge, including the pleasure of discovery and insight.
6. Life, with the means of its preservation.
7. Society, including family, kindred, friends, state and church.

XLIV. How are we to test the question whether and how far the feelings, desires and dispositions have or have not moral quality; and what are the conclusions in regard to each ?

The question before us respects the morality of feelings, desires

and dispositions. It has always been a mooted question, how far morality or moral quality attaches to feelings, desires and dispositions.

We will look at each in order, premising that two general considerations enter into the question.

1. That man is only responsible for those acts which are the acts of his will, of a power of choice, which might have chosen the contrary; and that its feelings and desires arise spontaneously and not from choice. It is not good morality, but morality or immorality to be considered. This argument has been employed to show that it is impossible for desires, feelings and dispositions to have moral quality.

2. There is an argument which is overlooked, the essential unity of the human soul, according to which it is utterly impossible to distinguish and divide the faculties of the soul. The different faculties of the soul are so implicated that we are not able to say that a given exercise is exclusively of the will or of desire. We are not able to say that one is good and another evil, because the same faculties are involved in both. If any element is void of moral quality we would suppose it to be the intellect; but it is capable of moral taint and moral evil.

Feelings.—With respect to the manner of testing the subject,

(1) The proper course is to study our own conscience, to study what our own unperverted judgments are in regard to the feelings, desires and dispositions; and also to study the unperverted judgments of the human race.

The common doctrine is that the feelings are devoid of moral quality, because not a product of the will, to which alone, it is said, moral responsibility is attached. Many sound writers deny that desires and dispositions have any moral quality, only so far as depending on choice. This is unsatisfactory, because the feelings and dispositions have more to do with determining our volitions than our volitions themselves. The moral quality of our volitions is determined by the feelings and desires that prompt them, as in things indifferent. No right feeling can prompt a man to blaspheme; but the moral quality depends on the moral nature of the aim. We do not say that the responsible element in moral and rational feelings

is wholly separate from will, or will from them. They mutually interpenetrate.

(2) The question how far we are responsible for our feelings, is to be determined by our conscience and the spontaneous unperverted judgments of mankind.

Tried by this test it is undeniable that some of the feelings receive approbation and some disapprobation from the moral faculty. If men delight in fraud we condemn them, unless our own conscience is seared.

(3) According to the unperverted conscience, feelings of pleasure in view of what is morally right, and pain in view of what is morally wrong, are themselves morally good and commendable; pleasure at what is wrong, and pain at what is right, are morally wrong and culpable: *e.g.*, there was depravity when the priests were glad that Judas betrayed Jesus. Those are sinning who not only commit deeds of iniquity, but those who have pleasure in them that do them. It is the encomium of charity that "it rejoiceth not in iniquity, but rejoiceth in the truth." These passages, of divine authority, appeal directly to our own consciences.

The doctrine we lay down is this: that feelings of pleasure, satisfaction, and complacency at what is morally good, are good; and feelings of pain and displacency at what is morally evil are good also.

(4) With regard to feelings in respect to indifferent objects, as honor, power, kindred, relatives, country, etc., it is plain that all such excess of pleasure in them as hinders due regard to higher objects, is culpable; and likewise that all such want of pleasure as falls short of that reasonable love which our rational nature prescribes, is culpable. The possession of the normal natural feeling is good as to the matter; but when unaccompanied with the proper feeling toward God and man, it has a fatal effect. Thus not to love parents, children, country, at all, or to love them too little or too much, is a sin. But to have a natural affection for them does not necessarily imply a virtuous character, for it is often coupled with the grossest vices in other respects. We are not to say with Augustine, that the "virtues of heathen heroes were splendid sins;" they were splendid, as implying courage, but sins, as not animated by a love of God. "Splendid sins" conveys a false impression.

Materially, they were splendid virtues, but they are wrong formally.

Desires.—The moral quality of the desires has been vehemently denied, for the same reason as that of the feelings.

On this subject we appeal—

(1) To the testimony of the unperverted conscience of mankind. Chalmers denies that they have any moral quality, except as they are shaped by the will. The same principle is not obscurely advanced by Hamilton, in his *Metaphysics*, page 128. “By Will, we mean a free and deliberate, by desire, a blind and fatal tendency to act.” He overlooks the fact that our rational desires are not blind, but intelligent; and though spontaneous, yet free and responsible actings of the soul.

The unperverted conscience of mankind adjudges the desire of what is morally good, to be good, and desire to promote what is morally evil, to be evil. It pronounces malevolent affections evil, and those of love to be morally good. It pronounces ill-directed ambition and covetousness to be morally evil, and unselfish aspiration for the public good to be praiseworthy.

(2) To the express and unambiguous command and law of God as to all unlawful desires and covetousness. This interpretation is confirmed by the Apostle Paul, *Romans*, vii. 7: “I had not known sin, but by the law; for I had not known lust, except the law had said, Thou shalt not covet.” Lust here, is nothing else than desire. Thus we see that the lusting after, the coveting, the desiring what is immoral, is sin; and this is the testimony of every man’s conscience. “When I would do good, evil is present with me.”

Dispositions.—The doctrine we lay down is this: That dispositions towards the exercise of feelings, desires, and volitions which have moral quality, are themselves of like moral nature, excepting so far as they are resisted. We test this—

(1) By the unperverted conscience of men. What are its judgments? Suppose we know a man to have such a disposition as will lead him to commit theft, to slander, to blaspheme, though no such act has been recently committed, yet we condemn such a disposition, and him who possesses it. On the other hand, suppose a man who will praise God when his name is mentioned, and loves honesty and right, can we avoid commending the inward disposition, and him

who possesses it? Notice the inward moral state of the profane swearer, and the devout Christian; their different dispositions are respectively matters of blame and praise. A common excuse for profane language is, that it is done thoughtlessly; but the being in such a state is morally culpable.

(2) Unless this is so, men cannot be just objects of praise or blame for the character they possess. The character of a man is nothing more or less than his collected dispositions with regard to moral subjects. This is what distinguishes a good from a bad man.

(3) Although, in mere philosophy, we inquire, first, only into the testimony of conscience and light of nature; if this is corroborated by the evidence of the Scriptures, it is accumulative and irresistible evidence. This is proved by the Scriptural use of the word heart; as "Out of the abundance of the heart the mouth speaketh."

It is the same thing, when the disposition is likened to a tree. "Every good tree bringeth forth good fruit, but a corrupt tree bringeth forth evil fruit." "Wherefore, by their fruits ye shall know them." We can quote as instances "flesh," the "carnal mind," the "old and new man," the "good and corrupt tree," "Blessed are the pure in heart." The evidence for the morality of dispositions is cumulative and irresistible, whether we can bring it in accord with our doctrine or not.

The objections to this view are at first sight plausible; but the right view, though not so plausible, is more irresistible. The most important of these is the popular maxim, "That nothing is moral which is not voluntary." Popular maxims of this sort, when they refer to matters of conscience, often express intuitive truth; but in such a manner as to be perverted. The maxim, in the sense in which it is employed, is both true and self-evident. The sense is three-fold.

(a) It is often used in regard to external or bodily actions. In regard to the movements of the body or members of the body of whatever kind, the maxim is rigidly true. Any act of the body, not the effect of volition or choice, is irresponsible. Unless the will has concurred in some movements of the body, there is no immorality.

(b) The will, according to an ancient division, has been used,

until lately, for all the non-cognitive powers, of feeling, desire, etc. The adjective, voluntary, is used as broadly as the substantive will was, viz., as applicable to desires, feelings and volitions. It is meant, simply, that no exercises of the soul are moral, except desires, volitions, and states dependent on them. In its narrowest sense it is true of outward acts. In the inward exercises it is true in the old, broad sense of will.

(c) It is used with such a breadth and meaning of voluntary so as to include not only feelings and volitions, but those antecedent dispositions which give rise to these feelings. In this sense it is true, and consistent with all that has been advanced.

(d) It is alleged that no disposition, feeling or desire, can possess good or ill results, which are the products of the will in its narrowest sense.

XLV. Define Freedom or Autonomy of the Will. How far is the proposition that the will is free a synthetic judgment ?

Freedom of the will is sometimes called autonomy, contrary, choice ; self-determination, self-government, free agency.

By will, as distinct from desire, is meant power of choice, determination, volition. It differs from desire.

(1) In being the executive of desire, it may be called the resultant of desires.

(2) Desire is spontaneous toward some object without implying any preference for or comparison with any other object. Will acts in view of comparison, and makes deliberate choice of one thing in preference to another ; resolves to perform one act in preference to another, or not to perform it at all. It is a first postulate, that the "will is free." That the "will is free," is in one sense a pleonasm, a mere analytic proposition, in which the predicate states what is contained in the subject. A will which is not free is no will. This is not in question. There may be a sense in which will is in a state of willing servitude. Luther has a treatise on the "Bondage of the Will," to sin. Freedom of the will is consistent with a bias that makes its free choices of one kind. Fatalists virtually deny freedom of the will. Pantheism involves negation of it. Some divines, in their anxiety to assert divine sovereignty, have

advanced propositions invading the freedom of volition. The only question, really, is what is involved in freedom of will; in regard to which, interminable controversy has been waged.

If we fail in explaining it, our failure will be due to a wrong conception of the subject.

What is freedom of will? We cannot define it except by synonyms as, liberty of will. There can be no more perfect explanation of the freedom of the will than that it is the power to choose and determine as we please. Nothing else is free will, or will at all. We cannot say we choose as we do not please, for such would not only not be free, but not an act of choice at all. This analysis is equivalent to saying the will is free, or acts freely when it acts in accordance with our prevailing desires. We do not mean our pleasure in all degrees, but in the absolute degree: for example, when Abraham offered up Isaac, his dispositions recoiled from the act, but they were subordinated to faith in, and obedience to God. To obey God was more pleasing than to satisfy his desires. Free choice is in harmony, not with every desire, but with predominant desire. A man may have a desire for intoxicating beverages, but a stronger one for sobriety. This latter ought to overpower the choice. The desire which preponderates is often the resultant of several desires antagonizing each other; as, if a man is tempted to gamble he may be induced to it (*a*) to please comrades; (*b*) for love of their society; (*c*) for fascinating excitement; (*d*) to win the stake. He may be deterred, (*a*) by fear of losing money; (*b*) by fear of losing reputation; (*c*) by fear of acquiring a pernicious habit; (*d*) by prohibition of conscience.

These latter may prevail.

XLVI. *Show its relation to Responsibility, Motives, Self-Determination, Contrary Choice, Causality, Necessity and Certainty.*

The will is governed by *motives*. Some maintain that if the will is not governed by motives its acts are hap-hazard, fortuitous, and therefore irrational. Their adversaries maintain that if it is so, the freedom of the will is destroyed, and is governed by something external. Here comes in the distinction between subjective and objective motives.

Subjective motives are inward desires which prompt volition.

Objective motives are simply the objects on which the desires are fixed ; and which have no power beyond which the desires give them. If it is meant that the will is governed by external objects or forces, the objection would be valid ; it would not be free. But as to the inward senses, it is truer that the man makes the motives than that the motives make the man. If subjective motives be meant, the will chooses in accordance with its strongest laws and aspirations.

This discloses the truth in reference to the will's *self-determination*. Whether the will determines itself, or is determined *ab extra*, has been the subject of much dispute. Will is not an agent separate from the soul ; but is the man or soul willing. This is the question, whether the mind or the man determines itself in choice. The mind has the power to determine its choice as it pleases, and independent of external forces, but it has not the power to determine itself independent of desires and motives. Such a power would be a power of hap-hazard action and a negation of real choice.

Some say that if choices of the will determine themselves in accordance with desires, they are—

1. Not free. We reply that if they are not in accordance with the desires, pleasures and preference of the man, they are certainly not free.

Many seem to think that the mind should be in a state of non-relation, because in proportion as it is subject to influence outside of itself it is not free. There are forces, they say, determining its action for which it is not responsible. Now, the power of the will, which exists in a state of utter indifference to all the desires and longings of the soul, is a power not of a rational, but of a fortuitous, hap-hazard movement.

Edwards' great argument against self-determination of the will, which argument possesses seemingly the force of mathematical exactness, is : " If in order to be free, choices must be determined by will, or otherwise than in accordance with desire, then it must be by some previous choice." This choice must be chosen by a choice, and this by a previous choice, and so on, *ad infinitum*, until all choice is chased out of being.

Professor Tappan has tried to avoid the force of Edwards' argument by saying " It is the nature of the will to select its object."

But "select" is no more helpful than "choose" or "determine." Atwater doubts the validity of Edwards' argument.

2. There are arguments to prove if determinations are of any value, it must be in view of some rational considerations.

It is not necessary to suppose that in determining itself, the will must do so by a previous determination. In the very act of determining it determines itself. (This is the keenest piece of reasoning in the English language.) Edwards effectually refutes the same thing under another form: "If will, to be free, must be out of relation to intellect, etc., it must be indifferent." In "liberty of Indifference" he has a valid point, and shows such a liberty is inconceivable and therefore useless.

3. The power to choose either of two objects may account for choosing, but does not for choosing one in preference to another. The question arises, not why man chooses at all, but why he chooses one thing in preference to another. Here is an event to be accounted for. Every event must have a cause. What is this cause? This can only be explained on the hypothesis that there is a reason for this choice in preference to any other.

4. It is objected that this is subjecting will to the law of physical cause and effect, or that it is taking it out of the domain of causality into that of chance, and thereby destroying its freedom. Causes which determine the choice of the will are moral causes which act harmoniously with will, and are in support of its freedom.

The question whether choices are necessary, has been the scene of ceaseless controversy. Necessaries are so called because they hold to the necessity of choice of the will. They have been opposed because they subvert all liberty and responsibility.

Everything depends on the meaning of the word necessity. If its meaning is "that which coerces," no such necessity can be predicated with choices of the will. As this meaning is apt to be attached, the most discreet advocates have discouraged its use in this controversy. The only truth necessity designates is this, that our choices will be of some determinate kind and not otherwise. But this antecedent certainty of choice does not alter the nature of choice; as for example, if a heap of gold or sand be placed before one, it is certain beforehand which he will choose if he choose freely. Such certainty is the crown and perfection of free agency.

It is certain that the most perfect free agents, angels, will forever act in accordance with immutable rectitude and righteousness. Anything else would be a fall from their free agency. The beginning to parley as to obeying the word of God is beginning to fall. As we become truly good all hesitancy in choice disappears. It becomes certain, and, in this sense only, necessary, that if we choose freely we will choose right. The theological formula is, "On the highest point of moral elevation freedom and necessity coincide." When Jesus predicted the fall of Peter and the betrayal by Judas, it was foreseen; but that did not alter their nature nor detract from their freedom. Future certainty of an action does not alter its moral character.

Whether the will is a power of contrary choice is virtually the same as whether it is one of self-determination. The arguments for and against are essentially the same.

1. The will has and is a power of contrary choice in this sense, that it may choose any object or its contrary.

2. If we please it has power to choose contrary to what it does choose.

3. No force *ab extra* can prevent a contrary choice if the desires *ab intra* prompt it.

XLVII. Insanity; what it is and is not; its different forms. Religious melancholy and its proper treatment. Moral insanity. Insane impulse defined. How far they excuse crimes committed under their influence. Causes of insanity; means of its avoidance and cure.

Analysis of morbid conditions of the mind.

1. The errors and mistakes of healthy minds which can be rectified by argument, do not come under this head, nor does fragmentary knowledge obtained by any one faculty to the exclusion of the others. The human mind is liable to error, though it has a small range of infallibility, yet when sound and healthy, and amenable to reason, it is inclined to give full weight to proof. When insanity exists there is no chance for reason nor investigation.

2. Insanity differs from the madness of sin. The self-delusion of sin is itself sin. Insanity is irrespective of this sin (madness), yet this madness will often result in insanity.

Some kinds of madness are due to our manner of life.

3. Insanity is something more than mere simpleness and cleaving to error and refusing to be corrected. Men are often first willful, and then become insane. It is not often easy to draw the line where sin ends and insanity begins.

4. By insanity is meant such a delusion or distemper of the mind as renders it incapable of appreciating the force of rational evidence. The mind is derationalized. It cannot discern truth. It errs in matters plain to the common mind, and has no internal tribunal to which they can appeal. This question is of great interest to the professional man. The medical man relieves it; the lawyer has cases in court which depend on sanity; the clergyman consoles the afflicted family.

The incipient stages must be detected.

Insanity often becomes implicated with morbid religious feelings. Some of the forms of fanaticism and religious melancholy are of this character. The latter generally proceed from distempered conditions of the body. The only remedy is to divert the mind from this and exercise the body.

The seat of the distemper may be :

1. In some of the senses, *e. g.*, poor vision, sounds in the head, etc. This is not insanity as long as the patient knows these arise only from disuse of the organ. The insanity comes in only when he refuses to listen to and cannot understand the reasons for these.

2. The eclipse of one or more of the axioms of reasoning, *e. g.*, causality. Thus all actions which this regulates and underlies are no longer rational and the man is irresponsible.

3. Monomania is the most common form, nor is any form more important for

(a) All insanity begins and often ends with it.

(b) It is the most common form.

(c) It is hard to be distinguished from eccentricity of opinion, etc.

4. Idiocy is the absence of, not the derangement of mind. In insanity there is a mental energy which is wrongly directed. Idiocy has no energy, and is generally incurable. Melancholy is a common form of insanity (black bile), generally supposed to be due to the condition of the body and not controllable by reason. It may not, however, imply any eclipse of reason.

5. The last form of insanity is moral insanity. Its recognition

is comparatively recent. It has been thought a kind of madness of sin, and has been found a convenient plea for prisoners, and is defined as "a disorder of the affections without lesion or hallucination of the intellect." Such a definition could not have been given by an ethical expert as it is broad enough to excuse all sin and wrong ever committed. According to it every crime committed under the influence of corrupt desires is excusable.

There is an insane impulse of the affections aside from sin. This may be classified as an impulse to do wrong without the ordinary motives. Here is the distinction between animal and rational motives. All the motives are now animal, *e. g.*, a servant girl had a propensity to attempt to kill a child, yet dreaded it very much, and desired to be placed beyond the opportunity to do it.

Women, especially rich ones, often become kleptomaniacs. Some men have a propensity to lie *per se* without any reason; others drink, chew tobacco, etc. Every ruling motive in man partakes of a sort of moral insanity. This is moral insanity, and the great question is, how far does it excuse its crimes? Is it a good defence, as advocates say? No, for the crime is committed by those who have a knowledge of right and wrong, and who might, by the due use of their faculties, restrain their violent impulse, and hence are culpable.

Causes of Insanity:

1. Overtasking of mind or body, especially of the former, and often of the latter.

It is true of pursuits which involve care, especially if they are predisposed to this.

Any sudden shock or great disappointment, grief, or anything of that sort, may often produce this same result.

Signs. Sleeplessness. Insomnia, giving rise to nervousness and weakness.

2. Inordinate and long continued excitement often overthrow the mind.

3. Disease of body. Transient deliriums brought on by high fevers.

4. Indulging in and nursing foibles tends to enlarge and develop these into monomania. Three passions are noted by Trench which, when once allowed, soon overcome us and rule us entirely. (a) Avarice, (b) Vanity, (c) Lust. Most great vices result from these.

5. Mania often becomes epidemic upon certain subjects in some communities in times of excitement, *e. g.*, great gambling.

6. This malady is often not transmitted beyond the subject of it.

7. Abjuring the use of reason in refusing to seek truth from nature and revelation, and seeking to question the spirits is another monomania. Those who despise their reason soon lose it.

PART II.—PRACTICAL ETHICS.

Heretofore, in laying down theoretical principles, we have been laying down practical laws.

Practical Ethics extends more and more; because, whatever principle we involve, there is the application of it to particular concrete cases. Children ought to obey parents; but what is required in emergencies is difficult of solution; to obey our parents may be to disobey God.

We shall bring out principles of wide application and broad generality. Duties to the State are coming up in Civil Government, and we have already discussed them. We shall not touch upon the duties to church except as they come up incidentally.

XLVIII. State the two great principles and criterion of Rectitude as enunciated by Adam Clarke, Emmanuel Kant and Jesus Christ.

There are certain great, all-inclusive, maxims developed in different forms by different philosophies. These are the touch-stones as to what is right.

There are two great principles enunciated by Adam Clarke:

1. Rule of Equity.
2. Rule of Benevolence.

There are these two great principles in all well-constructed systems ; one system resolves all duties into benevolence.

1. Adam Clarke expresses the Rule of Equity thus :—

“Whatever I judge reasonable or unreasonable that another should do for me ; that by the same judgment I declare reasonable or unreasonable, that I should do in like cases for him.” This maxim is its own evidence. It guarantees our actions against swerving from truth and rectitude under impulses of selfishness.

2. He defines the Law of Benevolence as “a constant endeavor to promote in general, to the utmost of our power, the happiness and welfare of all men.” Reasons for it: “If there be a natural and necessary difference between good and evil, and that which is good is fit and reasonable, and that which is evil is unreasonable, and that which is the greatest good is fit and reasonable to be chosen ; and, since the goodness of God extends itself over the earth doing things which are best, so every rational creature in its own station ought to do all the good it can to its fellow creatures.”

This requires a certain amount of comment.

a. It should not be restricted to men ; there are other rational sentient beings with whom we have to do, as God. To seek His welfare is to seek His honor. It is right as far as it goes.

b. If we use “welfare” in proper breadth of signification, it will be well enough ; but if synonymous with happiness, then it is inadequate, because it makes happiness the measure of our supreme duty toward our fellow-men. If men had a sentient, but not a moral nature, then it would be applicable, if welfare meant happiness. We have maintained that the highest good is righteousness ; and we hold that the truest welfare of rational beings is their moral elevation, and that happiness is subordinate to right. The way to promote happiness is to promote highest purity ; happiness follows when we seek the highest purity, as the shadow follows the substance. Kant has two doctrines, in a different framework, but still coming to the same thing.

1. The first is self-evident. Kant calls it categorical. “So act that the maxim of thy actions shall be fit for law universal.” This is the one fundamental principle of duty. It is its own evidence ; what is moral law for us is moral law for all others.

2. “We should in all our conduct, in reference to mankind,

assume that the supreme standard of action is reason, and that all rational beings are ends in themselves." By reason is meant moral reason. We are to assume that it is the good of the whole rational universe that is considered.

The highest welfare of the rational universe would be rectitude. Sedgwick argues that this maxim, by reference of our conduct to men, is virtually one with the maxim of Universal Hedonism, which requires us to seek the happiness of the sentient universe. But this is a different and higher maxim. The one calls upon us to seek the welfare of a universe, as rational, the other, as sentient; the one, a universe of persons, the other, of things capable of sensation and being. The rational universe is the supreme end, if God is the supreme end. As each human being is an end in himself whose welfare must be regarded; so the collected rational universe is an end in itself. Kant's principle rises to a higher grade than any utilitarian principle.

Caution.—The defect in Kant is that in his speculative reason this virtue is too much of an abstraction and too little embodied in an actual concrete supreme being. But what he loses by his "Speculative Reason," he reclaims by his "Practical Reason," in which he asserts the freedom and sovereignty of God.

The principles are clearly enunciated by the Saviour:

1. "Whatsoever ye would that men should do to you, do ye even so to them."

This is not merely true because the Saviour asserts it, but because it asserts itself. He declared something that was self-evident.

2. "Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind, . . . and thou shalt love thy neighbor as thyself." It includes not merely other men. but God as the Supreme Being in whom the rational universe centres.

It is substantially the same as that of Kant. It is satisfaction to find three sources, one inspired, uttering the same principles.

"On these two commandments hang all the law and the prophets," *i. e.*, all details of life.

XLIX. *Compare the meaning of Right as an adjective and as a substantive; also define Justice and Benevolence.*

We apply right as an adjective to qualify some act or state which is right and obligatory, which is morally right and binding upon all that come in contact with it. Right as a substantive may mean (1) that abstraction which is meant by the adjective; (2) a privilege or prerogative which ought to be secured to us by others as civil rights. We use the word in this sense when we speak of "having our rights." Perfect and imperfect rights have reference to right and substantive.

Justice and benevolence are two great principles which lie at the foundation of duty. The obligations of justice are more stringent than those of benevolence: we are bound to be just before benevolent.

Justice may be defined as disposition or purpose of rendering to each one his due.

There is higher merit in acts of benevolence than in acts of justice; because acts of benevolence are less obligatory upon us. Yet it is subject to the modification that a man is not to be benevolent at the expense of justice. Benevolence, in order to have merit, presupposes that the obligations of justice have been performed.

Benevolence is the spirit of doing good to all men as we have the opportunity, including moral good.

L. What of Justice in word or in respect of truth? Specify and prove our various duties to the truth; love of truth, earnestness, charity, consistency, veracity, fidelity.

There are two great departments of justice; justice in acts and justice in word.

As to justice in respect to truth, we owe it to all men to be faithful to the truth. That is a prime, paramount obligation, and is essential to every man's character.

Truth is either (1) the reality of things, or (2) such a representation in thought, words or other signs of thought as corresponds to or correctly represents the reality of things.

Duties to Truth.—Love of all inclusive Truth.—This includes all other duties. "Buy the truth and sell it not." The love of truth will lead every true-loving man to prize the truth above everything else. Hence out of a true-loving spirit comes—

Earnestness.—He will do what he can to propagate the truth. Earnestness is the foundation of all true excellence of character.

Charity.—A kind and generous estimate of those who differ from us in the conception of truth. It leads us to put such a construction on their errors as will not interfere with our believing in their moral integrity. “Charity believeth all things, hopeth all things, endureth all things.”

Opposed to charity is *bigotry*, which is devotion to some narrow angle of truth. The bigot is in danger of cherishing a bitter and malignant spirit toward those who differ from him. Let us cultivate *earnestness* and *charity*, and avoid *bigotry*. “Charity rejoiceth not in iniquity, but rejoiceth in truth.”

All other obligations are included in our obligation to love the truth, and under it is included earnestness in adhering to, defending and maintaining it; and charity in forming the best possible estimate of those who differ from us, and keeping clear of bigotry. Opposed to bigotry is candor or openness to evidence from whatever source it comes and whatever conclusions it establishes.

The pure love of truth leads us not only to espouse it, but to live and act it. This is the only absolute criterion of the love of truth, viz., that we obey it. There can be no genuine love of truth which does not produce this effect.

Closely connected is the subject of consistency which is equidistant from a blind and stubborn adhesion to bad principles and a volatility which amounts to fickleness.

“*Consistency*, thou art a jewel.” It involves the mutual harmony of our principles, professions and conduct. That in every sound character there is a sincere endeavor to make conduct and professions correspond to convictions, is evident. That inconsistency is noble, however, which makes men obey the dictates of conscience. The existence of a conflict between conscience and principles is an admonition to review and correct our views, and harmonize them with our moral nature. He who does not, heralds his own corruption. The love of truth requires us to alter our opinions upon such evidence as demands it. That we never have cause to change our opinion is simply to say that we are infallible. It leaves no room for the progressive enlargement of the character. He who changes his views conformably to evidence may prove himself inconsistent

with some of his former convictions. It is said that men are deterred by a pride of consistency; but no man should be proud of any consistency which is inconsistent with a surpeme love of truth. The love of truth demands that we do not adopt our opinions without inquiring into their truth. The man of truth and consistency is slow to change, and will not change without the best of reason. If we are in the wrong, to cleave to it is to aggravate it. He who so embraces his opinions that he changes them often, proclaims that his opinions are of little worth, that he adopts them on insufficient grounds, that he is swayed by passion, interest or prejudice. He does not trust his judgment. He is perpetually undoing his own work. "Unstable as water thou shalt not excel." Fear of this sometimes prevents men from changing when they ought to change. No character and no reputation is so strong as not to need at times to change, and always to be open to conviction.

Infallibility is the prerogative of the Pope, yet there are men in the present degeneracy of society who have somewhat of the Pope's spirit in their bosoms.

Veracity.—Adherence to truth in our communications to others by speech or other signs of thought. This forbids all lying in any form or on any pretext whatever. An eminent branch of veracity is fidelity. A lie is (*genus*) a false representation made to another (*differentia*) with the intent to deceive when there is an implied promise not to deceive him. To that may be added, to include all possible exceptions (*differentia*), with the intent to deceive when there is an expressed or implied promise to tell the truth; such a promise is implied in all our dealings with fellow-men. If a person tells the truth intending to tell a falsehood, the intent is the same as a lie.

If he tells what is wrong by mistake, he is innocent except as he has neglected due means of informing himself before making the statement.

Obligation to tell the truth binds us truly (*genus*) to set forth our own thoughts (*differentia*) as we believe our statement will be apprehended by those to whom we make it. These statements are their own evidence.

LI. *What of Extorted Promises, Metaphors, Allegories and Parables?*

There are certain cases in regard to which exceptions are admitted. One is in reference to our obligations to those who try to extort secrets from us which our duty requires us to keep, and which is in no wise their duty to know. In such a case we have the privilege to give no answer, or a partial or inconclusive answer, but not to give a false answer. An intended false answer is a falsehood. If he infers he has the whole of the truth when he has only a part, we are under no obligation to correct him.

What have we a right to keep secret? Here duties may be qualified by circumstances. In ordinary circumstances lawyers should not be called upon to give the secrets of their clients, nor medical men of their patients, nor clergymen of those who resort to them for spiritual advice, though the public good might be advanced by such testimony.

Feints in war are not communications to the enemy to enlighten them. Good generalship consists in detecting the plans of the enemy and concealing his own. When under a flag of truce any deception is a lie.

If we cannot keep a secret by silence or without falsehood, it is a clear indication of Providence that we are not to keep it. When Sir W. Scott was asked whether he was author of the *Waverly Novels*, he answered "No." He justified this by saying that silence would have betrayed him. Such a justification cannot stand. It would justify lying universally and would pervert all morality.

Is a lie ever justifiable?

There are some extreme cases in which it is not to be called a lie; but a false representation with intent to deceive, but with no promise to tell the truth. This is a case of Applied Ethics. It is impossible to lay down any strict formal definitions and propositions in casuistry which will be a sure guide in such cases. There is in all departments an extent of development of the critical faculty which is destructive to the executive faculty. We should never get in such a posture of mind that we are justified in falsifying where we are in danger of suffering for it. Let us take extreme cases: 1. A murderer enters a house and asks the mother for her child, for the purpose of murdering it. In such a case the duty to save the child overbears the obligation to tell the robber where it is. 2. A Christian is called upon to abjure his faith or be put to the stake. We

hold that all martyrdom is preferable to abjuring it. 3. Take the case of the robber seeking the life of some one, and saying: "If you do not tell me, I will kill you." If you deceive him the charity of mankind will be very tolerant.

Parables, allegories, poetic fictions, do not fall under condemnation, provided the sentiment to be conveyed be true. They are an effective means of setting forth the truth.

Pious Frauds (pretended miracles, relics, etc.), which are justified on the ground that they promote the power of the church, are yet bad. "No faith should be kept with heretics," and "confessional secrets should always be kept at all hazards, even denied." (The confessor may answer he does not know if he dare not refuse to divulge them; so say the priests. This is wrong. They should say they dare not tell, and refuse to speak.) *Scientia* communicates the universal maxim that we should speak the truth.

LII. *State the sense in which our words ought to be true and promises binding.*

The great demand is that your promise be true in the sense in which you cause your hearer to understand it. A city surrendered on the promise of the general of the enemy that he would not spill a drop of blood; he did not, but buried the inhabitants alive. He broke his promise, if not in the matter, in the sense.

LIII. *Show the special stringency of Obligation to Truth in our Promises, and what alone can release this Obligation.*

A promise is a communication to another, by words or other signs, whereby we excite a reasonable expectation in him that we will do or refrain from doing something desired by him. The general in making a feint does not make any promise to the enemy. In the ordinary obligation to tell the truth—

1. It must be in our power to make what we say, true.

2. It has created a special right in the promisee to have it fulfilled. Every promise is binding in the sense in which the promisor believed the promisee to understand it at the time of making it. Lawful covenants are inviolable. Even a promise to a brigand should be kept.

It is important to note exceptions which could release obligations.

These occur—

a. When a release is given by the promisee, or he fails to fulfil conditions on his part.

b. A promise which is impossible to be fulfilled is not binding. If the promisor knew this, or could with great care have known it, he sins in promising.

c. A promise to do anything unlawful or sinful is better kept "in the breach than in the observance."

LIV. *What of Oaths, Vows, Pledges of Honor ?*

Men give their word of honor as a pledge of what they say. This may be proper on solemn occasions, but on common occasions it shows a man knows there is not much confidence put in his word.

The same is true of extra-judicial oaths, made often in common speech.

When such pledges are given, it is a fearful thing to violate them. The issue is not whether in a single instance one shall prove true or false, but the whole character of truth is involved in the fulfillment of the pledge. The decision of the moment may fix his course upward or downward. When a man's honor is pledged, it should be worth the pledging. Like chastity it can endure no wound or stain.

Vows, promises made to God, may be useful and appropriate at times. Only it is better not to make a vow than to make it and not keep it.

Oaths are appropriate in solemn judicial investigations, and when employed to strengthen the veracity of witnesses. Whoever trifles with vows or oaths has burst the bonds of morality and religion, and has little regard for the best men.

LV. *Distinguish between Perfect and Imperfect, Determinate and Indeterminate, Rights and Obligations. Show its bearing upon the Enforcement of Perfect Moral Standards by Civil and Ecclesiastical Laws.*

By the distinction between perfect and imperfect rights, it is not meant that intrinsically, at the bar of the conscience and of God, there is any such distinction. Here is a case of excluded middle. There

is no medium. In another aspect it is an important distinction. It respects their capability of being enforced by human tribunals. In this respect an obligation may be perfect, because it may be completely enforced: as for example, perfect, to pay taxes for support of poor; or imperfect, to bestow reasonable and charitable aid upon the poor.

The distinction between determinate and indeterminate is in place here, because of this very circumstance that they become perfect or imperfect. Indeterminate are those in which no definite standard as to time, place and amount can be insisted on in the premises; determinate are the very reverse: as for example, determinate, to pay taxes due when of a definite amount, etc.; indeterminate, the amount we ought to give in charity, in dress, etc.

We ought never to forget the thousand duties which men cannot enforce, and which are perfect in the law of God. Hence the inadequacy of civil law as a moral standard; as for example, the civil law cannot reach the heart. The civil law cannot reach the indeterminate duties, nor what is not judicially ascertainable. It cannot reach any faults but such as are obtained by methods which do not reach innocent persons.

It is said that the church defends persons who bring dishonor on the Christian name. Now, many things cannot be proven before an ecclesiastical tribunal, except but by methods which would expose innocent men. We must leave the tares for fear of pulling up the wheat. Hence the church is not impure because of the existence of these persons.

LVI. Define Professional Ethics as illustrated by the meaning of the word Profession and its Applications. Show the General Ethical Principle which controls this department.

The peculiarity of a profession is that it is characteristically occupied in rendering to men services intellectual in their nature. Certain manual exercise may be necessary, but a profession requires a special discipline of the intellect in way of liberal education, and in way of professional education.

The three great professions, Law, Medicine, Divinity, are, *eminent*, the learned and liberal professions. Learning is a liberal art or pursuit, and is sought for its own sake. This is what dis-

tinguishes liberal professions from other vocations. They are properly cultivated when a knowledge of them is loved for its own sake. They are liberal, in that they are exercised for those who need them, without any direct compensation, as physicians prescribe for poor without pay; lawyers and ministers also frequently render their services free.

Profession, in the general sense in which we have defined it, is not absolutely confined to the three great professions. Those which teach and train men to fill them are professional. Hence the teacher receives the title of professor. So those who fill these professions profess to render people the services they need. The vocation of editors, discoverers, architects and engineers, is also professional.

The object of Professional Ethics is to treat of (1) duties common to all professions, and (2) duties common to particular professions.

In regard to the first of these, they are mostly included in the claims of truth, so far as this truth stands related to the particular profession concerned. It includes love of truth, earnestness and candor in knowing, searching, and practicing; and veracity and fidelity in discharging all duties left with us.

LVII. State the principle that should govern the Lawyer: (a) In serving his client; (b) In espousing what seems to be the wrong side; (c) In aiding to enforce laws which effect or permit injustice; (d) In respect to advising litigation.

In regard to the second, we shall first treat the profession of law.

a. A lawyer is bound to be faithful to the interests of his client, so far as is consistent with the paramount claims of truth, honor and rectitude. These he ought never to violate for his own or any other's sake. No compact to violate them can be binding.

b. May a lawyer engage to defend a cause which he knows to be wrong? This cannot be answered by a categorical yes or no.

(a) The lawyer must presume upon the truth of his client's representation until the contrary appears.

(b) All experience proves that the most successful way to find the truth is to have the evidence for each side sifted by the best professional men.

(c) The services of a counsel in sifting evidence of what seemed to be a hopeless cause have often resulted in finding conclusive evi-

dence in its support ; as the forgery case, the forgery made known during the trial by the discovery of a water-mark not in existence at the date of the note.

(d) An advocate may never declare that he believes that to be true which he does not believe true, for the sake of gaining his cause.

c. Lord Brougham, in defending Phillips for his course in defending another client for murder, said that a lawyer's sole duty was to do the utmost he could to gain his client's case.

There are limits to rendering assistance to what is supposed to be the wrong side. A lawyer cannot aid clients in perpetration of fraud. He is not required to tell that his client is guilty. He may, when one is arraigned for crime, bring all legal evidence forward he can get, and try to clear him.

d. The faithful practitioner will advise his clients against the last result of litigation, unless all fair compromise is out of the question. It may be feared by some that the lawyer would lose his vocation who opposed litigation. But on the other hand, those get the most practice who are both skillful and honest.

As to the enforcement of laws contrary to morality, and which release men from discharging moral obligations, the judge must decide according to the law and constitution ; and it is not his province to make or annul laws.

As to how far the lawyer may plead the statute of limitation, etc. :

(1) To a certain extent the lawyer is in the position of judge, and it is not his place to make or annul laws.

(2) It may be useful, though it enables men to escape their moral obligations.

It cannot be law unless enforced, nor enforced unless the lawyer give his services. As in collecting debts, if a man is not forced by law to pay them, this does not do away with the moral obligation.

The limits are where violation of morality may be required. Conscientious lawyers are the foundation of the state, while unscrupulous ones are the pest of society.

LECTURES ON POLITICAL ECONOMY.

I. *Show why in logical order the definition of a science and objects comes first and in the chronological order last ; also how this is founded upon the logical order of the quality of our cognitions as obscure, clear, distinct, confused and adequate.*

The first step is to define as accurately as possible the sphere it occupies, the objects with which it deals extensively, and the differential marks which distinguish it from other adjacent, co-ordinate or otherwise related sciences. The logical order is first to define and bound off from other departments, but the chronological is otherwise ; from the necessity of the case, precise and adequate definitions are developed last. The chronological order otherwise would be imperfect, that is, chronological order is that of times, logical is that of ideas. To exactly define is not easy. We must know what we are talking about. In one sense it is true that we know it, in another quite the reverse.

A witness testifying as to the writing, or the speech of others, will be believed though he cannot give the adequate and precise marks. So a citizen knows what we mean when we speak of Church or State, but cannot give a definition of them. This is true in philosophy and science. Sciences are treated of before they are accurately defined. In his essay on Political Economy, page 120, J. S. Mill says that the definition of a science has almost invariably followed and not preceded the knowledge of the science itself.

The stages of a science correspond to Leibnitz's exposition of the advance of all science, as first obscure as persons are when seen in twilight ; so of philosophy and anatomy, in common talk. A clear

knowledge knows objects from each other without knowing distinct marks, as plant and animal; all know whether a given topic belongs to Political Economy or Ethics or Physics, whether they can give the distinctive marks or not. The province of definition is to give marks. When we know the marks we have a distinct idea. When we know the marks of the marks it is adequate.

When the votary of physical science undertakes the work of defining by marks, dividing one from another, he finds that his powers are much tasked, and that his definition is no nearer perfection than is the science itself. So in mental science. Even in reference to a matter so old, so familiar, so popular in education as Rhetoric, it is not settled whether it treats of invention, or of effective disposal of language for purposes of conviction, or of persuasion, or of action.

II. *How far is any alleged conflict or confusion in the definitions or views of different writers on Political Economy proof that it is not a science?*

The objection then brought against Political Economy, that its definition is in dispute, is groundless. If valid, it would rob nearly all sciences of their titles as such. Few sciences are better defined than Political Economy as to subject matter and as to differential marks.

One of the most eminent masters of Ethics in this country, debating the difference between Metaphysics and Psychology, knew that Metaphysics treated of cause and effect, etc., and that Psychology treated of memory, etc.; without knowing the definition, he recognized the thing.

POLITICAL ECONOMY A SCIENCE—OF WHAT?

Is Political Economy a science? and if so, a science of what? are two questions strenuously disputed—the latter among economists themselves, whose attempted definitions of it are so various, inconsistent, or inadequate, as to tempt not only the many unversed in it, but even so eminent a writer on the subject as Professor Bonamy Price to deny the former. In his recent very able work on "Practical Political Economy," he earnestly and ingeniously contends that it is not a science. While this is a very common notion of those

wholly or partially ignorant of the subject, owing to the debate and uncertainty which they suppose cloud nearly every economic question, the great body of standard authors upon it, since it has become a distinct and prominent department of human research, have treated it as a science; and this none the less, although they have so largely failed to come to an agreement as to its exact sphere and scientific definition. In this we think they are right. It seems to us that the principal arguments to the contrary, if valid, are also valid against some of the principal mental and physical sciences, if not against the very being of Science and Philosophy as such.

1. The chief of these arguments, so far as they have come to our notice, is that political economy "is the application of common-sense to familiar processes." But if this destroys its scientific character, then it sweeps away nearly all the mental and sociological, and no small part of those commonly called physical sciences. For what operations are more familiar than those of the human mind? They are the phenomena of consciousness, *i. e.*, of what men are conscious of, or having, know that they so have them. So the Scotch psychology and metaphysics of Reid's school assumed the title of the Philosophy of Common-Sense, because they were distinguished for rejecting all philosophic fictions contradictory to the intuitive judgments of mankind, re-establishing the normal authority of these, and analyzing their proper content and logical implications. So all sound works on mental science deal with the facts of human consciousness, and attempt to evolve explicitly what these involve implicitly. Let whoever doubts this read that late work of Dr. McCosh on "The Emotions," so marvelously keen and penetrating in its analysis, yet so replete with live illustrations from facts familiar to all; and all the more attractive and readable because so enlivened by that genius whose prerogative it is, as Coleridge says, "to produce novel impressions from familiar objects."

Sydney Smith, in that style of paradox by which he was so fond of giving piquancy to his utterances, observes that "it fares worse with this science (metaphysics) because its aims and extravagances are comprehended by so many. If you tell a man that the ground on which he stamps is not ground, but an idea, he naturally enough thinks you mad. If the same person were told that the planets were rolled about in whirlpools, or that the moon, as Descartes

thought, was once a sun—such a person who would laugh at the former might hear these latter opinions advanced without being struck with their absurdity. Every man is not necessarily an astronomer, but every man has some acquaintance with the operations of his own mind, and you cannot deviate grossly from the truth in these subjects without incurring his ridicule and reprehension.”

But even many of the physical sciences are largely conversant with familiar objects with which men have always had to do, such as air and water, heat and light, tides and currents, levers, wheels, pulleys, wedges, projectiles, plants and animals, and so on indefinitely; and not merely with such matters in the general, but in many of their modes of operation which science takes note of, sometimes as things to be proved, sometimes as contributing to the proof of higher laws under which they are generalized. Such was the falling of an apple to Newton's eye, who saw in it the universal law of gravitation which, thus suggested, he proceeded, by the requisite observations and experimental tests, to prove. What more than this was that suspicion of an expansive force in the steam issuing from a tea-kettle, which, being proved, has made water vaporized by heat the great motor of modern times, and with electricity the propulsive material forces of modern civilization?

2. It is argued by Professor Price that “what are called economic laws are mere tendencies.” So far as *pure* economics, saying nothing here of its applications, is concerned, this is freely granted by some of the best economic writers, who none the less vindicate the claim of political economy to the rank of a science. But the proof of tendencies towards certain conditions or results which, unless counteracted, will issue in them, is as much a scientific achievement as any scientific discovery or induction whatever. What are all the laws of nature, all mechanical and chemical laws or forces, nay, laws of organic life also, but tendencies to modes and results of action sure to take effect, unless counteracted by opposite or modifying forces, as they so often are? The simplest diagonal force in mechanics is a good illustration. What is a perfect chronometer, what are all machinery, engineering, and architecture, but devices for adjusting and balancing forces or tendencies wholly or partially concurrent, or antagonistic, so as to neutralize whatever tends to hinder the result arrived at?

As to the mental and moral sciences, so far as they respect events dependent on the human will influenced on the one hand by the manifold views and appetencies which sway its decisions, and hemmed in on the other by ever-varying external conditions, nothing can be known beyond tendencies. Laws in plenty may be ascertained and propounded with certainty as to what is normal, intellectual, and moral action; what men ought to be, what they ought to do in general. The same is true in economics. But as to the most efficient modes of carrying out these laws, these may vary according to the attendant opportunities or impediments. For example, so far as events are concerned which depend on the human will, for whose guidance in action, ethics, politics, jurisprudence, theology, nearly all the sociological sciences furnish principles and rules, they give us no means of prevision of the future beyond tendencies to such events, which will take effect in the absence of counteracting tendencies. We may calculate and predict general average results, but nothing more. But what can be more important than such knowledge of tendencies and counter-tendencies? As money is abundant or scarce, prices tend to rise or fall. If credit, operating as a purchasing power, be inflated, it acts still further in raising prices. But if, in consequence of being overstrained, it collapses, not only does this stoppage of purchasing power of itself shrink prices; it more than counteracts the tendency of abundant money to raise them, by throwing it temporarily out of use, and making it as though it were not, because locked up in unavailable hoards. So, while financial or economical tendencies may certainly be ascertained to be the result of certain conditions uncounteracted, which of these conditions, whether antagonistic or concurrent, may arise, can rarely with certainty be forecast.

3. This disposes of another objection to economics ranking as a science; to wit, that it is powerless to predict the future course of production and commercial vicissitudes with any certainty. Of course it is. It is none the less true and important that "the hand of the diligent maketh rich," *i. e.*, has this tendency so surely that we can forecast the probable result, while a thousand unforeseen disasters, like war, pestilence, bad harvests, fire or flood, may more than destroy the normal fruits of a year's industry. Can we not with reasonable certainty predict divers disastrous consequences of

flooding the country with irredeemable currency, however they may be mitigated by unforeseen counter-influences? Can we not foresee the effect of conducting legislation upon the assumption that money is the only wealth, the basis of the exploded commercial system, and of much that is now erratic in private schemes and public legislation?

Nor, again, is it any proof against economics being a science that its votaries dispute often about some of its principles or their application. No sciences are free from such contentions unless the apodictic and formal. While these contain a preponderating body of truths undisputed and indisputable, yet even they have their disputed sides. The physical sciences present one vast battle-field of contestants between evolutionism and creationism, about ultimate molecular atoms or forces, or centres of force, which quite bewilder the uninitiated. On the psychological and metaphysical side, what end have we of disputes between sensationalists, associationists, utilitarians, intuitionists, and so on, to the end of the chapter? Nor does even the climacteric science of theology fare better; yet it would be the climax of childish weakness to maintain that this is any warrant for scepticism, or that no light has been gained upon these subjects by the scientific study of them, or that a great and precious body of truth has not been thereby opened up, clarified, and confirmed; and this although little remains that some even respectable writer may not be found to dispute. No science is built up to perfection in any one age, or by any one man or set of men, or so that some of its principles may not be disputed in some quarters. It is in the light gained by the observations and discoveries of those investigating in support of false hypotheses, that progress is made towards truer systems. It has been well observed that the Copernican system could not have been reached without the aid of the discoveries made by the Ptolemaists. Reid advanced in the light of the truths and errors of his predecessors, while he retained or put forth many crudities requiring to be cleared up by his successors, before his system was at all perfected.

Much less is the claim of economics to the rank of a science disproved by the disagreement of its leading authors as to the proper definition of it. If disagreement here could disprove its scientific character, then scarcely a plurality of sciences, if any science at all,

is left. If we take pure logic, which is, next to mathematics, the most apodictic of the sciences, and unfolds the laws of definition, it is variously defined by principal authors: by Whateley as the "science of reasoning," and "wholly conversant about language," a doctrine denounced without stint by Hamilton, who, followed substantially by Mansel and Thompson, pronounces it the science of the "laws of thought as thought;" Dr. McCosh defines it "the science of the laws of 'discursive thought;'" while J. S. Mill, noting the great diversity in the modes of defining logic, in the Introduction to his great work on the subject, styles it "the science of proof or evidence." Mr. Mill profoundly observes, that while good definition is logically the first step in any science, it is actually and necessarily the last, because it cannot exceed the measure of our knowledge, and cannot therefore become complete till that becomes complete. It is very apt to reflect the aspect or side of the subject uppermost in the mind of him who gives it. The definitions given of political economy by its great exponents are no more numerous or conflicting than those of logic, a science of apodictic certainty, and one to which everything truly scientific must conform; nay, they are less so than those given of science itself by the leading authorities. All definitions of any science in its immature state are necessarily provisional. This is evident enough to any one who will consult such articles as those on Science and Philosophy in Fleming's "Vocabulary of Philosophy," or almost any good encyclopedia.

While it is thus clear that diversities or imperfections in the definitions given by the authorities in any department of human thought or inquiry do not necessarily divest it of its title to the rank of science, it may be added that the variant definitions of political economy put forth by authorities of any weight are unusually few; that most of them, in spite of their defects, cover the more important phenomena with which it deals, or of which it gives, or seeks to give, a rationalized explanation—the what and the why, the *oti* and *dioti*, which constitute the subject-matter of this, as they do of every science. Notwithstanding this imperfection of definition, however, most tolerably informed people know very well what properly comes within the range of political economy, although they cannot give the scientific definition of it, just as nearly all men know when the objects they see belong to the order of plants, animals, or men

although they cannot give the logical definition of either class. They are possessed and regulated by the true idea of each, even if they cannot give its differential marks. It masters them if they have not mastered it.

What Professor Price represents political economy to be, by way of proving it not a science goes far to prove it such, however imperfectly developed. He says: "It is the application of common-sense to familiar processes. It explains their nature and manner of working. It analyzes and thinks out practices which are universal, except when thwarted by artificial theory. The information which it acquires by observation and analysis it puts together in systematic form. Its teaching is contained in a body of methodical knowledge, which presents to the inquirer the chief facts and the real essence of these natural processes. He is made to understand them, each singly for itself, and all of them together as a connected whole." ("Prac. Pol. Economy," p. 15.)

If the essentials of what constitutes the science of grammar, psychology, logic, and ethics do not fall under these categories, the reason is not apparent to us. The establishment of the doctrine that some actions are intrinsically right, and obligatory because they are right, against Paley's doctrine that happiness is the sole motive, and expediency the supreme guide, of moral actions; that "pleasures differ in nothing but continuance and intensity," and that "obligation is nothing more than an inducement of sufficient strength," is only the result of "analyzing and thinking out practices that are universal, except when thwarted by artificial theory," or a perverted bias. And what else is accomplished by logic?

Prof. Price says, with some justice, "The truths proclaimed by political economy are ultimate truisms—processes which have always been known to all the world; and when political economy has explained them, the hearer is apt to exclaim that every one knew that before. It is an excellent test of real economical teaching that it should leave the pupil in the perception that it is made up of familiar truisms." But is this so in any sense which does not pertain to the mental, to say nothing of the physical sciences? Strip the canons of the syllogism of technicalities, and let their real meaning in upon the average mind, what are they but truisms? Study Reid's Intellectual Powers or Locke on the Understanding,

and while they have promulgated some errors for subsequent thinkers to dissipate, yet what is the most valuable part of their contributions to mental science but rescuing truisms from the mists of theoretical subtleties, or vulgar misconception, in which they had been enveloped and lost sight of?

But if Prof. Price has not invalidated the title of political economy to a place among the sciences, however short of a perfected science it may be, he has, in our judgment, been quite successful in showing the insufficiency of some chief historical and current definitions of it. These definitions, omitting those of occasional writers, who almost confound it with politics or general sociology, are chiefly three: that it is the science of wealth, the science of value, the science of exchange. As by value most writers mean exclusively value in exchange, so some of them, conspicuous among whom is Prof. Perry, make it at once the science of value and of exchange. "Political economy," says he, in his "Elements," "is the science of exchanges, or, what is exactly equivalent, the science of value." Others, including such great authors as Adam Smith, J. S. Mill and Mr. Senior, define it as the science of wealth, in some aspects of it, a word which Prof. Perry denounces as "the bane of political economy. It is the bog whence most of the mists have arisen which have beclouded the whole subject." The difficulty has been, that by wealth is understood amongst men, not mere services which leave no certain product that survives them, but commodities or material objects having utilities impressed upon them by human labor which survive that labor. The sum-total of these in a country constitutes its wealth. The sum-total of them of which an individual is the owner, or to which he has a legal title, constitutes his wealth. We agree, and shall show more fully, that wealth in this accepted sense of it is not coextensive with the sphere of political economy. But the same thing is easily shown by Prof. Price to be true of exchange and value in exchange. What is value? It is that in any material object impressed upon it by human labor, which men sufficiently desire to be willing to expend some labor to gain it. It depends upon two things: 1. That it cannot be had without labor; and 2. That it be so far an object of desire that one or more men are willing to bestow that labor to obtain it, either in the direct production of it, or the doing or making of what will purchase it in exchange.

The mistake of making exchangeability the equivalent of value is that of putting one of the accidents of value for its essence. The essence of economic value is that utility in a material object which costs labor to produce it, and for which the party to whom it is valuable is willing to give that labor. It is true that, to a large extent, he obtains such things with least labor by purchasing them from some other maker of them, in direct or indirect exchange for some service or product of his own. So to him, what he makes and gives in exchange for a commodity or service measures the value which he puts upon what he gets in return for it. Hence the science of political economy covers phenomena and human activities broader than those of mere exchangeable value. As Adam Smith said, and Prof. Price so ably proves, there is value in use as well as exchange. Yet we think Prof. Price goes to an extreme of subjectivity when he defines value as "a feeling," "a sense of attachment, of affection for a thing."

This is the etymological fallacy of assuming that nouns and verbs of the same root necessarily agree in meaning. No doubt, value in an object arises from the mind's valuing or having an esteem and desire for it. But it is in the object—the quality in it which excites desire, not the mind's feeling or desire. But this objective thing, whether labor or the product of labor, may have the essential elements of value irrespective of exchangeability. Many articles produced by farmers, and especially by frontiersmen, for their own comfort or sustenance, have value for them equal to all the labor they cost, although they have no exchangeable value whatever, on account of distance from market. It is needless to multiply the instances in which this may be true of perishable or bulky articles that can be had only by human labor, and are indispensable to man and beast. We do not say that value might not be at once so extended and circumscribed by generic and differential adjuncts, that an adequate definition of political economy might be constructed with this as its central idea. And in cases of necessity it is often advisable to take a word vague and equivocal in common speech, and give it a more precise and technical signification for scientific use, as is done with Perception and Conception in psychology. But we have better means of a precise definition of economics than the word value, so justly condemned for such a purpose.

by Prof. Price. If there are any words to which economic usage gives an unambiguous meaning, they are Utility, Labor, Effort, Sacrifice. And this corresponds with their commonly accepted meaning. Out of these it seems to us possible to construct a definition of political economy more precise and adequate, at least, than any yet brought to our attention, and one, too, which includes whatever is true in each of the other definitions we have specified.

Utility, as a term in economics (we have just here no reference to ethics), means whatever meets any want or gratifies any desire of man. Labor is human effort directed by the Reason and Will to the production of such utilities. (*Economics is the science of the phenomena arising from the desire of man to obtain the maximum of utilities which are the result of labor acting in some way on material objects, with the minimum of effort including sacrifice; and of the laws in accordance with which he can best attain this result consistently with the internal and external conditions to which he is subject.*) Sometimes this effort or labor may be chiefly mental. This is provided for in the definition of labor itself, which is always mental in its source, spring, and guidance.

Applied to the efforts of men in organized society, whether to states seeking to increase their own material resources at least cost, or to further the efficiency and fruitfulness of their people's labors by appropriate legislation, it is Political Economy. All thorough treatment of economics considers the individual man, and man in society; the desires that in these relations impel him to labor; and in what ways they impel him to labor for their gratification. It also inquires how different kinds of economic legislation by the state tend to affect its own resources, and the productiveness of the labors of its people.

The substance of this definition of pure economics will be found, in germ, in a number of treatises, and by implication at least, in nearly all. Thus Jevons: "The great problem of Economy may, it seems to me, be stated thus: *Given, a certain population, with various needs and powers of production, in possession of certain lands and other sources of material: required, the mode of employing their labor so as to maximize the utility of their produce.*"

This idea of political economy is central in a twofold way: (1) As the desire of man to gain the maximum of utilities with the

minimum of effort, subject to the limitations indicated, is the final cause or ultimate end of the science, whether as affecting man individually, socially, or politically; and (2) as in ascertaining truths, laws, or tendencies which may guide men in realizing this desire, or states in legislation to promote it, the prime facts to be understood and considered are—How will men on the whole act under given circumstances? How do they act in present circumstances? How will they act on the supposition that these circumstances are altered by legislation or otherwise? Thus, with the present habits of our people, we know that for all sums greater than fractions of a dollar they prefer, for various reasons, for ordinary use, a perfectly convertible paper currency, to the metallic dollars into which they are convertible. But should government order the issue of a large quantity of irredeemable paper dollars, whether legal tender or not, the people would prefer to *take* metallic dollars in place of them, and to *pay out*, for the discharge of their debts, these in preference to gold and silver; because the latter having a higher purchasing and debt-paying power, in *international* trade with foreign countries, they would inevitably soon come to be at a premium here over inconvertible paper. All this more than fifteen years' experience (since 1862) in this country has abundantly illustrated. During this period, next to no gold and silver was in circulation, because it was more valuable in the bullion market. All legislators may know that heavy taxes on property, or titles to property, easily concealed, will be largely evaded, throwing unequal burdens on honesty and offering a premium to dishonesty.

The foregoing definition of political economy, in our judgment, includes whatever of truth, and avoids whatever of error or deficiency characterizes the current definitions.

It certainly includes whatever is true in those definitions which make it the science of wealth. Wealth is the sum-total of commodities, or of material objects having a utility impressed upon them by human labor, in virtue of which they have a value either in use or exchange. Now the whole scope of political economy, as respects wealth, is to ascertain according to what laws the maximum of such commodities can be produced with the minimum of labor, and in conformity to the laws of our rational, moral, and physical constitution. In other words, it is the science which sets forth the laws

according to which our wants are supplied in the largest measure with the least waste of human effort and sacrifice. But, besides being the science of utilities produced by human labor, and embodied in commodities more or less enduring, it is the science of utilities produced by human labor or services terminating in modifications of material objects however tenuous, transient, or perishable. The labor of the body-servant or nurse even when they simply produce a momentary modification in the condition of the employer's body, and thence of his mind; of the musician or orator who produces those momentary vibrations of the air we call sound, through these reaching the minds and gratifying the desires of others; of the acrobat who so affects his own body, his implements, fixtures, animals, the surrounding air, as to reach the vision and delight the mind of the spectator; the various services of professional men, come within the scope of this definition, and equally whether obtained by exchange and purchase or not. It is utilities, whether transient or enduring, imparted to material substances by human labor, all and singular of these, and these alone, that constitute the subject-matter of Political Economy. And the problem is, how to get the most of them, in due subordination to every element, interest, and law of our nature which they ought to subserve, with the least expenditure of labor and sacrifice. This is economy in individuals, families, societies, and when applied to states or masses of people politically organized, it is Political Economy.

This definition covers whatever of truth, and excludes whatever of error, is involved in defining it as the science of exchange, or exchangeable values. Certainly it includes all these, and they occupy directly or indirectly the larger part of its domain, because exchange is so largely the instrument by which the increased efficiency of division of labor in production can be availed of. But as we have seen, a given amount of human labor often compasses the maximum of utilities without resort to this agency. The difficulties into which this definition of the science drives such eminent writers as Prof. Perry and Mr. McLeod have been in part well pointed out by Prof. Price, but only in part. One of the consequences is the definition of labor as "any human exertion that demands something for itself in exchange. . . . Nothing is labor that does not look to a sale. Labor, like everything else in political economy, is tested

by the criterion of a sale." ("Introduction to Political Economy," pp. 94, 95.) If then a farmer plants, tills, gathers, husks corn for his own consumption, and that of his animals which he uses but does not sell, this is not labor. But if he does it for the purpose of selling these products of his hand, it is labor! Surely theories and definitions leading logically to such consequences must be defective. Again, "Value has no existence in connection with one thing or one person." And is the pet horse which a man has reared with toil and care for his own use exclusively, and with no thought of sale, perhaps when he is so far from market as not to be salable, without value? Again: "*Value is not a quality of any one thing, but a relation subsisting between two things.* It is, as the definition gives it, *a relation of mutual purchase.*" We humbly submit, as we have said before, that "the relation of mutual purchase" has been shown to be not the essence but one of the accidents of value; that this, too, is some "quality of a thing," held in such estimation or so desired by some person or persons that they are ready to work, or to give what has cost work, to obtain it. And the amount of service, or products of service which they are willing to apply to its procurement, is the measure of its value.

Another anomaly born of this narrow definition of political economy, as solely the science of exchange, is that no human effort or its result is entitled to be regarded as Production, unless designed for sale or exchange. This is argued even from the etymology of the word by Mr. McLeod in his "Economic Philosophy," also by Prof. Perry, who says: "The term Production is derived from the Latin word *producere*, which means *to lead forth, to expose for sale.* Terence uses the expression *producere servos*, to offer slaves for sale. . . . In common language, the growth of the farm is called *produce*, but only when it is offered for sale, in which sense we speak of the *produce market*. The fundamental meaning of the root-word both in Latin and English is *effort with reference to a sale*; and this is the exact scientific sense in which I propose to use the word and its derivatives. I hope I am making at this point a slight contribution to a more exact nomenclature of political economy." (Introd. to Pol. Econ., pp. 70, 71.)

We should be glad to share this hope, but will soon show why we cannot, especially in the light of the illustration he proceeds to give

thus : "Production is always effort, but it is not every kind of effort that is production. My boy is now playing the piano in the parlor; it is effort for him,—irksome effort,—but as he has no intention to sell his acquired skill upon that instrument, it cannot be called *productive* effort. It is effort put forth for altogether other than commercial reasons. The effort of his music-teacher, however, who comes here to give him his lessons is productive effort, inasmuch as it is put forth solely with reference to a sale." (pp. 70, 71.)

Are not such distinctions too artificial and arbitrary to stand? Would it be any the less productive if the music-teacher should give his services, which develop this musical skill, gratuitously, out of friendship or pure benevolence? Suppose that the musical skill so acquired, though first *intended* only for the unpaid gratification of the learner and others, should, as often happens, come to be used in teaching or entertaining others for pay, is it any more or less a product because he had no such intention in acquiring it? Are not sheep, raised exclusively with the design of being prepared and consumed for food and raiment in the family of their owner, produce? Nor is the etymological argument much stronger. We are sure that, while the generic meaning of *producere* is to lead forth, that of leading forth for sale is only one of manifold specific applications or modifications of it "in Latin and English." It just as much means to produce for use as for sale; and it means to produce in the sense of bringing new utilities into being by human labor with either intent. Any Latin lexicon will show that bringing forward for sale is only one of several meanings of *produco*; while Webster does not in any instance thus define the English corresponding verb, adjective or noun. He defines to produce as meaning "to bring forward; to bring forth; to bear; as plants on the soil; to cause, to effect; to bring into existence; to raise; to bring into being; the farmer *produces* grain enough for his family; . . . the manufacturer produces excellent wares," etc. In a word, it signifies not so much to bring to market as to bring to view or into being, and this whether for use or for sale. A farmer producing grain for his family surely is not producing it for sale.

Another erroneous consequence of the dogma that political economy is the science of all exchange, including all exchangeable things and no other, is the corollary that incorporeal rights,

hereditaments—mere paper evidences of the title to property or ownership of wealth, or means of commanding the use of capital—are themselves property, wealth, or capital. They will exchange for money or valuable things, and therefore are wealth or capital. This error has been well pointed out by Prof. Price. Mr. McLeod places incorporeal rights in this category. Prof. Perry tells us that “credit in all its forms is *an addition* to the mass of other exchangeable property. . . . This secured property is a claim on the buyer of the goods for some form of property to be rendered by him in the future.” According to this, when one sells to another a house, and takes a mortgage for it, there is an immediate doubling of the property. The house still exists. The mortgage has been created in addition, which also is property. But is it not undeniable that the only real property in the case is the house? The mortgage is simply evidence of the extent of the mortgagee’s continued ownership in it, until the mortgage is paid in money or other commodities. If credits are a real addition to property, instead of being the mere means of its conveyance from the lender to the borrower, then a simple way of duplicating the property of a country would be to sell it all on credit. Nay these credits or titles to property might themselves be loaned, as often happens. Thus property might be trebled and quadrupled, and so on—paper credit strung upon paper credit, according to the most progressive financial kiting, *ad infinitum*.

Much to the same purport is the doctrine laid down in regard to bank deposits, and the loan of them to borrowers. “The gain for the whole community from such operations in credit is that a *new capital* has thus been created, a new purchasing power, something in the world of value additional to what existed before” (p. 284). No new capital is made by simply placing money, or loanable funds, or the title to them, in a bank which loans such resources to its borrowers. This creates no new “capital,” but simply facilitates the distribution of existing capital to the parties able to use it profitably, and to pay a suitable reward in the form of interest for it. “Purchasing power” in the form of credit is not capital, although it helps procure the loan of capital. It may thus facilitate its passing into the hands of those who will use it most profitably, and so make it an instrument in the production of wealth, by

promoting profitable exchange or otherwise. Credit as a "purchasing power," if unduly inflated, contributes to the destruction of wealth and capital by tempting to unwarranted extravagance of living, and to enterprises which consume, but do not replace, or remunerate capital.

As to shares, bonds, or other credits in public securities, national, state, or municipal, in railway, mining, manufacturing, or other companies, they are simply the rights of the owners, in the former class of cases, to a certain amount of the wealth of the political communities which owe them, and are payable from that part of the products of the community which are obtained by taxation; in the latter class of cases, to a certain share of, or lien upon, the property, with its income, of the respective companies concerned. They are incorporeal property in a legal, but not in an economic sense. They are evidences of a right to material commodities. The same is true of such typical instances cited of intangible values, as the good-will of a store—which is simply the disposition of the customers it has acquired under skillful and upright management, to continue to trade or make exchanges with it on terms which will better remunerate the labor and capital it employs than would otherwise be possible. Buying this is merely buying the equivalent of another motor to increase the productiveness of labor and capital.

The definition of the science of political economy we have offered includes that which makes it the science of the phenomena of wealth, in the production of utilities embodied in material objects, *so far as these are in any manner due to the agency of the human will.* All the phenomena with which it has to do certainly fall under this category; for they are the result of Labor. And Labor is the effort of man directed by his reason and will to the production of utilities. With utilities otherwise produced it has no concern except as related to them. The relation of economics to other utilities and to other sciences, physical and mental, is that they furnish light to the reason for the guidance of the will in most easily producing those effects on material objects which will satisfy desire. But its own sphere is distinct from those sciences except where they are conterminous with it, and, as happens in other sciences thus reciprocally related, so far seem to interpenetrate, that it is not always easy to detect a breadthless line which absolutely divides them. It is

quite commonly thought and said, economics involves the knowledge of those physical sciences, pure and applied, which shed light upon methods of easiest production. This is impossible, and would involve the impracticable feat for the economist of becoming an encyclopedist in science. Instead of this it takes, and supposes that men in the pursuit of wealth will, so far as they have normal intelligence, tend to accept and utilize, whatever other sciences, pure and applied, have discovered or invented which may so aid or direct labor as to render it more effective. The economist, *as such*, is not an expert in regard to mechanics, chemistry, optics, acoustics, heat, electricity, magnetism, metallurgy, mining, biology, physiology, medicine, hygiene, meteorology, soils, climates, drainage, steam engines, telegraphs, machines, and the like. He takes, and he assumes that, in the absence of counteracting forces or influences, men will utilize whatever is established and made ready to their hand on these subjects by experts and authorities in the several departments outside of this. Economics touches, without including them, only at those points where they afford light to guide the effort of man in the most efficient production of material utilities. But in the same way ethical science, in its applications to concrete human action, at all events to men in judging how to act rightly, may receive light from all such sciences, including economics. Meteorology may give us weather probabilities every day, hygiene may reveal conditions of health, which ethically we ought not to disregard, without their being a part of the science of ethics.

As economic science has to do with material utilities only as these result from the effort of man striving to gratify his desires under the direction of his will and reason, so its determining principles and laws are found in the actings of the human soul in the premises. All else in material objects, apprehended by the intellect, and sought by efforts prompted by the desires and will, is manifested by the sciences specially concerned with showing their properties and laws. Hence, if we inquire whether it properly classes with the mental or physical sciences, it chiefly finds its place among the former. It is natural and common to class it with the sciences of matter, because it has to do with the production of material utilities. But a moment's attention shows that it has to do with these only as far as they are the products of effort directed by the reason and will

to the gratification of desires—all mental. Prof. Cairnes regards it as “belonging neither to the department of physical nor to that of mental inquiry, but as having for its subject-matter the complex phenomena presented by the concurrence of physical, physiological, and mental laws.” This view is ably supported by him. But we see nothing in his argument to rebut the reasons we have given, or which would not bear equally against ethics ranking as a mental science. In determining what is morally right in dealings between man and man, does not much depend upon a knowledge of physical and physiological laws, facts, and conditions? How otherwise can duty be done in the nurture and education of children, or in rendering unto servants that which is just and equal, or providing things honest in the sight of all men? In both economics and ethics, however, it is more in the application of their respective principles, than the pure principles themselves, that they thus become complicated with any inquiries of physical science. Pure economics is the science of tendencies toward certain results, whose accomplishment depends upon the presence or absence of concurrent or contrary tendencies. But as a science whose phenomena are determined by the will in conjunction with other mental faculties, it classes with the mental sciences as truly as ethics, whose phenomena are similarly determined.

III. *Work out the definition; (a) As illustrated by the etymology comparing the Greek with the corresponding Latin term; (b) As shown by the definitions actually given by different writers, naming some of each; (c) By showing what in these agrees with the true definition.*

All derivatives and compounds have their present signification so related to the original root as to receive some light therefrom.

a. *Oikos* and *nomos*, law of house or homestead; that is, estate in a broader sense. So in Latin *domus* denotes house; *dominus*, master; *dominium*, the ownership of the house.

Oikonomia is the law of method of so husbanding and disposing of one's means as to secure the greatest advantage from one's labor. This is economy.

Apply this to the people of a state and we have political economy

as the science of the laws in accordance with which men can, in society under organized governments, produce for themselves the maximum of utilities which are the products of human labor with the minimum of human effort.

W. S. Jevons, who claims to have discovered a mathematical basis for all sciences, says: "The great problem of Political Economy may be thus stated: Given, a certain population with various needs and powers of production, and possession of lands, and other sources of materials; required a mode of employing labor so as to maximize the utility of their products." This is in such form as to include the science as applied to concrete cases.

In order to distinctness we must define terms.

Utility, as here employed, is whatever in material things meets any want or gratifies any desire of man. So air and water, food, raiment, literature and art have utility. Our science has to do with utilities dependent on human labor for production.

Human labor—the voluntary effort of man under the guidance of reason directed to the production of utilities; not aimless, involuntary efforts, nor of amusement; but under the direction of reason, though reason may have reached inferior modes of obtaining results.

b. We now proceed to compare the normal definition of Political Economy with those given by standard authorities.

1. "The Science of Wealth," Adam Smith entitles his great work on this subject.

2. "The science of exchange between objects and their values."—Rogers.

3. "The science of value and exchange. One just as much as the other, because the value of anything is what it will exchange for."—Perry.

4. That of Stark, Sismondi and other continental writers, embraces a larger scope. "The science of the laws of prosperity of nations, or their wealth and civilization, or the physical welfare of man, so far as it can be the work of government; the science of the nature and the functions of the different parts of the social body." They give it a scope as broad as politics if not sociology.

5. "The science of the laws which govern man in his efforts to secure for himself the greatest individuality and greatest power of

association with his fellow men.”—H. C. Carey. This is not distinctly a definition.

6. J. S. Mill gave as an earlier formal definition, “The science which treats of the production and distribution of wealth, so far as they depend on the laws of human nature;” but in his later works he gives it as “the science which traces the laws of such of the phenomena of society as arise from the combined efforts of mankind for the production of wealth, in so far as these phenomena are not modified by the pursuit of any other objects.”—Political Economy, page 140.

Wealth is the essential feature of Smith and Mill’s conception of the science, and cannot be wide of the mark. Wealth; the sum total of things having utility, which are the product of human labor, or are incapable of being reproduced in sufficient quantities for use without labor, or have the power of commanding such labor in return for it; or the sum total of commodities, which are material objects embodying utilities produced by human labor, or which would command human labor in return. None of them are in any sense wealth, except as they will produce wealth.

c. The definition of Political Economy as the science of the laws which control the production and pursuit of wealth, differs little from that which says it is the science of the laws by which man may gain the maximum of utilities by the minimum of human effort.

“Science of wealth” is not the same as to logical order, inasmuch as wealth is defined as the sum total of commodities, etc.; these commodities constitute the subject matter of the science.

How far is it the science of exchange or of exchangeable objects and value? In so far as it is a science of utilities produced by the minimum of human labor. What costs no labor, has no exchangeable value. Men do not give labor for what they can get free. To say it is the science of exchange, is to say it is the science of utilities produced by human labor, because this is the basis of exchangeability.

“Science of value,” which is another name for exchangeability. Whatever has not the property of exchangeability has no economic value. It is alleged that a lot of land, even above the labor bestowed upon it, has an immense value; but not, however, before labor was spent upon the surroundings. Many things may have

value which have not exchangeable value; the latter merely market value. The whole island of Manhattan was bought of the Indians for £24. Some lands in New York were scarcely worth cultivating till the opening of the Erie canal. It is said that various mental qualities, professional and didactic skill, have an exchangeable value, but are not the product of labor. It will suffice to say that they are either creations of labor, or cannot be brought to an exchangeable value without labor or materials on which labor has been expended. Some say bonds are not wealth (commodities). The interest on them shows that they are titles of property, just as a deed is a title of property.

Anything which will not procure material commodities does not belong to our science.

Political economy is called the science of exchange, because labor is due to desire for objects for which labor is expended, and the same desire produces desire for exchange, and gives exchangeable value. The fallacy is in placing the means before the end. It is not always so; when so, exchange is a mere means.

IV. *State the true definition, both intensively and extensively; also that of its leading terms and marks; discover its merits; also its comparison with that which defines it as a science of exchange or value.*

Definition includes intension as well as extension. First intensively; *genus* is "the maximum of utilities which are the result of human labor on material objects," and *differentia* is "with the minimum of human effort."

Secondly, extensively, it includes labor, wages, capital, profit, exchange, commerce, currency, trade, and taxation, which burdens labor.

A definition is more apt to be accurate extensively than intensively. A multitude will know that exchange belongs to Political Economy, but will not be able to give the differential marks.

That Political Economy is "the science of the laws in accordance with which we produce maximum of utilities with minimum of human labor" is more accurate than that it is "the science of exchange," because exchange is the means of producing this maximum of utility. All exchange is in order to this end. The reason that men raise more than they need, is that they may procure other

things by exchange with less effort than they could produce them. At first, farmers in this country did their own spinning. Now this is done by water and steam. The greater part is wrought into garments in wholesale establishments.

Another argument is that even now men procure a large number of objects of desire without exchange, as do squatters and farmers. No exchange comes into the process at all. It would be a hindrance. (This doctrine is urged and defended in the "Principles of Economical Philosophy," by H. D. McLeod; a fresh and suggestive work not without value, leading those who hold wrong views to reconsider.)

V. *Define labor generally; also in its subjective and objective elements; the Physiocratic School of France, their great truths and errors, merits as pioneers of this science; great a priori maxim founded.*

As labor is a voluntary effort, we may say that subjectively it consists in human effort; objectively, as exacted upon material things, it consists in moving them. This is found true of every variety of labor; commerce, hunting, fishing, mining. It consists in this, and nothing more, in every department. It consists in moving plants and animals to places where man needs them for consumption. Iron ore is moved to a place where it is heated and transmuted to a condition in which it is wanted for human use. He moves who gathers wild nuts; who ploughs and tills, and gathers crops; who feeds animals and takes them to pasture; who manufactures wheat into flour and wood into lumber; in commerce he who moves things where they are wanted for human use. Hence emerges, *a priori*, a simple formula; the great end of this science is to show how man can obtain the maximum of utilities with the minimum of *human movement*.

Wheat can be raised in Illinois and brought here by steam with less cost to us than we can raise it here. Nature works for nothing. The winds and waves, with the hot sun of Florida, raise oranges and bring them to me with much less labor than I could raise them in hot-houses.

This brings to view the Physiocratic School of France, (governed by the laws of nature—*phusis* and *krateo*,) who were among the

pioneers in bringing into being this science. They dispelled the delusion of regarding the sciences as occult. Their views had reference to the practice of sovereigns with reference to exactions. The whole subject of production was supposed to consist in enactments; but they (before A. Smith) came to the conclusion that there was no wealth not produced by labor, and that no wealth can be created by mere enactment, but that it can be transferred. They rendered great service to this science and were here conformed to nature. They divided labor into production and unproduction. They said that commerce and trade were unproductive, and put the commercial classes on the same footing as spendthrifts. Now commerce has to do with putting objects in a condition by which they are fitted to meet the wants of men. They move things and fit them for human use.

The Physiocratic School was instrumental in the great reforms, and promoted the industrial development of France. They held (1) that the earth is the source of all wealth, and (2) that productive labor and expenditure is that which is employed in the production of things grown upon the earth. The labors of the agriculturist were productive. They held these views on the ground that agriculture added to the mass of useful and enjoyable goods, and that manufacturing only changed the form and commerce the place, but do not at all add to the amount.

We see the remnants of this fallacy to this day. We often hear it said that the two latter classes produce nothing, but the farmers add to the national wealth. Now this is true if there is an over-number in the manufacturing and commercial classes; but manufacture and commerce have to do with increasing the amount of enjoyable goods. Manufacture makes a further conversion of articles into forms in which they are useful to man. Now, the farmer raises the potato, but the manufacturer makes starch from the potato. He increases the amount of matter in a form useful to man. So does the merchant in placing things where they are wanted.

VI. *What do you say as to the group of sciences with which it classes; whether a priori or a posteriori, experimental, physical, metaphysical, or mental; deductive or inductive; also show the ethico-metaphysical element?*

Is Political Economy a physical or mental science? Is it primarily a science pertaining to matter or mind, body or spirit? According as it is one or the other, it falls into physical or metaphysical.

It seems at first sight that, as it concerns human utilities, to exclusion of all but human utilities or what aids in producing them, it must be a physical science; but it has to do with matter only as modified or wrought upon by human labor, that is, by human forces directed by human will. It begins, springs from, and terminates in the mind. It has to do primarily with the phenomena of mind as manifested in voluntary work. The physical sciences which aid or hinder production, Economics does not undertake to investigate, but assumes. The use of the lever is as old as human labor, but the laws of the lever are not to be investigated by Political Economy; though Political Economy makes the best use of the lever which science gives us; so of motion, and everything in chemical and biological science which aid in production, but it is not our business to study them. So of mathematics, and the non-physical sciences. Political Economy conforms to truths made known by them. Political Economy does not trespass upon the province of Psychology, as substance; nor of Metaphysics, limits of time and space; nor of Logic, the syllogism; nor of Ethics, the nature of virtue; but it assumes their principles.

It stands in same relation to these sciences as Rhetoric and Politics. It does not constitute sociology, but is a part of it. Pure Philosophy is classed with mental sciences, as its distinctive phenomena pertain to the mind of man; yet it is important to signalize its close contiguity to Ethics. Some modes ignore man's moral nature, reasoning as if he were a mere wealth-making machine, a chattel; as if man were in order to wealth, and not wealth to him. There can be no sound science of Political Economy which ignores these moral relations of man. There is a good deal of Political Economy in the "Sermon on the Mount." The best means of realizing maximum of utilities, etc., is by thorough obedience to the demands of morality, and this principle will solve some of the most vexed questions of the day. Uprightness on the part of employed and employe, will solve most of the problems between labor and

capital. So credit depends upon faithfulness in keeping engagements. The more credit disappears, trade stagnates.

Money differs from other valuable things in being common measure, and changing its value is the same as changing weights and measures.

The most difficult problems will be solved by simple adherence to the word of God. "Masters," including employers, "give unto your servants that which is just and equal; knowing that ye also have a Master in heaven:" and "Servants," including employes, "be obedient to them that are your masters according to the flesh, with fear and trembling, . . . not with eye-service as men-pleasers." Those questions which merge in reference to population, as to outrunning means of subsistence, may receive a partial solution from Political Economy, but find whole solution in the redemption system of Christianity. Some late writers claim Economics as a mathematical science, and say that its problems may be brought into the scope of mathematical *formulae* and *calculi*. Prominent is Jevons: he is followed by Newcomb, the eminent astronomer, whose profession has perhaps led him to apply mathematics to Political Economy.

Their claim is undeniably based upon the Utilitarian theory of virtue. We regret this theory, and this is not the place to discuss it. Even Utilitarians object to this, that the quantity of pleasure and pain is capable of statement in mathematics. There are many points in which Economics finds use for mathematics. But as it is not a science of chemistry, neither is it a science of mathematics. The writers who advocate it are generally of the modern materialistic school. Of course they desire to bring mind down to the conditions of matter.

Is Political Economy an *a priori* or an *a posteriori* science? Large numbers meet this question with incredulity. They say that as a matter of course it must be *a posteriori*, it must be an experimental science. "It has to do with material things," they say, "and all material sciences are dependent upon experience for their foundation. "Do we know anything of matter *a priori*?" they ask. Certainly not, except a few primary conceptions necessary to the very definition of matter. We know that if we have certain properties of

matter expressed numerically, we can go on *a priori* to other properties; as for example, in Astronomy, the coming of an eclipse can be calculated with great certainty. It does not follow that Political Economy is not *a priori* in the recognized sense of this term. If Political Economy is the science of production and utilities, made such by human labor directed by reason, and fitted to gratify some desire or meet some want of man, then from the nature of reason we know how in given circumstances man will act. We know that he will seek the largest supply of enjoyable goods with what appears to him the minimum of effort. If he sees he can do this by exchange, with money as a means of exchange, or with credit, he will do it in that way. Though he sees that a fertile soil is more productive than a sterile soil, yet the distance from market may make the latter to be preferred. Men will abide on poorer soils because of the attachments they have formed to the neighborhood, people, religion. We know *a priori* that \$1,000, circulating briskly will pay more debts or purchase more enjoyable goods than \$20,000 hoarded up. So too, if machinery makes labor accomplish more, it will make that labor worth more.

It is *a priori*, if not in the Kantian, yet in the strongest secondary sense. The generic sense of *a priori* is that which is known from conditions given without dependence on subsequent experience for proof, even if the conditions have been in the *first place learned empirically*. In the Kantian sense it is that which we know absolutely without any experience. If we know by experience that hickory yields more heat than pine, and both are the same price, we know, *a priori*, that if we want wood for heating purposes we will buy hickory. If we know by experience that the distance from the earth to the sun is one side of a triangle, of which we know one side and two angles, we can get the distance *a priori*.

There is another sense of *a priori* out of which the use of these terms in metaphysics sprang, and goes back to Aristotle; *a priori* is from cause to effect, and *a posteriori* from effect to cause. This is a particular, concrete use of *a priori*, and out of it has grown the larger metaphysical use of the term.—Whateley's Rhetoric.

Propositions in Euclid are absolutely *a priori*, known in themselves, and of themselves, independent of all experience.

However the doctrines of Pure Economics have been learned

from experience, they furnish the basis for the great principles of this science.

Political Economy is quite as much deduction as induction, as *a priori* corresponds to deduction and *a posteriori* to induction. This view is taken by so empirical a philosopher as J. S. Mill, who says: "We go further than to affirm that the *a priori* is a legitimate method in mental science. We contend that it is the only method. The *a posteriori* can be usefully applied in aid of and forms a supplement to the *a priori*, but of itself it is utterly inadequate."

It is true, as Mill says, that in actual operation these laws are seldom found acting singly, and they must be allowed for in practice. This science must estimate the complexity of causes, and here the *a priori* is greatly helped by the *a posteriori* method. It has been said that prices rose during the war on account of the expansion of currency; now, the price of coffee was nearly four-fold, of which expansion in currency would account for one-third, war duty would account for another third, and the fact that nearly all commodities in the world were lessened in price on account of the production and cheapness of gold would account for the rest.

VII. *What of its being formal or material, pure or applied, of its dealing with tendencies or results?*

This belongs to the application of the principles as well as to Pure Economics itself. He who would ascertain the wages demanded in a particular employment must estimate not only the normal wages but influences that are going on. In this most of the disputes arise. Some overlook some agencies; others, others. The panic in 1837 was said to be due to unjust laws passed by Congress five or six years before; but everybody knew that one cause was that one-half of the people were making carriages and the other half riding in them. It is the tendency to certain economic results that this science develops *a priori* with absolute results, unless these results are prevented by counter agencies.

Is Political Economy theoretical or practical? It is a pure science and not an art. It sheds light upon many problems of industry, as banking, which all can use with great advantage. It does not prescribe laws to be enforced in any concrete case. It does not pre-

scribe charters of banks, but sets forth principles which cannot be disregarded in banking without disadvantage. Political Economy is in a predominant aspect a pure science. In illustrating principles there is for sake of example an indirect application to concrete cases. It carries a certain amount of self-application.

It must class to a certain extent both with formal and material science. Formal treats of principles true as such, whether there are any phenomena of actual being to which they apply or not, as labor spent on self-indulgence is unproductive.

VIII. *Test the different definitions of our science by the cases of music, oratory, etc., in which the production and consumption are co-instantaneous.*

This question was suggested by an article in the *Quarterly Review*, "New Definition of Wealth," including under it what has hitherto been left outside of it. He writes with considerable keenness and penetration and thinks he has added something to our science; assuming that its proper definition is "the science of wealth," and that all people recognize as coming under that science whatever helps to wealth. He thinks that previous definitions of wealth have thrown the subject into confusion. Some include not only commodities, material objects, but services, mere activities. Now this writer contends that so long as the effort remains within the laborer, it is not wealth, as the skill of an accomplished lawyer or musician; but these are wealth-producing powers, wealth potential. He says that whenever an effort has gone without a man and affects some power of nature in such a way as to give it a utility which it did not before possess, then it becomes a power which is transferable, and comes under wealth. It is agreed by all political economists that natural objects so modified as to possess utility, however perishable, are exchangeable for other human products, and are of the nature of wealth. For example, if a dairyman takes milk to New York, though in a few days it may become unfit for use, it is property exchangeable, and money is given him in exchange for it. Commodities come within Political Economy and within the domain of wealth. This writer endeavors to provide for something which is provided for by our definition, as music, oratory, etc., things mental in their nature, but not available for others except as they operate

upon and impress the powers of nature. Sound is a good illustration. A natural force, the air, or vibrations of the air, are so modified by the instrument or voice that a desire is gratified and want met on the part of those who hear. As pure sound, it is a perfectly momentary thing, and there is the production of music through the vibrations of the air. The air is a medium through which we impart a utility. Therefore it comes within our definition. We are ready to pay for the sake of hearing music. Moreover the essence of the thing is mental and the gratification is mental, and the more we look into our science, the more do we perceive that it is a mental science, though it has to do with labor bestowed upon material objects. Gratification also is a mental state. The labor is penetrated by reason and is upon material objects which gratify the desire of others. It is supplying a demand which springs from desire.

But now, are these products wealth?

We hear a fiddler and are ready to pay to be allowed to listen to him. The product of the violin consists in part of consumption, for the music is only produced when some one is present to hear it, and gratifies no human desire but at the moment of production. The music is something uttered and the gratification is at the moment of utterance, and that is the end of it. We can class them as services, but we cannot class them as wealth. We cannot transfer the mere utterance to anybody else. If we print it, it can be transferred or exchanged, and is wealth. But a thing having nothing beyond the mere moment of effort and consumed in the effort, is not wealth. It is impossible to transfer an oration.

IX. *Distinguish and compare value and price, wealth, money, capital, production, distribution, commodity and consumption.*

Value and price are often confounded, and, within certain limits, are identical, but in other limits are not.

Value in any object is whatever it will exchange for of other useful and enjoyable goods or services or products of services.

Price is the amount of money it will exchange for. It is *money value*.

This is a vital distinction: vital, that it be marked and understood, and properly digested; because, owing to the increase in that

which passes for money, as paper money, and the consequent cheapening of money, the prices of all commodities may rise as they did during the late war. Since then currency has been gradually approaching a specie standard, and nearly all prices have, in consequence, sunk; but all this true value has remained unchanged; as for example, if labor has sunk, so have commodities, and one man's labor will produce him as many commodities as before. This will be qualified in innumerable ways; as, owing to the drought, the potato crop has been ruined, therefore, the price is increased; but, on the other hand, take other articles, such as garden vegetables, and the price has come down so as to put them, as a whole, in the same relation to labor as before. *There may be a universal rise of prices, but there can be no universal rise of values.* Grant that, by the cheapening of money, boots and flour may increase their price two-fold, yet their value is the same as before. This has a bearing on those who are in debt; the rise of prices enables men to pay their debts, and injures their creditors. These, however, are only incidental circumstances connected with the application. A universal rise in value is impossible. The papers speak of the "shrinkage of values" since 1873. There has been a shrinkage in prices; but as to values, take the average of things, and they will exchange for the same relative amount as before.

Wealth, money and capital are often confounded.

Wealth is the sum total of commodities useful and enjoyable. Money and capital are both wealth. But not all wealth is either money or capital. According to Dr. Sturtevant, "Wealth includes not only commodities having utilities impressed upon them by human labor, but also members of society as producers of these."

Money is that portion of wealth which is devoted to being the instrument of exchange and measure of value, and that alone.

We speak as if money and wealth were synonymous. We speak of a man worth \$10,000, *i. e.*, when he is worth \$10,000 in lands. If all wealth was in money, what would one have to eat and wear? If money is scarce, property is not necessarily scarce and high, for those who possess property can send it where it will bring money. Or if men have money and do not wish to labor, they do not put it in their strong box, but place it with somebody who will pay them a dividend. This is why wealth is only partly in money. The

commercial system arose from this false conception, according to which the object of the legislature was to keep all the money in a country and get in all they could ; acting on the wrong supposition that money was the only wealth of a nation.

Capital is wealth, but not all wealth is capital. Capital is that portion of wealth which is devoted to the support and assistance of labor in producing other future wealth. Hence, whatever property is employed in mining, manufacturing, farming, and trading, is capital. Whatever any one saves for producing an income is capital, for its only way of producing an income is by its being made serviceable by producing something. Some wealth is expended in present enjoyment, and is in no way serviceable for producing future wealth, and is not therefore capital. If a man places his property in buildings, or bank stock, that bank stock is loaned to men and used in business, or the buildings are let out to others ; the two somewhat overlap, but they are both capital. Every tool and every manufactured article assists in producing wealth, and is therefore capital. Flowers which stay in the house and wither have their uses, but do not contribute to the production of future wealth ; and so of other such things. There is no reference to the propriety of such things, but simply what they are held for.

Production covers every kind of process by which a utility is impressed upon a material object or forces of nature by human labor,

Some say Political Economy is the science of exchange. McLeod says that production (from *pro* and *duco*) applies to putting an object in a situation for exchange.

It is not necessary that there be any change in form or structure, so a utility is produced.

Consumption is not necessarily destruction. In this sense it is the application of the commodity to the ultimate purpose for which it was intended. If it is the nature of a thing to be destroyed in consumption, then that is what it is useful for. But consumption often consists in permanency, as paintings ; their usefulness depends on their preservation. They are consumed in an economic sense when purchased by persons for the purposes for which they exist, *i. e.*, as works of art, to be kept in houses or in public collections. The utility of most articles consists in their capability of destruction and in being destroyed, as food.

Things may be consumed in one sense and produced in another, as cotton. A great deal has been said about raw material in this connection. The Physiocrats said that the farmers alone produced raw material for cloth; cloth is raw material for producing clothes. A large part of consumption is in order to production and to furnish the means of production.

Distribution is used in a two-fold sense. One sense is that of exchange, which is the great instrument for obtaining the maximum utility with the minimum of human effort. This is the more generally economic sense, though Political Economy has something to do with both. Another sense is the relative amount in which wealth is possessed by different individuals. Much has been said about the inequality in distribution; this does not refer to the economic, but to the sense in which property is distributed among men.

X. *Compare extractive and constructive industry, and show how labor creates values, either in making new elements or materials, or changes in form, time and place in existing materials.*

Extractive Labor means that labor which takes from the earth what is already formed without changing its form. There may be a deeper sense of this, as a labor which sweeps off whatever is productive of wealth to a nation; as a method may sweep off all the seals in a country or all the whales from a sea.

Constructive Labor is that which changes the form. They run into each other. A person may enter upon a labor in which he makes construction subordinate extraction; as the tenant of a farm takes off all he can and puts on nothing. He extracts all the capital in the land and leaves an unproductive mass without fertility.

Labor creates value (as a writer in the *Quarterly*, whom we have mentioned, says,) in four ways:

1. Producing new elements, as a crop of wheat, or changing ore into iron. But this is virtually included in the three following modes of producing wealth.

2. A new form-value may be given by changing the form.

3. A new place-value may be given, as in commerce and hunting, when articles are placed where they are wanted.

4. A time-value may be given. All capital involves this, because capital is kept and used for producing other commodities, or kept

until they are of more value, as old wines ; so ice has no value in winter. As to producing new elements, it is doubtful whether it is anything more than change of form. It may at least be resolved into one of these three.

XI. *What is meant by industry, subjective and objective ; also by industrious, industrial, and industrial organizations ?*

Industry means continuous, systematic effort, employment, labor for the purpose of producing utilities ; even when we speak of the bee or ant, we speak of their industry as an example for man ; they produce utilities for themselves.

Subjectively, the personal habit of one who practices an employment. *Objectively*, any department of production to which industry is applied, as when we speak of the industries of a country, especially manufacturing industries.

Corresponding to these are the adjectives industrious and industrial. Industrious is subjective, as an industrious man. Industrial refers to industry in the objective sense, as industrial departments ; we apply it to things or spheres within which industry is exercised.

Industrial organization means the arrangement of the different industries of a country in such a way that the best results are accomplished.

XII. *Show the relation of demand to value and its consistency with the view of value already given. What of the argument that the value of objects does not arise from labor because it consists in their utility ?*

Value is dependent entirely on demand. The value being what an object will exchange for either in services or commodities, that which renders exchange possible is demand. This demand arises out of desire ; this brings us back to the fundamental idea of Political Economy, the science of producing the maximum of utilities with the minimum of human effort ; utilities being whatever in material things meets any want or gratifies any desire of man. An object has no value in an economic sense if there is no demand for it. This is consistent with our definition of value ; the ground of exchange is the demand or desire for an object.

Some attempt to prove that value is not given to objects by labor.

put upon them, but by the desirableness of the objects whether they cost labor or not; as if one found a diamond mine, it is the desirableness of the diamonds that gives them value. Now this does not disprove our ground in reference to labor. Nothing has value which can be reproduced indefinitely and without labor; as air and water have no economic value, though these are most desirable. Now if one finds a diamond mine, the diamonds will be worth a great deal because they cannot be reproduced without as much labor as they are worth. Now if there were diamonds on every farm, they would have no value, because they could be had for nothing. The man must give the labor of appropriating things found, and then, in order to have value, they must gratify some human desire and cost labor to reproduce them. If the desire is not strong enough to put that labor upon them, they will not be reproduced. These two things enter into value. There is some confusion as to whether some things are not more valuable by nature than others. By nature there is a vast difference in the utilities which things possess. A man may obtain a farm without labor, as settlers do, and by being more fortunate or more sagacious may get a better farm; but the value is just as much as its costs to reproduce it.

XIII. Show the common and differential features of primitive or extractive, agricultural, manufacturing, commercial and professional Labor.

These have a common differential feature, labor.

Objectively, labor consists in moving things or holding things in a place by an exertion of force.

The differential feature of primitive labor is that it does not alter the form, but merely changes the place; as gathering nuts and berries, or fishing.

The differential feature of agriculture is that the movement is for the purpose of bringing objects or forces supplied by nature into a position in which they will be changed into new forms by the vitalizing forces of nature. This is all the farmer does in planting seeds and tending plants. It applies to the whole range of plants and animals. It may produce things in a form ready for present consumption or in a form suitable for further change. There may be aids from other kinds of labor: as the mowing machine used by the

farmer is produced by manufacture ; so of buildings. In all these there are border lines in which they overlap ; as fencing is subsidiary to farming, and is done partly by extractive labor, in gathering stones or timber, and partly by manufacturing labor.

The differential feature of manufacturing industry is that it takes objects furnished by nature, or agriculture, or antecedent stages of manufacture ; to these, not by means of vitalizing, but by means of non-vital forces, chemical and mechanical, it imparts new forms and new conditions in consequence of which they have a new utility. There may be a border land.

Commercial labor consists in taking the commodities produced by extractive or manufacturing labor, moving them where they are wanted when they are wanted, and distributing them among the people in the proportion in which they are wanted. Physiocrats say that the commercial classes are unproductive ; but things are only adequately produced when put in the place where they are wanted when they are wanted. The other departments are unavailing without this, and we cannot have exchange without commerce.

Professional labor is advisory in essence, but mental in substance.

XIV. *Show the true use of productive and unproductive labor and commodities, and sift the arguments of those who deny this distinction.*

There is a vexed question as to productive and unproductive labor. It affords an opportunity for much obscure thinking. There is a real ground for the distinction, but it affords abundant opportunity for producing confusion.

Suppose a man has an income or is paid for a certain amount of labor, and spends this upon pure self-indulgence ; no product remains of it afterward, and the man is in no respect stronger for work. On the other hand, suppose he had consumed his income in good food. This is more productive than the former, because the food makes him in a better condition for work than he was before. Now, suppose the money has been expended in buying him a library, or office, or in procuring additional tools and fertilizers ; this is productive labor, because it adds something to the amount of human wealth and helps to future wealth. Or again, on a large scale,

suppose a young man falls heir to \$1,000,000, builds a country seat, has every enjoyment, commands large gangs of laborers, and buys a great deal from the town merchants; for the time being, he would be doing good as far as this particular community was concerned, but his money is absolutely consumed and destroyed. On the other hand, suppose he established a manufactory, and in building and for laborers laid out \$250,000; here is \$250,000 supporting active production, which in the other case was gone utterly. Now this question has nothing to do with ethics. It is not immoral to spend money on unproductive objects. It is not immoral to place pictures in our rooms; it supports industry of some classes, as of painters and engravers.

In a certain sense the productive runs into the unproductive and the unproductive into the productive; tobacco would do more good if burned up than if consumed by men, as this would still cause a demand for it. But this is only in a qualified sense productive.

The productiveness of those articles which we call productive, as useful tools and all those which contribute to future wealth, involves their destruction; tools wear out, and raw material ceases to exist as raw material. Consumption is requisite to future production. The average duration of tools and materials is from five to ten years. Some of the homeliest adages contain this truth: "A man cannot have his cake and eat it."

XV. Show the bearing of the extravagance of spendthrifts, and the wages and profits thence arising, as related to this distinction. What of durable works of art or perishable articles of food?

Temporary prosperity produced by spendthrifts, compared with that produced by other labor. Transient prosperity often arises from this source. The laborers of spendthrifts may have husbanded their wages, but it is not as if his money had been turned to producing something wanted for consumption or to producing future wealth. We do not mean to say that no money should be spent upon things that are unproductive; it is dependent upon one's circumstances. If we can afford it, we should gratify tastes imparted by the Creator.

Durable works of art. Industry which produces capital is productive in a sense in which that which does not produce capital is

not. Durable works of art are made to be preserved indefinitely, if possible. "I paint for immortality," said Michael Angelo. As they gratify a real desire, they are utilities and not unproductive in the same sense as are those articles whose consumption is little better than nothing. Money spent in paintings is different from that spent upon articles which are wholly consumed. They can be exchanged for capital. (1) Those who buy them increase the market for sculptors and painters by removing their products from the market. (2) They have something to show for it and can reimburse themselves for the outlay thus made.

Whatever is separable from the person who produces it, and is exchangeable, that is a commodity; as perishable articles of food. They are wealth as well as any other commodity.

XVI. Define economic demand and supply (Production), their nature, end, and relation to value in exchange.

Supply and demand are correlative. Supply is equivalent to production. Production is that which is done by human labor to produce a commodity for which there is a desire or a demand. Labor gives a utility, not possessed before, which satisfies a desire or demand. Supply and production are the same thing; what is supplied is produced to meet some demand.

Economic demand is not a mere desire. It is an effective demand; such a demand as brings with it what is requisite to pay or exchange for the thing desired. There are plenty of demands in the way of impotent desires, but these are not economic demands.

In the last analysis of supply and demand we come to the conclusion that all supply involves the element of demand, and all demand the element of supply; because economic demand is effective demand, and therefore brings with it what is requisite to pay or exchange for the thing desired. The thing desired is the product or supply of a want. When we come with an economic demand, we come with something which somebody else wants. There may be a vast number of intermediate changes; as when a farmer wants a book from London, he exchanges corn for money and money for the book; but the ultimate result is that the corn is the supply and the book the demand. Every economic demand is a supply and

every supply is a demand. That which one demands in exchange is a supply from somebody else to meet his demand.

Their nature, end and relation to value are now apparent. There can be no value for articles which have no demand. Demand and supply interpenetrate. They underlie the whole matter of value, which is at the foundation of exchange.

XVII. Show the normal and rational supply and demand in regard to the sum total of commodities and services, and in regard to single kinds of them. Show how a disparity between supply and demand in particular articles may arise.

The normal ratio of supply and demand is one of equality, for every supply is a demand and every demand is a supply, and when things are in a normal state the supply will be precisely equal to the demand. In the last analysis we come to the totality of supply and demand; the ratio of which is *a priori* and must be forever equal, because every supply is a demand and every demand a supply. All the things that are brought into market are themselves a demand for other things. This may be in the first place money or things wanted to bring into market a future crop. Suppose the money is laid up in bank stock; it only means that it is loaned to some one who will pay for the use of it. If \$10,000 is loaned to a firm to exchange for goods or raw material, or to pay the wages of operatives, the money used is only a small proportion of the whole amount involved; it is only a means of getting at the whole capital and making it productive. Banks rarely loan money; checks are given, which are a title to a portion of goods seeking exchange, a title to floating capital. If one wishes to turn these checks into money, he can do so.

In regard to particular departments, there is a different rule. When things are in a normal state, the supply is precisely equal to the demand. Of a particular article there may be a greater supply than demand. Suppose through exceptional circumstances a department of industry is unusually profitable for a time, as the iron business has been on account of railroads, war and high tariff. The demand may be greater than the supply and those who have supplies get high prices for them. This draws vast numbers into the iron business.

Many of them become disabled because (1) the prices being high fewer railroads are built, and (2) the great cost of the roads and rolling stock necessitates such high fare as excludes passengers.

There is thus evil arising from overdoing the thing. Again, the coal business is now in a prostrate condition because provisions have been made for a greater production than the country will for a long time demand. What will be paid to them will not keep the capital well employed. This arose (1) out of the exceptional demand for coal; (2) out of the ambition of companies to keep themselves as large as their rivals. There has been an amount of outlay in the purchase of lands and machinery which no demand of coal will now remunerate.

XVIII. *How is the disparity self-correcting in regard to commodities of limited and of practically or possibly unlimited supply?*

Where this disproportion arises, it cannot generally be corrected without great loss; but the supply will become equal to the demand spontaneously, if in no other way. The coal producers tried to keep up high prices by combinations; such combinations, however usually come to grief because there are some who will not or cannot keep to the agreement; thus the relation comes about normally. If there is an excessive supply there is a demand for purchasers. Merchants will bid for purchasers by lowering the prices, and will continue to lower them until purchasers are found. When it costs more to produce than the products sell for, the supply will be lessened until it balances the demand.

Supply and demand is in this manner self-corrected. If there is a deficiency in supply because of failure of crops, because of wars, or because industry has been turned out of its normal channels, equalization comes about in the following way: those wishing to be supplied will bid against each other and will bid up the article; the effective demand will thus meet the supply; the business become profitable, and measures will be taken to increase the production. It was so of coal in the late war: so of fruit; if supply is deficient, the price will be raised enough to have it brought from a distance.

The supply of some things is limited, as of old paintings. Here

supply and demand are equalized because those who want them bid against one another.

XIX. Explain the ratio of excess and deficiency of commodities to the rise and fall of prices, whether of commodities or services. What of universal rise of prices and values ?

If the variations in supply and demand are in an arithmetical ratio, the variations in price will be in a geometrical ratio. Suppose the supply of coal is reduced one-quarter, then somebody loses his share, and those who bid highest have their usual supply. The bidding will be out of proportion to the decrease of supply, and the price will be raised one-fourth or more ; as, before the war, coal was \$4 a ton, during the war from \$10 to \$12, and to-day it is higher than it was between 1855 and 1860.

Where there is an excessive supply the bidding will be on the other side. The variation in price will be greater in proportion than the excess of supply.

There may be a universal rise of value of human labor, because made more effective by machinery. On the other hand, in time of famine there may be an extensive, not a universal, rise in values, not of particular articles, but of the sum total.

XX. Discuss over-production of particular commodities and their sum total ; also the policy of checking production by eight-hour laws for the benefit of the laboring classes.

We now come to the question of over-production. There is great complaint on the one hand of over-production of commodities, and on the other that scarcely has such poverty ever been seen in the land. These two classes of complaints seem on their face contradictory. But the contradiction is more apparent than real. Over-production is impossible, and belongs to the absurdities of an exploded system of Economics. It is *a priori* impossible that there should be so much produced that it cannot be taken care of. Even of the favored ones of fortune, how many have more than they want ; but of the poor how many want that which will gratify a real desire. There cannot be absolute over-production.

On the other hand, it is true that in certain departments there is

over-production ; not so much absolutely as by excess in the use of labor and capital in one department beyond what is produced in other departments to pay for it. Over-production in coal is not absolute, but relative. The only remedy is a checking of production, and this remedy forces itself in sooner or later, even if it is not adopted at once. There is a necessity for bidding for purchasers, so that it soon costs more to produce than the remuneration, and the production will then cease. Connected with this over-production of coal and iron was an increase of railroads beyond the means which the people had to pay for them. Iron and coal, of course, then, are in excess ; for the market has decreased because the people could not pay to remuneration those who invested in railroads.

The true principle is, that if capital and industry are well adjusted, over-production is impossible. The only trouble is inequality in distribution and inequality in the production of different articles.

In this country it has come to pass that production in other branches becoming more expensive than there is remuneration for, it drifts more and more to agriculture. Agriculture producing more than this country demands, it seeks an outlet in foreign countries ; and the tide of trade has been reversed. Our exports now exceed our imports. Average industry cannot pay ten per cent. If manufacturers borrow at six or seven, they do so expecting to realize twelve or fifteen.

Expediency of Eight-hour Laws.—One argument for it has been to arrest production, because the complaint is over-production. This, of course, in its own nature is a self-destructive operation. It is not in the nature of things that eight hours of labor should get the same pay as ten hours of labor. Suppose a man with his own capital works eight hours a day, he produces only four-fifths as much as if he worked ten hours a day. How can he receive \$10 for an article only worth \$8? Suppose he made four pairs of boots in five days of eight hours, how can he get as much for them as he would for five pairs by working ten hours?

The remedy is, to lessen the time of production in particular departments, so things will be produced in the right proportion. But if laborers who work eight hours get the same pay as for ten hours,

then the capitalists must get the same pay for four-fifths of the articles as he got before for the whole, unless the whole thing is conducted on monopoly principles. Some industries have prospered in our country which have been transformed into monopolies. But suppose the capitalist who conducts the interest makes fifty per cent., and is able to keep prices up, because competition is prevented. The laborers will insist on raising their wages and will form trades-unions. They will be the lords and masters of the business and the lawful masters will bear this until the point is reached that they make no profits themselves. They will bear this, supposing the laborers by trades-unions keep off competition among themselves; but they can go no further. Suppose iron laborers get \$5 a day, the trades-union keeping apprentices from learning the trade; those who use the union pay these wages, and they are the great mass of laborers. These other laborers (1) being prevented from coming into this particular employment are thrown out to increase the market of common laborers; and (2) they must all pay their tribute to these iron-workers.

If these things are left to themselves, it is surprising how the intellect and wisdom find out how to adjust the different departments of industry. Take the markets of London and New York; there is no law about the supply of the daily perishable food to these cities, but of the infinite variety of these products they are produced in about the amounts they are wanted. Man somehow finds out how much is wanted.

The different kinds of over-production right themselves. It is plain *a priori* that if laborers only work four-fifths of the time (except as machinery renders their labor more productive) they will have only four-fifths of desirable things.

XXI. Show the normal ratio of exchange between different articles in respect to value as determined by cost (labor and self-denial) in their production and as indicated by price.

By cost we mean two things, the labor and the self-denial involved in obtaining a thing. In different departments these two elements are different: in one department there may be more effort, but it may be more agreeable; while in another may be less effort, but it

may be more repulsive. This varies with the tastes and aptitudes of different men.

The tendency is to exchange on equality of values, which is equality in the cost of production. This is the average expenditure of toil and self-denial involved. Where there are no disturbing forces, this principle is self-evident.

XXII. How does the want of free competition in different kinds of labor produce deviation from this normal ratio; and from what causes, national or international, may such deviation arise?

Different things occasion such deviations. First, men have different aptitudes for different kinds of labor. Men who have aptitudes for several different departments are few. Even among common laborers there is difference in strength, skill and fidelity, causing their wages to differ. The trades-unions have a principle that wages should be the same for all. This would degrade labor to the lowest, instead of lift it to the highest standard.

Again, suppose there is a disturbance in some branch of labor and the labor becomes less rewarded. Large numbers are trained to this, but find little employment there, while they could get work as farm-laborers. Colliers are trained to that sort of labor, and their faculties run in that direction. It takes time for this class of persons to change their aptitudes for a new employment, and they are indisposed to attempt it. There will be an interference in free competition from this cause.

Besides these, there are local attachments, in consequence of which people are reluctant to leave their own neighborhood.

Then there are artificial obstructions, as trades-unions, strikes, etc.

Heat and the so-called imponderable agents are but forms of motion which are correlated and convertible. All powers and qualities are qualities of something. This is true of static as well as of kinetic forces. Static forces are generally dynamic forces balancing each other, meeting, holding each other; as the balancing of the centripetal and centrifugal forces hold the planets in position. We cannot move ourselves unless there are some objects to support our movements. Everywhere in material and immaterial things permanence is essential to give progress, and progress is essential to any permanence, and permanence is better than stagnation. "Progress without permanence is like the gait of a spavined horse, all movement but no go."—Carlyle.

XXV. *State the relations of personal power and industrial skill of whatever kind to the utilities or wealth which are the subjects of Political Economy.*

We come now to the question how far industrial skill, personal power of production, whether in simple strength or skill, or both combined, pertain to the department of wealth or utilities, or come within the sphere of Political Economy. This in a degree includes professional skill. Professions tend to increase the producing powers of men or to protect production.

It has been said that personal qualities are not transferable, therefore not exchangeable, therefore have no value, and therefore do not belong to Political Economy.

This question cannot be answered by a categorical yes, or no. Personal qualities cannot be passed from the person. He cannot part with them as he can with commodities. On the other hand, he can transfer the right to control the use of this skill. He does so when he contracts to put this skill into the hands of others. All wages are contracts to have the skill and endowments of the person receiving the wages transferred to the payer. They must go with the person, but he can consent to transfer the right. The wealth of skilled labor lies in its power to produce wealth. The power of laboring with effect is a wealth-producing power, and can be transferred with the person contracting to use his powers for the benefit of another. The title to the services of a slave has, by law,

an exchangeable value, as much as other wealth-producing powers. Slaves are transferable without their consent. When the question of transferring the slaves to territories arose, \$400,000,000 worth of property was involved. Wherever slavery does not exist, these powers are only property indirectly. On the other hand, a body of people might exist, endowed with the highest intelligence and mechanical skill; but if they did not labor they would have no wealth. In such a state the wealth is not wealth actual, but a wealth-producing power, just as much as machinery and fertility of a soil; and again this machinery and fertility are unavailing without labor. This is wealth potential.

For the several factors of production, see answer to XXIII.

XXVI. State and explain the several factors which enter into production, also the instruments by which the efficiency of labor is continually increased.

The labor of man is always progressive unless prevented by barbarism or Chinese unprogressiveness. This is in four principal ways:

1. Impressment of natural agents or forces to do the work of man.

This process is going on in an endless, almost geometrical progression.

2. Associations of numbers of men to do jointly what they could not do singly. This is a combination of labor to do the same thing.

3. The division and diversification of labor which are necessary to render such associations most effective. This is a combination to aid each other by different members doing different things or different parts of the same things.

4. The employment and increase of capital in sustaining and helping this labor. Capital is the products of labor stored up, and devoted to aiding and assisting future labor. This capital is really natural agents in some form adapted by human labor to render other human labor more effective; as machinery, food and raiment. Wages also are capital, for they are necessary to support the life of the laborer.

XXVII. State and explain the mutual relations of labor and natural agents in production; also the two kinds of associated labor and their comparative efficiency.

The mutual relations of labor and natural agents in production may best be illustrated by the progress of the primitive savage. He finds himself in a wild, uncultivated region, before tools and arts are developed by civilization. Suppose he is situated on this continent in a fertile spot. What must he do for food, clothing and shelter? You say he has food in abundance, if he will only pick berries and nuts or gather roots. He can pick enough to last three or four days, but what will he put them in? He can scoop out no bowl, because he has no knife. Suppose he wants animal food. You say he can catch game. But how? He must run down an antelope, snare a fish or waylay a bird; for he has neither powder, gun, bow, nor arrows. How will he prepare his food? He will find a sharp stone or the back-bone of a fish and roughly dress it. How will he clothe himself? He gets a skin with which to cover his own nakedness. Suppose, you say, he sews together leaves. But what will he sew them with? With flint he slits the skin into narrow strips which he uses instead of thread. With these thongs also he binds together the ends of some sapling, by which he is enabled to speed a stick or arrow. He has thus utilized natural agents to help him make further conquests. But vastly greater conquests await him when he has made a metallic knife. What will he do for shelter? He can find a cave. Suppose he wants a better house. There are plenty of logs, but how can he prepare and move them without an axe? The axe added to his knife becomes a great power. Then he can make harness and harness wild animals and transport his logs. He thus advances slowly from ruder tools to finer, and utilizes still more powerful agents; from plants to animals, winds, water and electricity. It has been estimated that steam, in England, does the work of 400,000,000 men.

This brings us to association. In order to make headway he must have assistance of his fellow men, as in putting up his house. The further they advance, the larger the combinations of men

become to surmount nature's obstacles. They use some powers of nature to subdue others. They dam streams and use water to float logs. Logs are hollowed out into canoes, and at last used in ship-building. Then bridges and roadways are made to increase the motive power of animals. Manufactures, steamships and railroads have made such combinations that now the obstacles of mountain and ocean are swept away.

XXVIII. Show the relation of division of labor to the same and different kinds of production. How is it implicated with exchange and with the whole of Political Economy?

In order to achieve the highest results, it is supposed that men acquire aptitudes for different pursuits, otherwise advance from barbarism is impossible. If each man in a community attempted to make all he needed, it would take a lifetime to do it.

We call attention to the distinction between (1) associated labor to do the same thing, and (2) associated labor to do different things.

1. This appears as in moving stones, trees, catching wild animals, etc. Take, for example, gathering the ice crop. One hundred men can do more than one hundred times the work of one, because the time is so short. The same principle applies in harvesting.

2. This appears in a twofold way :

a. Whereby different men, working each on a special product and making more than they respectively need, exchange with each other for the excess of production.

b. When different persons are employed on different parts of the same article as, in making pins, guns, etc. It is obvious that very soon the earliest of our race would be impelled by interest to establish a diversity of employments. Thus facility in each department would be increased; all working together in this way will make thirty or more times as much as if each attempted to make all the articles he needed.

All this supposes that they exchange their articles with each other as they need them, whence Political Economy is so much a science of what is exchangeable.

The first workers in iron did everything from smelting to fashion-

ing tools ; now they are done by different hands. Pins were first made from brass, gradually hammered out, etc. ; now different laborers (1) prepare metal, (2) draw out wire in proper size, (3) cut in length, (4) put it in the hopper, (5) polish, and (6) place in machine to arrange them on a paper. Adam Smith selected pins as his typical example under division of labor. He specified some seventy different processes requiring seventy different laborers. Now these are abridged to one process.

Machinery may abridge division of labor (1) as does the pin machine, and (2) men may find that by having two or three machines they can make that work which is now done in one process consist of two or three parts.

As the science of Political Economy centres on labor and exchangeable labor and products, so it finds its culmination in the ever increasing division and diversity of labor. An increase of external wealth to man is but the symbol of the growing wealth of his interior being. In this respect the human body has a thousand analogies to the body politic. It is made up of innumerable parts which interwork each for all and all for each ; as Kant defines organism, " All the parts are mutually means and ends." Every member is dependent on and helps every other member. So of the body politic, each member serves the other and the whole. As in nature we ascend in the scale till we come to the highest, which has the greatest multiplicity and variety of functions ; so the body politic advances in excellence, dignity, prosperity and glory as its labor becomes diversified.

XXIX. Point out the advantages and disadvantages of the division of labor. How is it self-limiting ? How is it now lessened, now increased, by machinery.

ADVANTAGES OF DIVISION OF LABOR.

1. An immense increase of skill. This includes not only intelligence, but much greater facility of execution ; as in the surprising exactness and promptitude of the fingers of a performer on musical instruments. In orchestras of sixty, the musicians keep time to the one-hundredth of a second. Rapidity in type-setting and counting money, and facility in detecting counterfeits are examples.

2. Saving of time and strength which would be lost in passing from one employment to another. This is much insisted on, but depends on circumstances. It may be overdone. A change would give rest to the wearied muscles; change of tools, position, etc., is advantageous rather than otherwise. In minute divisions of labor, scope is given to this, and health requires it. But changing from occupation to occupation is disadvantageous.

3. Increased inventiveness. This advantage is unquestionable and very great. Those whose minds are exercised in certain forms of industry are more likely to make inventions in that department. Inventions are most effective when the division of labor is the greatest.

4. Economy of tools and implements. If a man makes one article, as shoes, he only needs the tools for that occupation. Without division of labor every person would need all tools.

5. Lies in utilizing the diversified gifts and special aptitudes of different men. These are immensely varied. They produce the greatest results when each one can be trained and employed in his favorite field. This accords with and promotes the universal brotherhood of man. Herbert Spencer shows that the elevation of different grades of plants and animals is according to the specialization of their functions. An able and successful merchant said that the secret of success lay in finding for each department of labor a man whose natural gifts and practical training made him an adept in it, so that he can accomplish there twice as much as an average man.

This division of labor is self-limited. It meets the limitations which enclose it. We cannot produce profitably more of a given article than society needs. There are one hundred and ten parts of a watch, the work on which may be divided among as many hands, provided they do not produce more than society can take. Suppose they make three thousand, and there is a demand for only one thousand; then there is only profit for fifty men, and each must work on two or more parts. This is illustrated in mercantile establishments where the work is divided into specialties. If the business is small, from one to five men must do a greater variety of work, and hence there is less profit than if the business is large and twenty-five men are employed, each in his own particular department.

DISADVANTAGES OF DIVISION OF LABOR.

1. In proportion to its minuteness, it narrows the mind to a great condition of minuteness. A man who works only on a needle may be said to be like the needle, having one point and one eye. The farmer's work is more crude and imperfect, yet he has a range in which to apply his mind, and is apt to be better poised and balanced in judgment than the average of men whose faculties are concentrated. Hence in courts farmers are preferred as jurymen to any other class.

2. Monotony arising from exclusive occupation on one thing. This denies variety, and "variety is the spice of life."

3. Developing single powers, mental and physical, to the neglect and detriment of the others. This is a dire necessity. It has compensating advantages, but is itself a disadvantage. It goes to impair the conditions of most perfect health, whether of soul or body. Hence we recommend for those intended for a profession a preliminary broad training in all departments.

4. Aside from the danger of abnormal disposition which may become a monstrous development, there is the disadvantage of being dependent upon a single mechanical occupation, with its contingencies and vicissitudes. Operatives may be thrown out of employment, and it is a disadvantage if they are not fit or inclined to enter another department.

This division of labor is unavailing unless each man who produces more than he wants can exchange his excess with those who produce other articles, and unless they be in reach. This necessitates centres in which they can interchange, or supposes facilities for moving them at rates which render exchange beneficial to all parties. Division of labor underlies all exchange.

Here largely the controversies between free traders and protectionists begin to emerge. This necessity of free interchange arises in part from the distribution of products over the earth. Less human movement is required by means of exchange than without. Both maintain that their way best maintains this exchange of products. Free traders maintain this is done by removing obstructions to free trade the world over. Protectionists maintain this is best done by restrictive laws, bringing branches of industry in close contiguity with each other.

XXX. Set forth the mutual relations of man and his productions as means and end, chief and subordinate. Ethical scope of this principle.

All production is in order to obtain things useful and enjoyable to man. Therefore these products are subordinate to the welfare of man, and he is not to be made, on any account, subordinate to them.

Man is an end in himself, and no mere irrational thing can be an end in itself to which man can be sacrificed. All which is beneath man can be used for his benefit; though with the least possible infliction of pain. Those societies have a righteous end in view who are struggling to prevent these unnecessary cruelties. "A righteous man regardeth the life of his beast." Again, on the other hand, we are apt in our reasoning to think of products as an end, and the producer as a means, and to overlook the higher nature of the producer and to treat him as a mere machine. Whereas, we are to proceed upon the principle that products are subordinate.

Man may get gain by trampling down all morality, but we are not to suppose that this is to be allowed.

XXXI. Distinguish fixed and circulating capital, and explain the rapid reproduction of wealth destroyed by war or other catastrophe.

Capital, like all wealth, is the savings of labor fixed in commodities, that is, in natural objects modified by labor so as to have a utility impressed upon them which they did not before possess; yet this capital is saved to be sooner or later consumed, and consumed in order to be reproduced in larger measure in all successful business. Of it a part is consumed immediately, and a part more gradually. That which is employed in sustaining laborers, that is, wages, is consumed speedily, usually in the year of production; just so raw material. This raw material may continue in stores, for a long time in a new form, as a manufactured article; but it is consumed as raw material for that manufacture; as flax made into linen is no longer raw material. A quantity of the capital goes out for wages and raw material. This must be immediately restored, the articles produced must be exchanged for capital. Such capital is circulating. That invested in buildings, tools, etc., is not thus moving and undergoing constant exchange; it is fixed capital.

Labor cannot subsist without capital; it cannot go beyond the capital existing to sustain it. It may fall short of it; for capital often lies idle because there is no opening for its profitable employment. On the other hand, capital can accomplish nothing without labor to turn it to use. Strikes show this. Labor and capital are mutually indispensable and co-operative; they never should be antagonistic. What prostrates one, prostrates both. This many ignore, or do not know.

It is a wonder to multitudes that capital is so soon reproduced after wars, but it is easy to see how this will happen. Few are aware how much of the products of each year are also consumed either absolutely or in reproduction. The whole annual expenditure for living is of this nature; food, fuel, raiment, pleasure and enjoyment. The number who annually spend their whole income is immense; those who spend next to it is still greater. A great part of the wealth of a country is produced and consumed each year. Hence, after war, the energies of the people are concentrated on production rather than on consumption. Industry and prudence will soon restore what war swept away. This process goes on first with circulating and then with fixed capital, and slowest with that part of wealth which is not capital.

David A. Wells estimates that if the whole accumulations of the people of the world were divided among them all, they would each have \$175. This shows how closely the world lives from hand to mouth. He estimates that the permanent accumulations of Great Britain for the last 800 years were \$30,000,000,000, and that those of the United States for the last 250 years were \$25,000,000,000. The more general adoption of labor-saving machinery in the United States partly accounts for this.

XXXII. *Show the respective rewards of the different agents in production, with the mutual relations of land and capital, rent and profit.*

REWARDS OF PRODUCTION.

We have seen production involves three agents; labor, natural agents, and capital. The conquests man makes over nature, he makes use of to make further conquests. Corresponding to these are rewards: rent, wages, and profit. Rent is the price paid for the

use of land or natural agents. Wages is the compensation of labor. Profit is the reward of the capitalist for the use of his means. Profit is often used as including the rewards of labor as well as of capital. It is the reward which people get for their forbearance to consume their wages. Rent is only a form of profit. It is commonly employed to denote compensation for the use of land. It includes all natural agents and materials furnished by nature. It is distinguished by the British school from capital. But these natural agents have no value unless labor is put upon them. What we pay for them is not paid for anything nature furnishes, but for some useful change wrought in them by the labor of man. In this country are inexhaustible beds of coal, which have only a nominal value until railroads are built to transport it at remunerative rates.

When we rent land or a building, we do not rent also the improvements. It is the capital involved in the natural agents, rather than the natural agents themselves. The British school used the following argument to prove that lands have a value in themselves: "Lands naturally rich reward labor better; some water-power rewards us better than others." They overlook the fact that the best are valueless till made valuable by human labor. Coal fields were worthless till railroads and canals were built. In some regions timber and water-falls are to be had at nominal rates. The cost of production is the cost of labor and capital bestowed upon the thing produced. Frequently the least fertile lands are first cultivated, because they can be reached, occupied and made more available by man. Thus they yield more at first than land at a distance, where there are no roads.

XXXIII. Show the points of mutual interdependence between capital and labor; also the causes which control the rate of wages, the normal ratio of the wage-fund of society to wages, with the causes of deviation.

We come to the subject of wages, or the compensation of the laborer. Several principles are obvious:

1. Capital can produce nothing without labor. The best machines have to be directed by man. Buildings, tools, etc., all need labor.

2. Labor cannot accomplish results any further than as sustained

by capital, whether that capital be small or great. The laborer and family must be supported, or he cannot labor. This must be done by capital until the commodities he provides go into market, whether they belong to the laborer or capitalist.

3. Labor must be compensated up to the point of self-sustentation in order to existence. The laborer will not work for the mere benefit or pleasure of working. He must expect to obtain the means of present or future subsistence.

4. The laborer must have not only the wages necessary to keep him alive, but the highest price the market affords for his labor. He has tastes and aspirations which belong to him as a man, and he is held to religious obligations. Man has a soul that must not be starved in its wants.

5. The whole amount which the laborers can receive is the whole disposable labor fund of the community. By labor fund is meant that part of wealth which is devoted to the employment and compensation of labor. This includes not only the capital which seeks labor and is productive, but the portion of all the wealth which is applied to unproductive labor; such as servants who minister to the tastes and pleasures of men, but leave nothing as the result of their labor. A man who pays ten servants is a competitor in the labor market, and pays for the support of labor as well as does the farmer. They do not differ in the contributions to the present labor fund of society, but to the future labor fund. One increases capital, the other not.

6. It follows, viewing laborers *en masse*, that the wages will be on the average the quotient of the labor fund of society divided by the number of laborers seeking employment. Let m = labor fund and n = number of laborers, then average wages = $m \div n$.

This is subject to several qualifications and variations:

a. It is seldom ever true that the whole labor fund of society is employed. There may be a suspension or diminution of activity in one department, as by the burning of a factory and tools. The restoration of this factory consumes a part of what contributed to the labor fund. Farming products may run so low as not to be remunerative, and farmers will not, therefore, have the same number of hands.

b. Most men keep some reserve capital to meet emergencies.

This is, for the time, unemployed. A large part, however, is put in banks and loaned, and constitutes a part of the capital engaged in business by others. The bank will loan nine-tenths again, so that it becomes actively employed in work of production; the bank keeps one-tenth as its reserve.*

c. It may happen that the demand for labor in different departments may be greater or slacker than the labor fund requires. But this will speedily right itself. In the long run, the mass of men will move into those occupations in which they will be best rewarded.

7. The question then arises, what is the ratio of the natural increase of population to that of capital? Is it the same or greater? If the wage-fund increases faster, the wages will increase; but if the population increases faster, the wages will diminish.

This is a complex question, and cannot be categorically answered. It depends on a variety of circumstances. It admits of an answer when viewed on a large scale with reference to the whole world. As the race advances in culture, the tendency of capital is to increase faster than the population. The schools of Political Economy are much divided. The British school say that population will outrun production till starvation is reached. They bring in then the Darwinian theory of the survival of the fittest.

American economists, and especially Cary, take the opposite view.

XXXIV. Compare the respective rewards of labor and capital as affected by increase of each, by improved tools and machinery, and as illustrated by the spinning-wheel and jenny.

This question can only be solved provisionally. In general, wherever there remain tracts of the globe which contain resources for the sustenance of man, and so long as increase of capital increases the productiveness of labor, the greater will be the increase of products both for reward of capital and labor. Labor being made indefinitely more progressive by machinery, each gets a larger absolute reward. But the proportional increase which goes to the laborer is greater than that which goes to the capitalist. For example, in cotton, suppose a capitalist has twenty looms and wheels; these will compete with each other for laborers to use them, and they will rent

* As regards national banks, this statement is not accurate.—ED.

for less apiece than would one if the capitalist had but one. Suppose, when he had but one, the laborer gave him three-fourths of the products. Now when he has twenty, the laborer gives him only one-fourth, and it takes three to pay as much as the one did at first. He has, however, now nearly seven times as much and does not lose, while the laborer also gets three times as much, since he only gives one-fourth of the products. Now suppose spinning jennies are substituted. The same principle operates and goes on indefinitely. Labor reaches a greatly increased percentage of reward, while the rate of interest of capital is reduced. In England interest is three or four per cent. The absolute and proportional rates of labor are increased. In some particulars this process can be seen. The average price of food is increased; not so in clothing, the laborer now gets twelve yards where he formerly got but one. On the whole, the amount he can procure with his wages now is greatly beyond what he could procure fifty years ago. This law holds good, other things being equal.

The only qualification of any importance is in countries of great population and limited natural powers of production. Suppose that at St. Helena, an island whose resources are limited, a great population should grow up; if it has no commerce with other countries, some would be starved. Such is the case of Great Britain, except as relieved by importation of food and by emigration. This fact accounts for the doleful views of British economists on this subject; they look too much at their own island.

XXXV. Compare the prevailing theories of British and American economists as to the ultimate tendency toward the exhaustion of the rewards and supports of labor.

Cousin says, in reference to metaphysics, that "England is an island and hence contracted in all modes of thinking." The same is true of her economists. On the other hand, the older sections of our own country are beginning to find the necessity of relief for the population.

The Americans see before them unsubdued, boundless tracts of land, ready to yield its resources to the hand of industry. They have not been, therefore, oppressed with fears of the increase of a famishing population.

XXXVI. *How are they solved? What glimpses of the solution did J. S. Mill have?*

Mill had a glimpse of this truth twenty years after his first views. He appended to a chapter in the last edition the following acknowledgment: "The extraordinary cheapness of transportation and a knowledge of the condition of the labor market in remote parts of the world has opened up emigration which tends to increase the rise of wages in Great Britain, as it has done in Ireland. Emigration is becoming an outlet for superfluous population." To this might have been added new machines, fertilizers, proper drainage, etc.

The experience of the last fifty years is sufficient to dispel the fears of the British economists. As one kind of food or fuel has been exhausted, others have come to light. So of artificial illuminators: first, only candles of the most primitive sort were used; second, lamp oil came into use; third, lard and camphene were introduced; fourth, petroleum was discovered; fifth, gas was distilled from coal. These are all advances on the old way. A few years ago fuel was thought to be almost exhausted and wood was worth nine or ten dollars a cord; coal was then discovered.

XXXVII. *What causes affect the compensation of labor, and how, whether acting singly or jointly?*

Causes of the great variety of wages in different employments:

1. Comparative agreeableness and disagreeableness of various employments. Most men are ready to work more cheaply by day than by night. Laborers will work for less as farm hands than as scavengers.

LIMITATIONS.

a. The agreeableness or opposite is relative rather than intrinsic, for it depends on taste and this on former training. Men cling to what they have been accustomed to. Men engaged in menial employments often feel unhappy when elevated to a higher sphere.

b. During a glut in the labor market the most noisome occupations are sometimes the worst rewarded. The best occupations receive their limited supply of men, while the most irksome and onerous ones remain to be supplied. The laborers bid for these against each other and in consequence receive the smallest wages for the most disagreeable employments.

2. Services will compel wages in some proportion to the risk or peril pertaining to person, life or property. Compensation is not always in proportion to the danger, for many like adventure. But among laborers, those who work in powder mills, about steam engines, or in malarious districts, will demand higher wages than those who work as agriculturists in healthful situations. Skilled laborers, as divers, iron smelters, workers in chemicals, and those who work under risk, demand higher wages.

3. Steadiness and certainty of employment lessen wages. Men work for less if they are assured of continued employment. Stonemasons and bricklayers get more than the carpenter, because they cannot follow their trades in the winter. Men rendering occasional services have higher compensation, because calls for their work are so irregular and uncertain. So laborers will work lower by month or year than by the day; and lower by the day if assured of continued employment, than if irregularly employed. There is an advantage possessed by countries of mild climate. There are outdoor employments for the whole year, while further north there are two to five months of winter; and therefore, in the South, less fuel and clothing is needed. This gives a great advantage to the production of wealth from the Ohio to the semi-tropical climate. The tropics produce food almost spontaneously. As we go further north, increased exertion is needed, and we are given a climate to support and stimulate us. In the South there is a stupid torpor.

4. Wages increase in proportion to the cost of acquiring skill requisite to perform the various occupations. Hence, almost all trades are better paid than irregular workers. The cost of acquiring different trades is different.

5. Compensation is affected by the dignity, rank, or gentility which men associate with certain occupations. Up to a certain point men are willing to do more work for the same wages in genteel employments than in the less genteel. They are ready to serve for less relative remuneration in wholesale stores and banks than in retail stores. This is the reason why large numbers crowd the learned professions, even where they are not so well remunerated. The rank and dignity of some employments allure vast numbers. This blends with agreeableness of labor.

6. The foregoing consideration is mixed with the chances or

hopes of reaching a success, power or emoluments not attained in other employments. Thus a clerkship opens the avenues of fortune and the chance of becoming a merchant prince, though ninety-nine out of one hundred fail. Many prosecute such occupations for small compensation on account of the high prizes sometimes obtained. It is better to choose an occupation where the certainties are greater.

7. Another consideration is the degree of trustworthiness occupations require. Goldsmiths have high wages because they must be skillful and honest. Uprightness is a great addition to the laborer's qualities. In many positions of exalted trust those who have fidelity can command enormous salaries.

Some put this to the account of monopoly, saying that they obtain monopoly wages because these qualities are rare; but as far as integrity is concerned, there is no monopoly. Men of genius command monopolies, because they have endowments which many do not possess and render services which many cannot.

8. Any kind of labor desired by the people, and to which few are adapted, belongs to the department of monopolies. This may refer to the gifts of men of genius, which are in some instances largely original gifts, in others they are largely acquired by persistent study.

The foregoing causes are not exhaustive, but will give a full insight into the nature of the causes. It frequently happens that these causes act in conjunction, assisting or hindering each other. In clerkships the gentility and chances held out conjoin and lower the wages. An occupation may be agreeable but not genteel, as fishing.

XXXVIII. Specify the respective false and true issues in regard to restrictions upon freedom of labor and capital, also some principal ways of restricting it both in their moral and economic aspects. Analyze slavery in this respect, predial and chattel, guilds, trades-unions and strikes, their methods and results.

The question whether the freedom of men in laboring should be hampered by governmental restrictions has in all ages been prominent.

NEGATIVELY.

1. The question is not whether during the period of minority,

youths should be controlled by parents and masters and forced to learn the trade to which they are apprenticed.

They should be kept from idleness and vice.

2. The question is not whether men should be restricted in labors ruinous to the community, if not to themselves. Such as bone-boiling, prostitution, etc.

3. The question is not whether able-bodied men should be compelled to labor instead of being supported by the country. The tramp should be made to work for what he eats.

4. The question is not whether men may be lawfully summoned to bear arms in defence of the government. Such compulsion is just. If needed to protect national life such is essential.

POSITIVELY.

The question is whether men who have reached majority ought to be interfered with in following any lawful occupation which they may choose. Interference is not admissible unless in special cases constituting exceptions which justify the rule.

1. It deprives men of their inalienable rights. They may pursue what occupation they please up to the point of infringing upon the rights of others.

2. It is contrary to the public weal. Free choice of occupation leads to the adoption of that most congenial to the workman and in which he will work with the most contentment and joy. Forced selection of occupations engenders discontent and sluggishness. Emerson says that every mind has its own specialty or aim; every person who does not choose the occupation to which he has a bias is a failure. It is important so to organize labor that each one shall have his special gifts put to their special use.

MODES OF RESTRICTING FREEDOM OF LABOR.

I. Freedom of labor has in past time been largely restricted by systems of involuntary servitude, by predial and chattel slavery. Slavery is where one man has a legal right to the use of another without the latter's will. There are two kinds of slavery; predial is that which binds the serf to a particular farm and he has no liberty of choosing any other employment or changing his place. This prevailed till recently in Russia. Chattel slavery is where the slave is

a chattel, personal property; not because belonging to a person, but because he classes with personal property which attaches to the person of the owner. He is fixed to the master and passes by sale or hire to other masters. He has no choice of employer or occupation. Such slavery hinders fidelity; and the motives are wanted requisite to acquiring the highest kind of skill.

Slavery is ambiguous and differently understood, because there has been an extensive and acrimonious dispute about it.

For Crime a person might rightly be enslaved.

Four Ethical Views of Slavery.

1. The Garrisonian is that this relation is *per se* sinful, and that the first duty of the slaveholder is instant emancipation. This was brought into prominence by Garrison forty years ago.

2. That which prevailed in the church of this country for fifty years previous to the war was that *per se* the condition of master and slave is indifferent (*i. e.*, not morally good or evil), when it is a part of the constitution of a country; and that men may hold slaves, if they compensate and instruct them, and deal with them as with moral beings. There was guilt in so far as the slaves were degraded and not instructed.

3. That of which Dr. Thornwall was the defender agreed with the last, except that slavery is the permanent normal condition of a greatly inferior race, and that a superior race can best discharge their duty to them by keeping them in a state of bondage. The foundation question was whether the condition was normal or temporal.

4. A lower view is that not only is slavery perpetual and universal, but that the negro is a mere laboring machine.

This view is out of the question. The reason why they were called chattels was simply that they were movable, disposable, and not fixed as real estate.

II. Freedom of labor has been fettered by guilds and associations of particular trades. They often take the form of a monopoly. They have almost without exception been productive of evil, destroying the stimulus of competition, and depriving men of the God-given right of choosing their own occupations. They have some-

times secured legislation to obtain a monopoly. A small tax will secure the authority of law; and they have produced evil by levying upon the public to produce high prices. The same result is now sought by many trades-unions, in this and other countries. These are associations of given trades in cities, towns and districts, to compel all employers to hire none but their own members, and to give wages dictated by themselves. The carpenters in New York city will not work for a man who hires other than members of the association. All agree to contribute for the support of those thrown out of employment for carrying out the laws of the organization. If left unemployed at a certain rate, they are supported by the other members; or one league is supported by another. If they work successfully, they acquire a virtual monopoly in that trade. A ship-carpenter in distress in New York applied for relief to the secretary of a ship building company. The secretary set him to work upon a vessel of the company, but was immediately notified by the other hands that this man was an intruder, and if he was not dismissed they would themselves leave. Like the ancient guilds, the trades-unions bind their members not to work for master-builders who have apprentices, or above a certain number of apprentices. This prevents an increase, and sometimes effects a diminution of their number. They also compel employers to give the same wages to all. This removes all stimulus to high workmanship, destroys all ambition to excellence, and instead of raising labor to the highest, degrades it to the lowest. Injustice and injurious effects of this are too palpable.

a. Injustice to individual craftsmen, and to youths wishing to cultivate their special gifts.

b. They have no right to deprive society of the services of those persons thus coerced to leave their chosen employments.

The supply of all products of skilled labor will diminish, and the price will, therefore, be higher; and those who cannot pay the high price will lose their supply of these articles, and a great class of laborers are wrongfully driven from the trades to which they aspire.

It is said that trades-unions do not absolutely forbid outsiders to work at their trades, but allow them to work in other shops, at jobs

different from the trade of the union. These are called "scab-shops." Now, this is no mitigation, much less a removal of the objections to trades-unions, for—

a. If trades-unions are successful, they must include the bulk of skilled workmen; else they have no advantage over "scab-shops." No employer can undertake work unless he has a body of reliable workmen. Trades-unions keep out apprentices and men who are not members. Hence all who learn have to go to these inferior shops, and they obtain poor training.

b. So far as these trades-unions are associations for promoting thorough workmanship, they demand our support. But they can make no pretence to such a result as long as they compel the same wages to be paid to all; and this is indispensable to their success, for if not, they may bid against each other, and in that way compete in the general labor market. If, however, they have the same wages, they degrade workmanship; for a man obtains no advantage from his labor being skilled and has no motive to excel.

It is a vital part of their system that they forbid all working by the piece; those would receive the highest wages who did their work best. Their end is to rule out free competition. When they interfere with workmen, the right way is to have them arrested and bound to keep the peace, as did the contractor of the University Hotel. Observe that these schemes are not successful unless they compel others to stop work.

Strikes are instrumentalities for carrying out the same principles. They are combinations to stop work until higher wages are obtained. They are obstacles to free competition. The members bind themselves to submit to the most rigorous exactions and invest their leader with the authority of a military despot, and all contribute to the common purse. Such strikes are ever occurring in cities and manufacturing towns. Their object is to improve the condition of the poor. Their success requires that their own members refuse to work and that they prevent all others.

XXXIX. *Compare with them the operation and effect of free competition of labor and capital.*

It has been said that they are the only means of securing the laborer just remuneration, but—

1. If there are combinations of employers against the laborers, they should be met by counter-combinations, provided no violence is employed. The true remedy is free competition. If the capitalist obtains an unfair share of the profits, the business will be very profitable and will attract others to it. Then laborers will be in demand and the wages will be raised. But suppose that the capitalist, by paying high wages, receives a smaller share of the profits than he is entitled to, then laborers will be attracted to that business and, by bidding against each other, will lower the wages; or the capitalist may withdraw his money and invest elsewhere. Thus it is self-regulating.

2. It is impossible permanently to raise the price of labor by strikes, beyond the standard reached by free competition. It is only for a brief period that the laborers can keep out of the labor market. The experience of the last few years has been constantly attesting this. There has been a necessity of lowering wages, because capitalists have not been able to obtain the former profits. This can be traced more closely for concrete cases than for abstract principles.

The iron and coal industries are now so prostrate that capital is unoccupied and laborers thrown out of employment. This came to pass by means of bounties, strikes, trades-unions, etc. The wages became enormous and attracted laborers. This in time caused more capital to be invested than could be permanently employed. The consequence is that, giving industry all the protection you choose, high rates cannot continue; people cannot buy at those rates. The re-action is in proportion to the unnatural elevation.

3. They must be attempted on a rising or falling labor market. If on a rising labor market, they try to do what free competition would do without them. The disadvantage is that the workmen have lost the wages they would have otherwise gained, and capital has remained idle. Moreover the friendly relations of capitalist and laborer have been destroyed. If on a falling labor market, the strikers might as well attempt to stop the ebb of the tide. They enable the employer to dispose of his surplus stock until the workmen are ready to work at the terms offered. Meanwhile the strikers do not get their wonted reward and have relieved the capitalists.

In the strikes in the coal mines in 1871-2, the coal companies disposed of their surplus coal at remunerative rates.

Strikes cannot prevent the working out of the tendency of supply and demand to equalize. The idle laborers lose wages whether or not the capitalist loses.

XL. Show the effect of strikes upon future compensation.

The future compensation is affected by two disturbing causes, which balance each other.

1. Profits of the capitalist have been lessened, which will lower wages. The demand for articles has indeed increased, and increased the demand for laborers temporarily. When the effect of maladjustment has long operated and reduced wealth, wages must fall. If labor ceases, the production of wealth ceases. Suppose strikes have stopped the production of wealth for one month, then there is one-twelfth less wealth in the country. This diminution of the labor fund of society brings suffering upon the poor, especially upon those who have lost one-twelfth of their wages.

2. These strikes consume the savings of laborers during the time of employment. During the strike in coal in 1869, one-half of the deposits in a savings bank on the Hudson were drawn out and consumed. These strikes often produce more destruction than this; they often involve great embarrassment to employers and suffering to whole communities which use the product. These troubles are brought about by the strikes of roofers and carpenters during the season of outside work, colliers in the only season when coal can be transported, ice harvesters in winter, farm laborers during summer. Locomotive engineers have sometimes gone so far as to all stop at a certain hour, no difference where their trains may be, and leave them standing. This is a criminal conspiracy. They have a right to stop work; but to cause such danger is a high crime and misdemeanor.

This was lately tried in anthracite coal. It collapsed, as all must in due time. Such combinations produce the same effects as strikes, they kill the bird that lays the golden egg. If the price is forced up, the consumption is diminished. The consumption of coal in iron manufacturing and navigation is greater than that for warming dwellings, and if the price is raised the market is destroyed to that

extent. The difference of one dollar per ton in the cost of fuel makes all the difference between iron production at tolerable profit and iron production at a loss. The trades-unions can then operate with effect. If the laborer finds the wages to be what they formerly were, while the capitalist makes twice his former profit, he will support these trades-unions and they will continue.

One principle in regard to the whole subject is, that it is not possible to induce men to put money in a business in which they make nothing.

Closely connected with these strikes is the matter of eight and nine hour laws. It is impossible to receive the same result from eight hours of labor as from ten. As society advances, it happens that machinery may make labor so much more effective that in nine hours more will be produced than can be now in ten. There have been industries in England where the hours of labor have been reduced from ten to nine. This leaves more time for recreation and culture. There are no arbitrary laws to compel employers to give as much for eight as for ten hours of labor. All artificial restrictions cause more evil than benefit.

XLI. *State five remedies for strikes.*

We know *a priori* and *a posteriori* that strikes work evil. So much less wealth is produced when they occur, and those who lose are those who stop work. We look now at some remedies for strikes.

1. Diffusion of knowledge concerning the disastrous results of strikes. This is far less successful than it should be. When the strikers see the evil effects, they will desist. This is a necessary result on a larger scale; nevertheless, a particular craft may extort abnormal wages from their employers, and others have to pay for it. A railroad company may have its business stopped by a strike and have to come to the terms insisted on by the striking engineers. Still this is no reason why we should not disseminate the truth. "Truth is mighty and will prevail."

2. Making the employers and employes see that their interests are identical. Destructive war upon capital is insane. It causes less capital, and therefore less competition in bidding for labor. It is a war of labor against labor, and is suicidal in its very nature.

3. A more decisive prevention is giving the laborer a share in the profits. This brings it directly home; he can see that his interest is identical with the successful working of the concern. One in this position of sharer of the profits is opposed to strikes. This is employed in manufactories, especially in Great Britain. After fixing the wages and a certain interest on the capital for the capitalist, the surplus is divided equally between the capitalist and the laborers. This method is productive of the happiest effects. The laborer works more eagerly, and there is more confidence between him and his employer.

4. A still more effectual way is to make the laborer a capitalist or part owner in the concern. Let the shares be small, and the laborers invest their savings in the establishment. This is equivalent to being a small land-holder, where agriculture is the chief occupation of the people. The laborer's interests are in his own view one with his employer's. This method has been successful wherever introduced, as in the manufactories on Fall River. When harassed by strikes, this system was introduced, and since that time their growth has been without a parallel.

There are two qualifications to this method—

a. If the laborer owns a share, his share is subjected to all the contingencies and risks of the business.

b. Very few laborers are competent to direct the business of the concern, yet it is requisite that their interest be represented in the direction.

5. Influence of Christianity upon the laborer and the capitalist.

a. In the enforcement of justice, every Christian state owes to its laborers freedom to work with confidence at any lawful occupation they choose, and to its capitalists, freedom to fix the wages which they will pay.

b. In the application of the power of Christian love and charity to smooth all the antagonism between labor and capital.

c. In so organizing labor and capital as to make it seen and felt that the interests of the capitalist and laborers are identical.

XLII. Show the origin and the causes of the jealousy and conflicts between labor and capital.

This naturally arises. Vast multitudes find themselves necessari-

tated to work for a living and see that wealth is accumulated in a few hands. They think that all wealth is the product of labor, that they produce the wealth, and therefore that they are entitled to it. They feel that it is right to compel the capitalists to disgorge some of their accumulations, and share it with them. They forgot that although wealth is the product of labor, these accumulations are not the accumulations of their labor. Wealth is the savings of the product of labor. Those who own it have it left to them or make it by labor in their own way, by intense application of mind or body. A man may accumulate wealth by organizing labor so that it shall be more productive than if not thus organized and superintended. He organizes it in such a way that laborers find it to their advantage to work for him. He, by his sagacity, so organizes it that laborers can make more by working for him than for others, and yet he still has a large share of the profits for himself. All labor is not manual labor. The hardest labor is mental labor, and the minds of men who accumulate vast fortunes are generally greatly tasked. They increase the capital of society. They want their property to be productive, and therefore need laborers. This adds to the labor fund.

It is a more ideal state of society, other things being equal, when property is more equally distributed; as in the early stages of society, when it is composed of farmers. But there is no remedy for that condition which arises from the increased impressment of the powers of nature. The further society goes, these powers become more and more gigantic, and increased capital is required, as steamships are much more costly than sailing vessels. Machinery becomes much more complicated, and the only way to progress with this increased impressment of the powers of nature is by the aggregation of large amounts of capital. This does not hinder the laborers from having a share. In banks, railroads, etc., the shares are small. But they must take the risk of loss. Therefore, they often choose to place their money one step more remote from risk by placing it in a savings bank. This, however, is probably staked upon the success of some establishment, and the risk touches the savings banks themselves.

Now, we see the origin and difficulty of rooting out this envy and jealousy. But that is no reason why we should not put forth our efforts to mollify and relieve it.

XLIII. *What of the grand objective of the more advanced labor-reformers, local, national and international? The proposed means of accomplishing their ends. The reason of the international element. Show the real community of interest between the different classes.*

These reformers mean to share the property of society. As far as strikes can accomplish this, it is necessary that they extend beyond a town, county, state, and even country. For, if they succeed in forcing up wages in any state, and forcing up the price of the product, the article will be produced elsewhere and sent into that state for sale. Suppose they succeed in extending strikes through the whole country; this is not sufficient, for the article will be produced in other countries, and sent here. This must be hindered either by prohibitory legislation, or the strikes must extend over the whole world. Such an international combination was recently attempted. They avowed the elevation of the laborer.

But it turned to communism, which is the division of all property among all persons, *pro rata*. They do not attempt to compass this directly, but indirectly, and all the time. One class believes in an unlimited issue of irredeemable paper money, which can be made legal tender; and they argue that all debtors can thus pay off their debts with great ease, and in this way transfer property from those who have to those who do not have it. This is one of the great objections to specie payment. If there were the slightest disposition or sagacity at the present time, a dollar in paper could be made worth a gold dollar in two months' time. This legal tender will not go to the government to be redeemed, because it is worth a dollar in gold; and no one will want the gold, if the paper is worth the gold. Another way is by taxation, which has now reached that grade that it cuts to the quick all those who have small capital. The greatest peril to New York now is the enormity of its taxation. The increased cost of conducting business there, tends to drive it elsewhere; but other cities are likewise burdened by taxation. It is not possible to bank successfully in New York; the bank capital is taxed out of existence. That the rich may as well disgorge some of their accumulations is the way that demagogues play upon the laborers to get the money themselves. This process eats into the commercial and productive life of this country. Just in this line we may see that the interests of labor and capital are identical. For exam-

ple, suppose that in New York the tax is three per cent. ; what is the bearing on rents? The landlord must have from his tenant the means to pay this tax. The labor of the working people must in turn pay this tax. Thus the tax ultimately falls upon the poor.

XLIV. What axioms in regard to labor and capital?

1. Labor must be sufficiently paid to make it possible and effective.

2. The wages of labor will be the quotient of m divided by n ; m equals the labor fund; n , the number of laborers.

3. Exceptions to this may arise from stagnation in special departments or from strikes.

4. The rewards may be unequal in different branches of industry, owing to the difference in skill required.

5. Capital must be rewarded, or there is no motive to save and use it in production.

6. The extent of this compensation must be equal (*a*) to the amount that would be realized were it securely loaned, and (*b*) to running expenses, as insurance, breakage, wear and tear; and (*c*) to the salaries of superintendents.

7. The effect of stopping labor is a diminution of the rewards of labor and capital. A universal stoppage of labor is a universal stoppage of rewards.

8. Freedom in the use of labor and capital tends to the largest and most productive employment of each.

9. The more labor, other things being equal, the products, if guided and organized by the equality of skill and capital.

10. The more capital devoted to skill in labor, other things being equal, the more labor employed and things produced, and the greater the rewards of labor and capital.

11. Increased machinery and capital aggregate the reward of both. Labor and capital are increased in an increasing ratio to both the laborer and the capitalist.

12. Skillful superintendents deserve large salaries. Skilled labor should be higher paid than unskilled.

13. Universal working of eight instead of ten hours will produce only four-fifths the products of ten hours' work, other things being equal, unless (*a*) eight hours use all the available strength; (*b*)

eight hours with machinery will do as much as ten hours without it ; or (c) eight-hour trades get wages out of proportion to other trades.

14. Such conspiracies against the right of men, as strikes, trades-unions or other forms of communism, cannot remedy the grievances of laborers.

15. Such plans as distributing a certain amount of paper money to each man, are also nonsense. This would cheat all creditors, for they would be paid in worthless money.

XLV. Discuss bounties, monopolies, patents and copyrights.

It has frequently occurred that government has attracted men to particular occupations by bounties, either direct or indirect.

A direct bounty is where the government pays a particular sum for the production of a certain commodity. This was formerly the common method of encouraging industries which were important to the public weal, but were not so paying as others. Till a recent period it was pursued with reference to the eastern fisheries. It is now abandoned, except with reference to noxious beasts. This is bounty for destruction and not production ; but indirectly for production, as it destroys what hinders it. The evils overbalance the good. This system still survives in government subsidies to steamship lines and railroads. A few years ago there was a movement in the Senate to give a subsidy resulting from the sale of unoccupied lands to agricultural colleges. It succeeded to a limited extent ; but a future effort to devote all the subsidy from public lands, partly to the public schools and partly to these agricultural colleges, would have been carried through but for resistance from this college. It was referred to a Senate committee, and reported ; that was the last of it.

The reason given for grants of lands to railroads is that they render these governmental tracts valuable, and that it is proper to give away a part to render the rest more productive. But still these land grants have been so abused that the temper of the public mind is against giving them to such corporations.

The people of Iowa abused bounties. The state offered a bounty for every gopher killed. The people began to raise them.

Subsidies for steamship lines have been somewhat in vogue for postal advantages, but these have been so abused that the mind of

the country is set against it. The Pacific Mail Company got a subsidy of \$1,000,000 to enable it more advantageously to carry the mails from the United States to Asia; but it turned out that a large part of it found its way into the pockets of lobbyists and congressmen. Yet it is true that the Cunard line of steamers was built by subsidies from England.

Another class of bounties are indirect, in the form of monopolies or freedom from taxation. It was common, when the country was still poor, to grant companies the control of the river for several miles, and the privilege of building bridges and collecting toll, and to grant this for a definite or indefinite period of time. Thus, the bridge over the Delaware river, at Trenton, was built, and it had the privilege of monopoly several miles each way. The railroad wished to use this bridge, but could not because of the old monopoly; so it bought a majority of the shares of the stock, and in that way controlled the bridge. This railroad possessed monopoly privileges which expired in 1869. They were given to induce the company to build the road, while yet railroads were an experiment. In regard to this class of bounties, it is safe to say that nothing short of necessity justifies them, and then they should be of short duration. They stand in the way of social progress. They at first lessen, but afterwards augment, the labor necessary for production.

Bounties given to patents stimulate invention, and are the only effective way of rewarding inventors. By invention man makes headway, impressing into power the brute forces of nature. These bounties are benevolent, but should never be extended too far. The patent for sewing machines should never have been renewed; the owners of the patent had already become millionaires. Patent rights secure to a man what is his own. The same thing applies to copyrights; they secure a man his own, just as a deed secures a farm

XLVI. *What duties does this conflict with its impending dangers impose upon capitalists and the state?*

POSITIVE.

1. It is the duty of the state to repress all violent and coercive measures. All attempts to prevent young men from learning occupations suited to their natural tastes and gifts, are at war with the fundamental rights and liberties of man. If these were repressed,

most difficulties would vanish away, for strikes would be impossible.

2. The government should favor and protect all social institutions which aid laborers to become themselves parties in great manufacturing establishments, by making them capitalists and encouraging them not only to save but also to invest their earnings.

NEGATIVE.

While it is perfectly proper that protection should be adopted for giving new and untried industries an opportunity for testing whether, with the resources of nature and artifice, they can sustain themselves at the same rate of compensation obtained in other employments, still, on the other hand, this should be the limit of protection. All industry is a tax on other classes and therefore it is clearly wrong to tax all classes to give one branch of industry a monopoly. They will take care of themselves, if not interfered with by the government. The tariff should be so adjusted as to afford no countenance to laborers wishing to tax other classes to get a higher compensation for themselves.

XLVII. Show the strict meaning of the word profit, why profit is necessary, its relations to all forms of productive property.

Profit is the reward which capital receives for its use in and contribution to the work of production. It is obvious that without such reward no capital could be had for this purpose. For first, none would be saved, and secondly, when saved it would be placed in coffers. Profit on capital is the reward of forbearing to spend it and of putting it to the use of production. Every item in the property of persons which is not consumed in enjoyment, but invested to produce income, is capital; except when it is borrowed for unproductive luxury or for the support of idlers and spendthrifts. All buildings and farms rented, and all the loans of banks and insurance companies are of this nature.

XLVIII. Distinguish between gross and net profit, also other means of profit and grounds of ambiguity in their use. Compare with the strict meaning. How do risk, insurance and cost of superintendence stand related to the subject?

The broad and generic sense of profit is what remains to the farmer, manufacturer and merchant, after deducting in the case of

the two former the cost of production, and in the case of the latter the cost of purchase. This may mean the excess of price of sale above price of purchase, or excess after paying clerks and cost of superintendence, or after deducting all expenses. In the case of the farmer all surplus above the cost of production, that is, payment of labor, is called profit; but it is gross profit and must pay for—1. Cost of superintendence, which is wages. 2. Risk of capital embarked, which is insurance. 3. Reward of capital itself, which is interest, and interest is net profit.

Mill uses profit to cover the three elements above mentioned; it is the whole surplus over the cost of production. This only aggravates the looseness of the definition. Superintendence is part of the labor of production, and belongs rather to the department of wages than to that of profit or capital. Suppose that a capitalist has a superintendent, and his property insured in some company; then what remains after paying the wages of the superintendent and the insurance is his profit. Now, the principle is the same, whether the owner superintends or hires another, and whether he himself insures, by laying apart a certain amount for this, or has a company to insure him. Such insurances by companies are only partial, and every man engaged in business has to insure himself to some extent.

Profit, the reward of capital, is only the equivalent of interest, and the average rate of profit is the average rate of interest, neglecting risk. If people give par for ten per cent. bonds, and over par for four per cent. government bonds, what they give over is payment against risk. In the recent state of things it can be seen that the rate of profit equals the rate of interest. A large part of business was conducted at a loss, and interest was from two to four per cent. It must be borne in mind that the word profit is used technically for the reward of insurance, superintendence, and also for interest.

XLIX. How does the meaning of profit, as commonly used, vary with the position of the principal parties in production?

Profit depends on the position of the principal party in production. If the person borrows his capital, but superintends the business himself and insures it himself, he calls what is left after pay-

ing for the risk and the interest on the capital his profits ; but this is the reward of his superintendence, and is therefore wages and not profit. If the owner is the capitalist and employs a superintendent and insures in a company, his profits are what is left after paying the wages of the superintendent and insurance, and this is net profit or interest.

Profit is a variable term in ordinary and classic use. Sometimes it is the whole excess of cost of sale above cost of purchase ; this is gross profit : sometimes, what is left after deducting insurance and wages for superintendence ; this is net profit : sometimes, the combined reward of superintendence and insurance ; and sometimes either one or the other of these latter.

For us at present it is sufficient to limit profit to the reward of capital. Insurance is part of the cost of keeping the capital entire. A man may be capitalist, insurer, superintendent, laborer, and (we may add) borrower of capital.

L. Explain variations in the rate of profit, with their causes ; also the mutual relations and ultimate identity of profit and wages.

The average rate of the reward and profit on capital is indicated by the prevailing rate of interest. Variations arise from—

1. Men will be content with smaller profit when the business is conducted near at hand, and with persons they know. This is for safety ; a lower rate of profit being a sort of insurance. A European will not invest money here unless he can get more interest than at home.

2. It is an extension of this principle to say that all capital will demand a compensation proportioned to the risk or danger of loss. Men working in powder manufacturing expect large profits. Although in theory he may separate the compensation of these risks under insurance, yet in practice in all hazardous business men are generally their own insurers. They are apt to count their whole remuneration as profit.

3. Dignity and respectability. Men accept a lower rate of interest in a banking than an eating-house, in a wholesale than in a retail store. Every man of integrity will accept lower wages in a house whose business is in no way contrary to honesty.

Viewed on the large scale, profit and wages are the same thing in different aspects. Capital consists of the savings of production; it consists of labor embodied in objects to render them useful. Profit is the surplus of the product of labor after paying the wages of labor and replacing the capital consumed. As capital is labor saved, profit is a form of remunerating labor by paying for the use of its products and savings. It is the reward of abstinence from indulgence in spending wages. The laborer may make gain if he makes more than he consumes. Profit of production is the total surplus remaining beyond what is spent by those engaged in the business.

The rate of the accumulation and increase of national wealth is the rate in which the production of commodities exceeds their consumption. The cost of production is the whole sum expended for production. The laborer may or may not consume all his wages. If he does not, he becomes the capitalist, and increases his own and the national wealth. The capitalist may not spend his profits. Whatever is spent in production is gone. Whatever is saved is an addition to their own and the national wealth.

LI. *Explain the causes which affect the cost of labor.*

The cost of production is measurably affected by the efficiency of the agents employed. The cost of production is none other than the cost of labor and capital, including land and the natural agents, properly prepared by human labor, which are employed in it. This statement involves matters of complexity; for the cost of labor is the price paid. This, however, imperfectly represents cost, for—

1. At the same daily wages one laborer may be twice as efficient as another, and so produces twice as much.

2. Money may be plenty and cheap, commodities scarce and high. Hence so much more money may be required to purchase few commodities and labor. The real cost of one's labor may be small, though the amount in dollars is large. We had abundant experience of this the ten years after the beginning of the late war. We now hear constantly of universal shrinkage of values; but there can be no such thing. Suppose prices have declined, and a house will now sell for only two-thirds as much as formerly, and that a field worth the same as the house will only sell for two-thirds as much as form-

erly; the one would then exchange for the other, and so they will now. Things tend to equality in the rate of exchange founded on the cost of labor involved in production. Nominal cost of labor under inflated currency may be large, while the real cost is small. Gold is flowing in upon us in spite of ourselves, owing to our exports.

3. The cost of labor depends on its efficiency, and the efficiency depends on manifold causes. Among these are physical vigor and endurance, which are affected by climate, race and modes of living, and by moral purity which insures fidelity.

4. Intelligence and fidelity add to the efficiency of labor, for the same forces judiciously applied will produce more than when stolidly used. Even in the sphere of skilled labor innumerable opportunities occur for economy, according to the sagacity of the workmen. Fidelity in working constantly, and regard to the interests of employers, are important in arranging the various grades of labor, and in selecting heads of different departments. It is important to so arrange the varieties of work as to operate to the greatest advantage, and to become as far as possible an organism. In high positions, the best men, though most highly paid, are in the end the cheapest. This principle may be overdone. In consequence of the large sums paid to competent men, companies are organized by those who mean to be at the head; when there, they make it their business to take the main part of the capital themselves.

5. Association and impressment of natural agents through machinery. This lessens and cheapens labor to produce a given commodity. A yard of cotton cloth now costs less than a quarter of what it did before the cotton gin and spinning jenny were invented. The successful application of these powers involves the application of capital to increase production. Tools are the mere instruments for harnessing the powers of nature. In proportion to the cost of machinery and buildings required to impress the natural agents, is capital to be furnished.

LII. *Explain the causes which affect the cost of capital employed in production. Show the relation of the increased efficiency of labor, through increased subsidizing of the powers of nature in production, to the amount of capital required.*

The cost of capital employed in production consists (a) of profit paid upon capital for its use, and (b) of what is paid for keeping good whether by insurance or other forms of replacement.

This statement is plain and exhaustive, yet the cost of production involves various elements.

1. The amount of capital in proportion to labor and production varies much in different employments.

2. The cost of capital varies with the cost of replenishing, securing, or keeping it good. This depends on the rapidity of wear and tear, etc. The average duration of building and machinery taken as a whole, is from ten to twelve years. The average duration of machinery by itself is not more than five years, if for no other cause than this, that it gets antiquated.

3. Quickness or slowness of the return of products made. For example, leather and wool are long in growing and preparation. So in agriculture, there must be capital to pay for the land. Orchards require years for their growth. Lumber and wood require months of seasoning. The cost of capital is increased by the interest which would have accrued upon it while idle.

4. Combination of capital. Gain from this source is unlimited except by the market of the goods produced. The larger the establishment, the greater the saving and economy of labor and capital, which well managed will produce more than if scattered among smaller ones. It is so, because the sagacious head renders all parts more durable. On account of practice and experience there is no waste of hands nor labor. Even the fragments are saved; the sweepings of the mint are worth \$40,000 a year. The same applies to the purchase of raw material; the larger the purchase the lower the terms, all things being equal.

LIII. *State the economic, the social and the ethical tendencies of the exclusive use of a vast capital in agriculture, manufactures and trade.*

Strict economic view holds to a great extent in retail establishments. Suppose that one establishment is worth \$2,000,000, would it not be better to divide this among a dozen?

The objections on social grounds are:

1. They render business impossible to any but large capitalists. Young men cannot go into business without capital, The welfare

of society is promoted more by business men in numbers and prosperity than by a few of great wealth.

2. They extinguish hope and ambition of becoming heads of such establishments. Retail business would be better managed if a large number of men had their all staked. This is less applicable to large manufacturers, which require great outlay. Railroads come under this head.

This concentration of capital in the hands of a few is subject to the following drawbacks on economic, social and moral grounds :

1. Great risk of waste or loss from incapacity or dishonesty of superintendents or officials who, while they would guard jealously of their own capital, are unscrupulous in handling the money of others. We see instances of this in railroad and steamship companies, banks and manufactories. It is not in ordinary human nature to bestow the same care on others' property as on one's own. So people are becoming more and more afraid to invest their means in these vast speculations. Never was there a greater depression in securities of this kind than at the present moment. Another aspect of this is that men are contriving to get hold of the wealth of a community without contributing to it. They make nominal sales and purchases in which they agree to take shares at such a rate, the intent not being to take them at all.

2. A large number of men at the head of business on smaller scale become men of higher order than if they were servants conducting a particular department under the control of those owning the establishment.

3. The breaking down of small social centres is an offset to the paramount advantages of production on a large scale. The agricultural towns of New England used to have important Puritan churches. Now, the old Puritans are leaving these towns and going west, where they can obtain larger rewards for their efforts; the farms are thrown into the market, foreigners buy them and now the towns are filled with these people, and the most important churches are Catholic. Under the present state of things, farmers can get shoes and clothing more cheaply by purchasing them ready-made in large manufactories; formerly all these country towns had mechanics in them who supplied these wants; and they had a greater variety of men, and this varied capacity produced the highest social condition.

In these country towns there used to be professional men of as great eminence as in the large cities. That has now passed away under the influence of motives observed but by few. It amounts to this, that steam and electricity do what human hands formerly did; and manufacturing must go on at centres where large quantities and sales can be made. Clothing must be on sale in large quantities and varieties to suit people, and this has produced moral and social changes. As a consequence, these towns are of far less importance than formerly.

LIV. *What in the very nature of agriculture, is inconsistent with great concentration of capital at any one point?*

The fact which here renders concentration of capital impossible is, that agriculture is the culture of the earth. The earth is extended, and we cannot concentrate the earth as we can a manufactory. All implements and machinery must be movable, because they must be taken where the land is. Ways are found to overcome this; as in dairy regions, animals must be kept where the land is, but the products are collected in a cheese-factory or creamery. This only to a limited extent. Steam can only be employed on a moderate scale.

LV. *State and explain the relative advantages of large and small farms.*

If we compare large and small farms, the advantage of small farms is that the owners devote all care inspired by ownership, and by the fact that all improvements are made by themselves. Agriculture is a business in which a great outlay is necessary, the benefits of which reach through years. The renting of farms is sure to induce decay and deterioration, because the motive of the tenant is to get off as much as possible with the least possible outlay. Now, suppose a farm of one thousand acres is broken up into ten farms and farmed by superintendents, or suppose them farmed by ten owners; they will be more thoroughly cultivated in the latter case. The same principle extends to minuter subdivisions of land. This is seen in the market gardens near great cities and where a dense population furnishes a market for perishable articles. If a farm is well manured and rendered more fertile, as much can be raised as on twice as much land without the same fertilizer, and there is a

saving of fencing. It is objected to small farms that they do not admit of keeping animals; but it has been found that by the greater productiveness of land and the more economic use of animals, more animals can be raised on the same number or acres in several small farms than on the same number in one large farm, and there is more manure made. The exception to all this is new lands distant from market. There it is necessary to raise cereals and animals that will bear transportation. But in general, small farms are the most productive, and the more so as no special skill is requisite. Rude laborers can perform farm work. They must plant, till, harvest and gather in the autumnal crops. It is more a combining to help each other do the same thing than a division of labor. Hence, to get superintendents is of less importance than in manufactories. Still, good superintendents render farms profitable; but the number of farms rendered fertile and profitable by superintendents and machinery is few. The nation composed of yeomen is made up of the most enduring element, the best guard against social and political corruption.

Relief from starvation is found in the fact that as one material fails, another is found. It has been so in all history. But if all these reserved resources should fail, one resource is left, and that is saving and utilizing for human subsistence what is now spent for vice and luxury; even admitting these to be innocuous, it cannot be denied that they are not necessary. Prof. Cairnes estimated that \$500,000,000 are consumed yearly, in England, on alcoholic liquors. The world would be better off without them. Suppose the culture devoted to tobacco to be devoted to wheat, the world would be better off for it.

LVI. *What of all Agrarian and Communistic remedies for social and economic evils?*

Among the remedies proposed to prevent the tendency to impoverishment are Socialism, Communism and Agrarianism, which is an equal distribution of property to all people.

By the former two, is meant the breaking up of homes and bringing people to live in large communities; of this kind are the Shaker communities.

By Communism is meant that system which would make all the

property of society common stock, which is to be managed by the governors of society. All are to be sustained by it and all are to work to keep it up.

Socialism calls for the division of all property into equal parts.

Agrarianism has reference to the land alone. It would divide all the land equally among the members of society.

These systems are all suicidal, for they annihilate society and property. None would save to put in the common stock to aid the lazy and shiftless. If a man is a member of society and must receive his share of everything, what inducement is there to work? Propriety is essential to the welfare of society, and of individuals; and unless men are allowed to increase it, society will degenerate.

Mill would substitute some form of communism for the present state of things. It is very strange that such a sound thinker should advocate communistic schemes, but there is a sort of spiritualistic materialism about him. He defines matter and spirits as "permanent possibilities of sensation." When he passes from the sphere of material production, and discusses questions which relate to man's social and moral nature, he is altogether unreasonable.

LVII. *What are some unsolved problems awaiting solution before we can see through this subject?*

1. Prevention of immorality and vice, which are of such great harm to wealth and society.

2. More equal distribution of wealth among the industrious and thrifty classes.

3. Some adjustment by which all laborers can find employment at rates which capitalists can pay without loss, and prevent able men from being supported by charity.

4. The Chinese can labor more cheaply than native-born citizens—should they be employed? Machinery will be used if it does the work of many men; so the cheapest labor will be employed. Tramps had better work at twenty-five cents a day than be idle. The Chinese will do the drudgery and allow others to engage in more genteel labor.

EXCHANGE.

In the elementary definitions of Political Economy, we found it to oscillate, primarily, around utilities produced by man, and secondarily, around exchange and value and things having value. Value, in its very nature, means exchangeable value.

We have concluded the subject of production, and have found that it makes its greatest advancement through the increasing division of labor, and also, that this division of labor is unavailing and impracticable unless there are adequate facilities for the exchange of its products. This is sufficiently illustrated in food and clothing. It requires equal vastness, variety and facility of exchange.

Effective production and exchange mutually presuppose and virtually equal each other. They are complementary.

Exchange, with its means and agencies.

By exchange, we mean exchange of valuable services and products of services of men.

Value is found on demand, and demand on desire.

The chief varieties are :

Commerce or interchange of commodities.

Trade as the instrument of commerce.

Money and its substitute, in various forms of credit, as instruments of trade.

LVIII. Show and treat of the different kinds of commerce.

Commerce includes whatever pertains to passing of commodities from those who make them to those who want them.

The necessity for this interchange on the broadest scale in order to the satisfaction of men's wants arises from two principal causes :

1. Division of labor.

2. Diversity of products of nature in different climes and countries.

It is quite absurd to try to raise tropical fruits in the temperate climes. To the latter belong grazing, manufacturing, raising cereals, etc. Climate, salubrity, water-power, nearness of coal and iron, efficiency of productiveness of labor, may determine the location of a manufactory. If the cost of transportation is small, a small gain in the cost of manufacturing will more than match the cost of transportation.

Commerce is an instrument of obtaining the gratification of human wants with the least effort, or of obtaining the maximum of aid from the powers of nature to obtain what we want, and to enable us to avail ourselves of machinery and to distribute in exchange.

Illustration. Tropical fruits on one hand and ice on the other are desired in the north and the south. Oranges can be raised in the north with a great deal of labor, but luxuriously in the south. So ice can be manufactured in the south, but nature produces it in the north. Now men employ the powers of nature in procuring these luxuries in exchange, (1) in producing them; (2) in transportation.

All labor consists in moving things, either for so placing them that the powers of nature can modify them for fitness for human use or placing them when so fitted where wanted. This is what is done in commerce. Oranges and ice are formed by nature and placed by man where they are wanted. The result is that, not only as related to machinery, but also with reference to availing ourselves of the power of nature, commerce is indispensable.

Commerce is domestic, between different parts of the same country; or foreign, between different countries.

Pennsylvania sends coal and iron to New England and receives manufactures in return, or to the West and receives cereals, or to the South and receives rice and cotton. This is domestic commerce. Our lumber and cereals may be sent to foreign countries for tea, coffee and spices. This is foreign commerce. It may involve a long series of interchanges before the articles exchanged pass from the producer to the consumer. Tea and spices in New England are paid for by manufactures, but the manufactures are sold to the South and West for cotton and cereals; and of these New England takes directly enough for consumption and raw material for manufactures. The tea and spices are paid for by the surplus of cotton and cereals, and this is accomplished by sending this surplus of cotton and cereals to Europe, mostly to Great Britain. Money or bills of credit are employed to pay for the tea and spices, though very little money passes. The tea and spices are bought in England with the bills of exchange which the South gets for cotton and wheat. This is seen on a small scale in any village; each pays for what he

wants with the surplus of what he produces ; yet the one may never see the other ; in the end in reality the shoemaker pays for farm products by surplus of shoes and other manufactures.

LIX. Explain the different kinds of trades, and discuss the utility or inutility of trades.

Trade is sometimes used convertibly with commerce in a broad and loose sense, and sometimes in a stricter sense, for the instrument of commerce.

It is the instrument of commerce, but always involves commerce and exchange.

Trade when systematized is of three grades :

1. Importing and exporting. This is foreign commerce. In this country domestic commerce is nearly equal to foreign, as between New York and California.
2. Domestic trade, which is wholesale or jobbing trade.
3. Retail trade.

Foreign trade exchanges articles to and from different nations in such quantities as are required for consumption.

Wholesale trade takes the articles, domestic and imported, in such quantities as are needed by retail traders. Small wholesale houses may come to deal in single articles, but houses which are at the summit embrace the vastest varieties.

The retail dealers take the articles in such quantities as are needed by the actual consumers.

These several classes of trades render an indispensable service.

1. They belong to the producing classes, and deserve proper remuneration for their services.

2. It is a vulgar notion that traders are unproductive agents ; that they produce no commodities and add nothing to wealth. This is a very superficial view of the case ; for

- a. Buying and selling are only the means of exchange and commerce, without which these latter are impossible, without which it is impossible for men to enjoy the products of diversified labor and of different countries.

- b. The trader gives an indispensable service in preparing articles and in placing them where they are wanted and in the condition and

quantities in which they are wanted. These merchants bear the risk of transportation and breakage.

c. It is cheaper for the producer and purchaser to pay the store-keeper than to lose time in finding each other. In this respect there has been a complete change in thirty years. They sought each other then to exchange their products.

This is true of all the three classes alike. They each perform part of the work which is more economically done than were each to undertake the work of all. We hear much tribute paid to middlemen between the producer and consumer. They are indispensable. They may become too numerous, but this will take care of itself. All but what are needed will in due time disappear; the weaklings work out and enter their appropriate sphere.

LX. Define money from the standpoint of its uses. State the causes of money?

The great instrument of commerce is money. This subject occupies the leading place in books on Political Economy. It and the various forms of credit are not only of prime importance, but run into complex ramifications which are difficult to be understood.

Money is (1) a medium of exchange, and (2) a measure of value.

It is seen at once that this complicated series of interchanges set forth are utterly impossible unless there is a medium of exchange, and unless that is some measure of value. One must receive what is equivalent in something, and that something, the world over is money. Exchanges must take place on the basis of equality of values.

One dollar exchanges for two-thirds of a day's labor of an unskilled laborer, because it takes that much labor to produce the value of one dollar. To be the true instrument of exchange, it must be a measure of value. The ratio is modified, if our currency is diluted by paper money. If a house is worth twenty-five hundred dollars, that measures its value. If a farmer sells his hay for twenty dollars, and buys an overcoat for the twenty, the sum measures the value of each. They have exchanged for each other, because they are both worth the same medium.

Suppose there is little money in a place and the people are reduced to barter. The farmer wishes work from the shoemaker and smith,

and something from the grocer, etc. He sells grain at so much. There is a running account kept and the balance only is paid. He may owe a balance to one man and get a balance from another; he lets the one of these satisfy the other. Millions of such cases occur in New York every day. These transactions are represented by bills of exchange which are substitutes for money, and the money, though none has passed, has been a measure of value. The quality of a measure of value is essential to its being an instrument of exchange. In order to be a measure of value, it must have value.

CAUSES OF MONEY.

- a. Material cause is the metal out of which the money is made.
- b. Formal cause is that the pieces have the government stamp of genuineness.
- c. Efficient cause is the power of minting, stamping, etc., which makes them what they are.
- d. Final cause is to facilitate exchange.

LXI. *Why do we need money? State loose meanings of the word. Mention various materials used.*

The complicated process of exchange cannot be carried on by single barter. We need money.

1. Money is a medium of exchange; and in order to be so—
2. It must be a measure of value. Not that it absolutely measures the value of what it will exchange for, any more than that that measures the value of the money. They reciprocally represent the value of each other. It measures value in this peculiar sense—that the value of all other commodities is expressed and computed in terms of money.

Money is a measure of value *per eminenter*, but what it will exchange for is the measure of its value. In vast exchanges by way of credit, all things are estimated in money value.

3. From this attribute comes another, viz.—money becomes the enduring standard of value in all transactions involving future payment. It is assumed that the standard of value will remain unchanged up to the time of the fulfillment of the contract. Money is less liable to fluctuation than any other standard that could be chosen. In earlier times of this country, it was customary to make leases on the payment of so much wheat, etc. This fluctuated more

than money, and created a difficulty which had to be corrected by legislation. In view of this attribute Jevons notes—

4. That of enabling men to accumulate a store of value without accumulating commodities. Though money, in itself, does not satisfy any want or gratify any desire of man, it will exchange indifferently for any of those services or commodities which do satisfy a want or desire.

Different men may have money in bank—one \$20,000, another \$10,000; yet if we count them all together we find there is not \$1 for each \$100 deposit. They have, however, the power to draw, and there is enough money in bank to satisfy all reasonable demands.

Money is used indiscriminately for wealth, property, capital; not in a technical sense, but being a measure of them, they are expressed in terms of it. In a stronger sense, it is used for capital; particularly floating capital or loanable capital of society. Loans are modes of transferring property from lender to borrower and back, by means of bills of credit. A merchant borrows \$10,000 from a bank; that amount is placed to his credit and he is allowed to draw it. He takes the money to make his purchases, and pays by a check on this bank. The receiver of these checks deposits them in the same or in another bank, and they are credited to his account. In the settlement, these checks balance each other. All this is spoken of as loans and sales of \$10,000, although not \$1 has been handled. It is only, really, a title to floating capital that changes owners. When it is easy to obtain such loans, it said that money is plenty. These checks command money, if we present them for money. All this means that loan markets supply the floating capital of society. This is connected with that meaning of money which is paper money, bills of credit, or in other words, currency—including whatever circulates from hand to hand and is accepted as money. Hence, money is used not only for currency proper, but for whatever promises to pay money; as bank checks, which give an immediate title to the money named in them. Only to a limited extent is money used.

Money is a common measure and furnishes a basis whereby complicated exchanges are accomplished by barter.

Bank notes and credits are counted as money. A bank note is the bank's promise to pay. It is a loan to the bank from whomever

has it. They give you their credit* in place of your own, and you trust them. So credit is working all around. Suppose you deposit in a bank \$500; this is a loan to the bank. "A deposit is a loan of debt due the depositor."

MONEY—ITS MATERIALS.

The rudest nations have found the necessity of having some medium of exchange. Various substances have been adopted in early states of society; as bits of leather, shells, stones. As nations become civilized, they recognize only gold and silver. The reasons are urgent enough to explain it. This remarkable unanimity may be ascribed to a higher than earthly guidance. That that substance which is so suitable exists and that men come to adopt it, is a manifestation of Divine Providence.

LXII. What characteristics in the precious metals have led to their adoption for this purpose by the whole civilized world?

1. Great value in proportion to bulk and weight. Value implies two things: (a) intrinsic utility and desirableness, and (b) that that which has value must cost labor to acquire it; the amount and difficulty of the labor are precise measures of its value.

These combine remarkably in the precious metals, with a diminution of weight. Aside from their use as money, they have ever been coveted by men for ornament, comfort, luxury, and as symbols of social dignity, rank and power.

Jevons laid down the doctrine that "intrinsic value is a misnomer," and that desire gives value to a thing. There is an objective as well as subjective element in all this, and that is the intrinsic value. The intrinsic desirableness and utility form an indispensable requisite. If free to all, without labor, it would not be money. "Value," says Bonamy Price, "is the mental state of esteeming or desiring anything." It is requisite that it be in small bulk in order to

2. Portability. A substance having the weight and bulk of iron would be impracticable.

* This applies to the old state banks. The national bank notes are guaranteed by the government. The holder of these notes uses the national credit in place of his own. The same is true of greenbacks.—E. D.

3. Divisibility into small equal quantities and their multiples, without considerable labor or loss. This rules out the precious stones, which have the other two attributes.

4. Durability. That which would easily wear, would sink in desirableness. This belongs eminently to the precious metals.

5. Closely connected with all this is uniformity in actual cost of production. This is a remarkable quality of precious metals.

Two exceptions were (1) the cheapening of silver when the Mexican mines were discovered, and (2) of gold when it was discovered in California. This points to the making gold the exclusive tender for large sums. We mean by uniformity of value, that although the labor of producing gold and silver is lessened, the labor employed in producing other products is lessened proportionately.

6. Easy convertibility from and to its uses as money without loss or material diminution of value; so when there is too much money, the precious metals may be used for other purposes, and *vice versa*.

LXIII. *Explain the need of coinage and the subject of seigniorage. How far can government stamps and legal-tender laws render worthless things valuable?*

It is necessary for exchange that the precious metals be divided into parts of certain weights. In order to this, there should be some authoritative process, and governments coin money in pieces of given weight and purity. This saves the trouble of weighing and guards against frauds as to purity.

Seigniorage is the compensation which some governments exact for turning the precious metals into coin. Some governments charge a very small per cent. and some, as the United States, none at all. There is every advantage in not charging, because they acquire no fictitious value over the amount of gold and silver in them, and there is no loss in turning gold and silver coins back into bars.

Another attribute of coin or money is that it should be legal tender; that there must be some material which the creditor must receive if offered, and which, if he will not receive, the debtor will not be held responsible.

All governments have made nothing a legal tender which is not equal *per se* with that for which it is tendered. Where currency

is gold and silver, nothing but gold and silver are regarded as legal tender.

In this country there was an exception to this in the last war in which promises of the government were made legal tender. The constitution forbids the states to make anything legal tender which the United States does not. It is a war power. Our government notes are called legal-tender notes, made such by special legislation.

The constitutionality of this privilege have been doubted, and there have been two suits with reference to it before the Supreme Court. In the first, Chief Justice Chase presided. The majority of the court took the ground that the exercise of this power was unconstitutional, except during war and exigencies growing out of war. This was so obnoxious to some that at a later period, two new judges having been brought in, a second suit was brought. It was decided that this was a legitimate exercise of the government; that it was not only a war power, but that the power still continues with the government. Had this first decision stood, we had long since probably had a specie payment.

LXIV. Explain the subject of a double or single standard, and the respective relations of gold and silver thereto.

The precious metals are different in value in proportion to bulk and weight in that it takes fifteen times the weight of silver over gold to make one dollar. This is inconvenient. The result is that some nations have a double and some a single standard. Some make both concurrently legal tender; some make one subsidiary. They were used concurrently with our own government until the value of gold was cheapened in proportion to silver. The government debased the amount of the silver dollar. At a previous stage, when gold became more valuable than silver in proportion, the government debased the gold dollar. Some years ago the latest step was to bring in one standard and make the other subsidiary. And as gold was the cheapest, it was made the standard and only legal tender, and silver was established as small change coin up to five dollars. The silver was made worth less than the gold dollar. Where there is a double standard, the less precious coins will drive out the more precious.

If one can pay a debt with one material of which one hundred are worth ninety-eight of another, the one worth the ninety-eight per cent. of the other will be used. A process will be found by which that can be speedily brought to pass. If silver and gold are as ninety-five to one hundred, people will sell their gold for silver. As soon as we issued legal-tender notes and they become worth less than gold, the gold immediately passed out of circulation. Practically there is no difference between legal-tender notes and national bank notes, though the latter are not legal tender. How did silver drive out the paper? The reason is this: the value of silver is less than that of the corresponding pieces of paper, for the paper will exchange for legal tender and the legal tender will sell for its face in gold, less seven cents on a dollar. On account of new silver mines and demonetizing in Europe, silver has fallen relatively to gold to twelve per cent., and consequently four quarters bring less gold than four quarters of practical paper currency. Suppose the silver were more valuable than the paper, it would be impossible to keep the silver in circulation. As soon as legal-tender notes depreciated so far that the silver brought more gold, then the silver change disappeared; because brokers and dealers sent it where it was worth more gold and exchanged it for legal-tender notes. At one time postage stamps were our only fractional currency.

In former times the banks of the country were state banks and obliged to redeem notes at their own counter. Great redeeming agencies were then established in New York. Bank notes from distant states were at a discount of from one to four per cent. when they reached New York, because it cost that much to have them redeemed. The result was that country bank notes flooded New York and drove out the notes of the best banks in the city.

LXV. *Show the bearing of this upon the late schemes for making silver legal tender for large amounts and putting it in all respects on an equality with gold.*

The great question in this country has been as to a double standard, putting silver on an equality with gold. The attempt was made to pass a law to make silver legal tender for twenty dollars, another eighty, and another concurrently with gold. If a silver dollar was of such a weight as to be worth just as much as gold, there

could be no objection except the inconvenience of bulk and that arising from a tendency to variation in the metals. Silver lacks two conditions which we require for money. (*a*) Uniformity of value as compared with gold, and (*b*) great value within small bulk as compared with gold. There are reasons for silver and reasons why it should be legal tender up to five dollars. We must have change.

The question is not whether it is right or wise to make the present silver dollar legal tender with gold; but whether, when we have agreed to pay the gold dollar, we shall pay what is worth less than gold. It is a question of national faith. Impossible to prevent its indefinite multiplication for this reason: if we make silver legal tender, the legal-tender notes are at a discount of from five to seven per cent. and silver acquires a premium from ten to fifteen per cent.; therefore the silver will run out the legal-tender notes. Suppose silver is made legal tender to an unlimited amount; if it costs the counterfeiter forty-seven legal-tender dollars to make fifty silver dollars, this makes them intrinsically as valuable and saves him six per cent.

The consequence is that while it is necessary that silver be less valuable than gold, it is also necessary to have it but little less than gold to keep it in circulation. It must be pretty nearly abreast of the gold dollar as to value.

LXVI. *Explain the nature and relations of token money, money of account, etc.; the use of antiquated, worn or outlawed coins in trade.*

Token money is that which is intrinsically of less value than that whose denomination it bears. Because this is so, many people suppose money is nothing but token money, and that if we have a set of tokens with stamps on them that is money. The only token money is small change. As to other token money, laws of trade will turn it out of use. The currency of this country was formerly in pounds, shillings and pence, and worth more in some states than in others. In New England the pound sterling was worth \$3.33; in New York, \$2.50. The law, *a priori*, is that in the long run worn money and tokens work their way out of circulation.

Some say that anything will pass which will act as a common de-

nominator, that we can dispense with gold and silver by having money of account, token money. But there is no solid basis of money, except that provided on its being worth as much as it will exchange for.

LXVII. Show the relation of supply and demand in respect to money and to its temporary value, and how its temporary value must ever tend to that of the cost of production.

The precious metals are money ; nothing else is, though there are substitutes. They will exchange for their value neither more nor less. They sometimes deviate from this, but they have a tendency to come back to it. By value is meant the labor requisite for their production at the time and place of exchange. Not mere physical exertion is meant by labor, but skill, machinery, etc. It is the tendency of money to exchange for its equivalent in labor. When it exchanges for what costs more, it is the tendency of labor to mine and coin until the equilibrium is restored ; if for less, the tendency is to leave mining and coining for other occupations. This is proved by actual history. Hence money is subject to the same laws as any other commodities. The normal value of money is the amount of other commodities which the labor in its production would purchase.

A cause of the departure from the normal value is the derangement of equilibrium between supply and demand. If money is scarce and carriages plenty, money will demand carriages which cost more labor than itself. It always happens in domestic and foreign wars. In a war it is apt to go to the other extreme. In our last war there was (*a*) great depreciation of currency ; (*b*) scarcity of articles ; (*c*) burdensome taxation laid upon all articles, and (*d*) irrespective of war, a general increase arising from the cheapness of gold.

The reverse may exist, money may be plenty and other commodities scarce or held for higher prices.

Prices of 1851 and 1873. Increased production of metals at the mines produced inflation of prices and speculation. Since the panic of 1873, there has been a great depreciation in railroad securities.

LXVIII. *Point out and explain the ratio of the amount of money needed to the amounts of property, exchange, and the rapidity of its circulation in any community.*

The amount required, supposing no substitutes, is determined by the law already laid down, viz., by the equality of value between money and what it exchanges for.

The amount does not necessarily compare in ratio to the amount of absolute property in existence. It has been supposed that as money increases and property remains the same, prices must rise. It depends on circumstances whether increase or diminution raises or lowers prices, and these circumstances are :

1. Extent to which the property of the community is undergoing process of exchange. If little exchange, little money is needed. If there is stagnation of business, there is little exchange, and money lies useless in hoards.

2. The amount of money requisite for the exchanges will be inversely as the rapidity of its circulation. Money, if hoarded up, is just as if it did not exist. Suppose the same money discharges twenty debts in two or three days, or that these twenty debts have to be paid with twenty different sums, we see how this second rule holds.

LXIX. *Show how credit, pure and simple, serves as a substitute for money, and has its purchasing power. Explain bills of exchange. Explain and discuss balance of trade.*

If property changes hands by promise of payment, thus credit is in lieu of money, and discharges the office of money. It lessens the amount of money necessary to effect exchanges. So far as confidence exists, it will be for sales on credit, because they can thus sell more readily. The buyer may sell upon credit to others. A horse may be sold on credit to twenty persons, and on credit to each. It often happens that real estate is sold for a note of hand, for which this real estate is mortgaged to secure, and re-sold again and again with this mortgage still upon it. In periods of land speculation, sales for almost fabulous amounts are effected without the use of money. Credit here is spontaneous, without any devices for facilitating it. Credit will produce the most important phenomena

caused by a glut of money. It will raise prices just as money. Land speculations are carried on by notes of hand. These purchases have the same effect in raising prices as if all the money passed. All the phenomena of a crisis may be produced by expansion of credit. Many people suppose that panics are due to paper money. This is one cause probably. But if no such paper money existed, these phenomena would appear. It may be brought in to intensify the inflation; but cannot prolong it for any great time, because convertible, and its value in bank deposits will be demanded. The inflation previous to 1873 lasted longer because it was not stopped by a convertible currency. The real cause lies in this: little money passes; there are substitutes for money; all holding these may present them for payment in money, and the cash in existence is not over one-fiftieth part of the amount of obligations which are current. Those who have cash would ordinarily loan it, but in such times will hold it.

BILLS OF EXCHANGE.

Suppose A, in New York, sold B, in Princeton, \$1,000 worth of goods, and C, in Princeton, sold D, in New York, \$1,000 worth of grain. Without bills of exchange, B carries \$1,000 to New York, to pay A, etc. As C, in Princeton, has \$1,000 due him New York, while B owes \$1,000 in New York, the latter purchases of the former his credit in New York, and the two debts liquidate each other. The only money required to be transmitted is balances.

Balance of trade consists of difference between exports and imports. The common view is, if our imports exceed our exports, the balance is unfavorable, and *vice versa*. This may be fallacious. The fallacy lies in not inquiring what may be the causes of the favorableness or unfavorableness.

1. That we import more than we export may arise from profits on our trade. It may represent our earnings and gains.

2. May arise from our incurring debts. If borrowed, as for railroad building, it may subserve our welfare.

Another fallacy is that it is a necessary evil to export money. It may be sometimes, but may be the best use of it, for (a) we may have a surplus, (b) it is one of the great products in California, (c) we may get it for our exports.

The saving in bills of exchange is the cost and risk of conveyance, etc. It is a regular department of banking.

There is one great centre in each country for monetary exchanges, where all balances converge for liquidation. So there is one great centre for the world, and that is London.

LXX. *Explain the bearing of book accounts, bills of exchange, temporary and permanent loans, bank checks, bank notes as currency, upon speculative inflation. Compare the tendency of convertible and inconvertible paper money in this respect. Adam Smith's illustration of the advantages of convertible paper currency.*

So far as it takes the form of simple book account, it may extend to a certain length where there is no mutual balance. Simple book accounts may go to the extent of producing an unsound state of business. If there is a large number of people living on commodities which they not have the means of paying for, their credit produces demand, and higher prices than these commodities would otherwise bring, and stimulates dealers and others. A great expansion of business on baseless speculation arises, and sooner or later explodes. Speculative inflation often takes its rise in this way. The retail dealers cannot pay the wholesale dealers unless they are paid.

Bills of exchange may be drawn, not against means actually existing, but in the expectation of putting means there before their bills are presented. Bills of exchange of respectable banking-houses of first-class rank pass as commercial paper, and very often sell with very little discount, and often with premium. Inflation goes on till these bills are presented and dishonored.

Bank checks are the foundation of greater expansion than is the issue of bank bills or currency, because nearly all cash sales are paid in checks, and checks are founded on bank loans, though no money passes. Ordinarily the check against the cash is loaned. Ninty-seven per cent., in ordinary circumstances, in all such loans, will be drawn upon in checks. The banks of commercial centres issue loans beyond the means they have, say, each one double its capital. The borrower at one bank draws checks, and these checks will find their way into other banks, and balances will be settled

by checks. This can be expanded, because there is nothing but exchange of checks based upon credit. This may go on till money raises prices; the people will come to get the benefit of high prices, and will want solid gold and will present checks for redemption. Things are brought to the test when prices are raised and people want gold. This may go on for a long period, especially when we have not specie payments. In the present state of things all they can demand is legal tender. Then, if the people want to carry gold abroad, they can sell the legal tender at a discount. This raises premiums on gold. If the banks had paid specie, the panic had come earlier and not lasted so long.

It has been supposed by many that paper money passing as currency is the cause of speculative inflation. This is an error; it is only so in a slight degree, provided they are convertible; incomparably less so than checks, because nineteen-twentieths of payments are made in checks and not in bank bills. Bank bills, till the recent system of national banks, so far from prolonging, tended to shorten and in that way alleviate the crisis. They were the means of bringing an inflated state of things to a crisis. The credit of bills depended on the credit of each particular bank, and if any prejudice against a bank existed, people demanded specie. They could do this, because bills only circulated in the region of the bank, or if they went to a distance, came back. The banks would thus be broken. If the unsoundness was not confined to one bank, all holders of bills everywhere would wish to get specie, and the consequence was suspension of specie payment. The crisis came to a head in this way in 1837 and in 1857. Under national banks this cannot happen, because bills are secured by the United States treasury. The consequence is that no one looks to see where a national bank note is issued.

We have not now that particular cause of producing panics as when bank bills were issued by state banks.

Where a convertible paper currency exists it will take the place of gold and silver, because it is as good as gold and silver and vastly more convenient.

Adam Smith likens the use of silver and gold or money proper to the setting apart a portion of territory for public roads; a sacrifice, but put to the most advantageous use, because it renders the

residue more valuable. The separation of gold and silver facilitates the movement of commodities just as much as a road aids the movements of men. As to paper, he says that it is just as if we could dispense with roads on earth and make an aerial pathway, as in elevated railroads.

Gold and silver, although very durable, will gradually wear out; and then if we lose them it is an actual loss of so much actual property; but if a bank bill is lost there is no destruction of the aggregate wealth of the community, and the bank is a gainer.

LXXI. *Show the two elements in commercial crises or panics and the appropriate remedy for each. Analysis of credit, subjective and objective; its support, destruction and restoration.*

There are two elements in commercial panics, the real and the ideal.

1. The real cause is—

a. That large numbers of people have been spending a great deal more than they have earned. They become virtually bankrupt and may involve others.

b. This very soon produces a destruction of credit with those who are solvent, but if deprived of bank bills their property is not in money. If A owes \$50,000 and has \$100,000 in property, he goes to the wall because credit is destroyed. Everyone, fearing that the next man who is indebted to him will be unable to pay, refuses to loan his money. In short, there is this vast mass of credit, which is in proportion to money perhaps as one hundred is to three; and the attempt is to change the credit into cash \$100 where there is only \$3 to meet it. This comes largely to be ideal. As to the real ground, the only remedy is for all the people who are involved in it to proceed to spend less and work more. Multitudes will devise other ways, but the great remedy is to keep expenses within the income.

2. The ideal cause is the destruction of credit. Credit, *credo*, implies mental operations. It is a mental state or effect of a mental state. When a man has credit in the objective sense, it is because others believe him able to pay what he promises to pay. It involves subjective credit on the part of others. When there is a destruction of credit, the difficulty lies in the impossibility of making \$3 pay

\$100 ; and the effect is to even shut up that \$3. People cannot pay debts, because other people and banks are afraid to part with any money they have. The particular devices to remedy it are varied, but all carry into effect one fundamental principle: people are universally seeking what cannot be had, *i. e.*, legal-tender money; the pressure is relieved by bringing in something else to act as money, and which is inferior currency; thus people come to have the opinion they can get it if they want it. In 1837 it was brought about by suspension of specie payment; the irredeemable bills issued by banks went into circulation and the panic was dissipated at once. In 1857 the panic was confined to railroad securities. The stringency was terrible, until banks suspended specie payment and took bills of country banks. In six months these bills became equal to gold. In 1873 the same principle applied; there was no easing of the stringency until the banks adopted this device and concluded to take certificates from each other in payment of dues binding them to pay in two or three months. The clearing-house passed these when properly secured.

This dissipated the feeling of a destruction of credit.

The charter of Bank of England allows it in no case to issue its bills beyond a certain amount. For all beyond there must be specie in the bank to cover its issue. In time of panic, the people have become alarmed because the Bank of England could not issue bills beyond this limited extent. The panic was allayed because the English cabinet authorized the bank to make issues beyond the amount the charter allowed. The effect in two instances was that the moment the facts in the case were known the demand for the bills ceased.

LXXII. State some of the reasons for the prompt resumptions of coin payments. Discuss the interconvertible 3.65 bond and the bill scheme proposed in its place.

1. The keeping of the faith of the nation. The strict observance of the plighted faith of any people or community is itself obligatory without any respect to expediency. It belongs to moral laws and requirements. The nation came reluctantly to the issue of legal tenders and only assented to it temporarily. Various attempts have been made to evade these promises. It is said that the word gold

is not on the notes or bonds. But the express understanding it that they should be redeemed. If there is any doubt, it is removed by the explicit declaration of Congress, eight years ago, in which they solemnly declared and promised that they regarded these promises on legal-tender notes to mean to "pay as soon as possible." Our national faith requires it. It is essential on grounds of expediency. Unless the people have faith in its promises the nation must lose its credit.

2. There should be a prompt return to specie payments on grounds of expediency, because it will enable the country to substitute for interest-bearing bonds gold bonds at 4 per cent. or 3.65 per cent. The reduction of the rate of payment on bonds, together with the prospect of a speedy return to specie payments, has enabled the government to fund the 6 per cents, and to substitute 4 per cents.

3. It is of immense advantage in annihilating one great support of vicious speculation, which has the elements of gambling. As long as these notes are irredeemable, they bring in an element of uncertainty. As long as our currency is not redeemable in gold, its value fluctuates with every rumor. The restoration would not put an end to gambling but would remove one of its supports. It would also lower prices, because the risks of business are less with a stable currency. Risk is an additional cost, and the consumer must pay this. This being so, we hold that every interest calls for a prompt return to specie payments. It is requisite to keeping faith, it is requisite to national strength, it would tend to diminish the element of gambling, it would remove from business a great part of its risk. There is not the slightest difficulty in returning to specie payments, if the people choose to. A 4 per cent. gold bond would absorb all the surplus greenbacks, if we get a \$1,000 bond for \$1,000 of greenbacks. When greenbacks were first issued, one of the conditions was that they were at all times convertible at par into government bonds then at 5 to 7 per cent. The party running congress procured the passage of a law removing this security. The peculiarity of government issues are, (1) perfect security, and (2) freedom from taxation. With these bonds we could produce all the specie needed. It cannot be done more easily than now. Money is a drug. There have been proposed what is deemed a desirable substitute for specie payments, the issue of 3.65 per cent. bonds. It

does not differ much from 4 per cent. gold bonds; but when presented commands greenbacks, for it is interconvertible, bond for greenbacks and greenbacks for bonds. It is a scheme without foundation, it is paper supported by paper. This 3.65 bond should be paid, principal and interest, in gold. If the government creates a supply of money so great that it can borrow at 3.65 per cent. and pay, there is no objection. 3.65 bonds are not at par. The scheme is saying that currency is not worth more than a 3.65 bond. If it is paid in gold, there is no objection; but if it is paid in legal tender, it tends to keep them below par.

LXXIII. Discuss the proposed substitution of government legal tenders for national bank notes, also the question and condition of free banking. Give some account of the history of banking, state and national, in the United States.

1. It is the current idea that it would be for the interest of the people to abolish bank bills and substitute legal tenders, because they say that banks get interest on these which the government might as well save. All bank notes are redeemable in legal tender. If the government brings legal tender to the specie standard, every security will come to the same. If we redeem bank notes, we would put off specie payments.

2. Banks in large cities are required to have a reserve of 25 per cent. of bills and deposits in legal tender; in small towns, 15 per cent. The effect is that one-third of this issue of three hundred and fifty millions of legal tender is locked up in the banks and is not redeemed. If the banks are shut up these would be thrown out to be redeemed.

3. Banks pay a very heavy tax to the general government on their circulation and deposits, and on so much of the capital as is not invested in national bonds. The bills issued by these banks have to be secured by national bonds.

4. There is hardly a government on earth that does it; if so, they do it through the national bank, as the Bank of England. If we take the average grade of politicians, they understand next to nothing of Political Economy, and are always greedy to obtain command of funds to advance schemes of private emolument.

Under them there would be no end to the treasury notes issued by the government.

As soon as the nation concentrated its powers for the War of Independence, they felt the necessity of some fiscal system. There were some few state banks. The first attempt was the issue of treasury notes. The more they issued the worse off they became. The first step towards organizing the financial system was the recommendation of a bank with a capital of \$1,000,000, called the Bank of North America, chartered by the old Confederation and by the State of Pennsylvania. A difficulty arose. Pennsylvania refused to renew the charter and it continued under the charter of the United States. It was found to be necessary to establish public credit. Alexander Hamilton, in 1791, suggested a bank with a capital of \$15,000,000, with a charter for twenty years. It was of immense advantage to the government. It was of great moment to the country in giving a paper currency of equal value in all the states. The bills of their bank were everywhere at par. The states began to charter state banks, with power to issue currency, and redeem it at their own counters. The result was, they became insolvent, because they were not secured, and they issued paper money up to their extreme limit. Many of these institutions issued large quantities of money, loaned it and failed. The effect of the national bank was to restrain the unlimited issue of state banks. The charter of this expired in 1811 by its own limitation. There was jealousy of this because it could influence government. Some held it was unconstitutional. The consequence was the charter was not renewed in 1811. War with Great Britain broke out in 1812. The state banks suspended specie payments. The government was in great distress, it could not get loans. A project for a new bank was formed. This was chartered at Philadelphia in 1817, with a capital of \$35,000,000. The bank was of great assistance to the government in enabling it to arrange its debts. Soon after this commenced operations, the state banks resumed specie payment. The charter expired about 1837. General Jackson, President from 1829 to 1837, was violently opposed to the national bank. He held that in the present condition of the country it exercised a dangerous influence. When re-chartered by a Congress composed largely of his own political party, he vetoed it and they could not pass it over his veto. He

caused the deposits to be removed to state banks, where he thought they were safer, because there could not be such a concentration of financial influence. A new set of banks arose, "pet" banks, which obtained more or less control over their loan. This had much to do with bringing about the commercial crisis and panic of 1837. The banks suspended specie payments. The feeling was so strong that after the panic of 1837 the people, with the force of a tornado, changed the administration of the government. Van Buren adopted the system of ignoring all bank bills and dealing in gold, the "sub-treasury" system. The consequence was, Van Buren lost his election by an overwhelming majority. The state of Pennsylvania re-chartered the old United States Bank in 1837. It managed to loan its money to great speculators and in a few years the bank exploded and not a copper of its capital remained. Meanwhile there was a perfect revolution in politics. General Harrison came in. He died a short time after his inauguration. Vice President Tyler became President. Tyler came from Virginia with strong ideas of state rights. He refused to sign the charter for the new United States Bank. It was provided that there should be one money centre and payments were to be made in specie. It tended to prevent inflation. The people felt the insecurity of state banks and of their currency. They wanted a safer system. In 1840 the State of New York introduced free banking. It refused to re-charter banks, but permitted any person or persons to carry on banking and issue bills, provided they secured the notes. But these securities were too numerous, they were stocks, bonds and mortgages. At length the State of New York amended the law so that none but United States and New York stocks could be deposited, and free banking became sound. Other states were working into this system, as New Jersey, when the war broke out. This war was the occasion of producing an entirely new system, the present one. Any body of people are allowed to establish banks and issue circulatory notes, provided they are secured by national bonds and stocks deposited with the Treasurer at Washington. They have limited capital. Under the present law providing for return to coin payment, free banking is allowed subject to the restriction, "for every \$100 of bank bills to new or old banks, there must be \$80 of legal tender retired." Under the present restriction, it is no evil to organize these banks

wherever convenient and profitable. They are obliged to deposit bonds, exceeding their issue by ten per cent. They are obliged to pay the cost of a tax. The national government taxes amount to two per cent. a year, the state tax varies; the average of taxation is from four to five per cent. This is driving the capital of banks out of existence; they divide surplus to stockholders, some lessen capital. In taxation, there is such a thing as destroying the source of taxation. One great advantage over free banking is that the bills are of equal value in all parts of the country. We obtain all the benefits of a national government bank under the present system of national banks.

LXXIV. Show the nature, origin and necessity, with the industrial and economic effects, of taxation.

Taxation is simply a taking by the government of a certain portion of the property, wealth, of the community for its own support. This is a legitimate object. It may be extorted for other purposes. Government has the physical power, but not the moral right, to exact it for any other purpose than for its support. This is necessary. Government cannot be sustained without material resources. In regard to this, looking to no other interests of government, it is an absolute necessity. There would be no inducement to husband property unless protected by the government. Hence a segregation of a part of the income for government, is the same as setting apart a portion of the land for roads or a part of the income for a medium of exchange. In each and all of these cases, taxation is a burden, an incubus upon industry and its fruits. So far as it goes, it is a necessity, it increases the cost of production. All excessive taxation beyond what is necessary, is an imposition, an unjust burden imposed on the people.

LXXV. Distinguish direct and indirect taxation, also their respective advantages and disadvantages.

Taxation is direct and indirect in two senses.

1. As to the end. Direct, when the end is revenue, and where the real end is indirect, as taxing old bank-note circulation to put it out of existence. 2. As to the means. This is in reference to persons who pay it. Direct when paid by the person who really and ulti-

mately pays it. Indirect, when some other one pays it. The indirect are much more readily borne. Some bear both of these characteristics, as imports laid by government not for the purpose of revenue, but for encouraging industries by disabling foreign manufacturers from sending their articles here. Indirect, (1) as to importer, (2) as to end. Other things being equal, and leaving out all questions about protection, every tax is a burden, an incubus upon protection. All taxes, direct or indirect, ultimately fall on the consumer.

Indirect are far more easily collected and paid, as in the case of the importer. On the other hand, when a tax is directly collected, the people feel, understand and know what it costs, and if it is unjust, are more apt to resent it. They interlock with one another.

LXXVI. Unfold the leading principles and proper objects for taxation, also the relative ratio of taxation suited to each.

Some governments adopt the principle of confining taxation to a very few things; as France, to real estate and rentals. Some said that it was imposing the whole burden on landlords and those who own real estate. It affects manufacturers, because they must sell goods at such a rate as to enable the man who buys them to pay from them all taxes.

Real estate and rentals can be ascertained, they are visible and tangible. It is possible to have that reached everywhere without evasion, and taxed proportionately. There is no such thing as concealing rentals. Under rentals is included not merely rents, but payments on rents; because the rent paid is supposed to be an indication of his property or means of living. This is the reason why persons urge the imposition of taxes on what is visible.

Adam Smith says that there must be in taxes—

- a. Equality in the way in which they reach the same kind of property. They should all be the property of the people.
- b. Certainty. They should not be arbitrary.
- c. Convenience as to time of collection.
- d. As little as possible should be left in the hands of collectors and agents.

There is a class of articles heavily taxed; as intoxicating liquors, tobacco, and all luxuries.

Taxes should be on things where it is least annoying, vexatious and provocative of anger. It should be on things not easily concealed. All taxes enhance the production of the thing taxed. The income tax is the strongest exception. This affects production very slightly. What is taken from income is not taken from anything used in production. The objections to it are that—

1. It is very inquisitive, and acts very unequally. Men will conceal their incomes. A man may put his money in land, which is increasing in value, and which does not come under the income tax.

2. It is very oppressive on honest men. It tends to blunt the consciences of men who otherwise would not think of concealing their property.

3. It taxes people twice, on their property and on their income.

4. It is excessive, except in the case of persons with immense incomes.

LXXVII. *Show the true nature of personal property and the principles of its taxation.*

Personal property is construed by a fiction of law to follow the person and is taxed where he is. Real estate is fixed and is taxed where it is. Blackstone says, "Fictions of the law, devised for modes of justice, are not to be strained beyond right."

According to the *lex rei sitæ*, property is subject to taxation where it is. This has come to be an almost universal decision of courts. Formerly courts followed this fiction, that it was subject to the person and was governed by the *lex domicilii*, but this involves such difficulties that they have come to the other side. Property is not taxable *in transitu*. Our states are *quasi-sovereign* and the principles of international law apply to them. It has been found so impracticable to follow out the theory that personal property belongs where the owner is that the courts have decided that they are taxed where their permanent abode is. Most of the states now decide that inasmuch as they are taxable where they are, they are not taxable elsewhere, although the owner may reside elsewhere. Some states, however, insist on this. The states of Massachusetts and Rhode Island carry it so far as to insist on taxing stocks of a

company outside of the state, and even English consols held by citizens of Massachusetts. This is giving and must give way. If carried out, it would put an embargo on inter-state commerce.

LXXVIII. *What of the taxation of mortgages, credit, churches, colleges, charitable and public institutions ?*

DEBTS, CREDITS, MORTGAGES.

The prevailing tone of the laws of most states is, that if a man has money due him by book account, promise, or secured by mortgages, no matter who owes it or however secured, these constitute property and are taxable.

Mortgages are directly taxed. Such is the decision of courts. Laws are very strenuous in regard to the taxation of mortgages and credits. The decision of state courts was that mortgages are not taxable, because it is a violation of the principle that all property shall be equally taxed ; otherwise the same property would be taxed twice. The law of California is that mortgages are not taxable. A mortgage gives a man a legal title to property. The paper is worthless. If a property is taxed in the hands of owners and on mortgage, it is taxed twice. There is exceeding difficulty as to whether this is personal property. It is said that it does not follow the owner. But a mortgage is enforced where the owner is. Property consists of natural objects having some utility impressed upon them by human labor. Credit is not property, and hence not a legitimate object of taxation.

States have a difficulty to get hold of mortgages and at the same time not to tax the property. If a man owns a mortgage elsewhere, then our laws tax it. That property will certainly be taxed where it is ; this is right. A gentleman in Philadelphia has a mortgage on property there, and this is freed from taxation. If he moves into this state, he is subject to a tax.

Because of the anomalies in state laws, the tendency of legal decisions is to come to some uniform principle. Private property cannot be taken for public use without compensation, and there should be a uniform system of taxation. The courts are beginning to regard mortgages on property already taxed as free from taxation. The imposition of burdens on the lender falls also on the borrower.

Usury laws operate only to increase the cost of money to the borrower. All usury laws impede the natural freedom of exchange in respect to money and currency. It is perfectly proper for states to lay down a certain rate of interest to be the legal rate, when there is no agreement between the parties. Circumstances may arise when states should authorize a high rate, but this should be only for a limited time.

Taxing credits and relieving debts from taxation or diminishing a man's tax in proportion to his debts, gives an advantage to those who are unscrupulous. A man can borrow \$20,000 on tax-day and turn it into United States bonds, and the next day convert them into cash. He can give a note to his son or brother, so as to evade the tax. Taxation should be upon tangible, ascertainable, visible property, and should be uniform.

In reference to colleges, the law of New Jersey exempts five acres and the buildings on them. The line around the buildings may be run in any shape. The college may also be taxed for improvements, such as pavements. The College of New Jersey now pays one-tenth of the taxes of Princeton. If you tax colleges too high, you kill the bird that lays the golden egg. The college increases the value of property in Princeton four-fold. Funds and donations given to colleges and hospitals to increase the facilities should not be taxed.

Property owned by churches should be taxed for revenue. A farm was once given to Trinity Church. This has greatly increased in value, and now, with its improvements, is worth millions. This property should be taxed. All church edifices, however, should be exempted.

LXXIX. State some anomalies of taxation arising from complex systems of national, state and municipal governments.

State taxation is one; that for counties, towns, school districts is another thing. The principle of collecting taxes is that each county should pay in proportion to the assessments. There are stringent laws to assess the property at its real value, and oaths are imposed upon the assessor. In New York, it is ascertained, property is assessed in the counties at one-fourth to one-fifth below its real value, and in the city, at two-thirds. The lower the assessment, the less

amount of state taxes the county will have to pay. Mortgages, debts, and stocks are assessed at their full value.

The tax on dividends in Pennsylvania is uniform and falls equally on taxpayers. The state of Pennsylvania requires companies, when they issue a loan, to pay a certain tax into the state treasury.

LXXX. State what are and what are not the points at issue between protectionists and free traders as to taxation of imports, and whether their difference most concerns principles or their application.

Certain points of agreement between protectionists and free traders :

1. It is right for government to tax imports for revenue purposes.
2. Our domestic manufacturers receive support to the same extent as imports are taxed.
3. It is desirable, without greater sacrifices, to secure diversities of employment. This may be carried too far ; in order to afford occupation for people who raise oranges here, the foreign fruit should not be so taxed as to prevent its importation. Free traders insist that their system promotes the highest diversity of employments, because they afford employment for the different gifts of men ; protectionists insist that by artificial protection they develop new employments. The effect of protective duties on ship-building was to raise lumber and iron to such a price that ship-building has almost disappeared in this country. On the other hand, it was by means of these duties that certain industries were given a home on American soil.

The question is, whether, if in the course of the natural resources of the country it furnishes facilities for a certain kind of industry, it would be proper to lay an impost on foreign articles of the same kind, in order to protect and foster the home industry.

Example. Some quarry produces marble looking like Italian marble. It is so situated that great risks are undertaken in testing whether it can be produced at such a rate as to afford average reward to capital and labor. J. S. Mill was a free trader ; but he said that for the purpose of developing a new industry where there are great risks, it is not wrong for people to suffer taxation, if in time, the industry

can be made to sustain itself. Free traders object to temporary tariffs, as they are apt to become permanent. During war, both taxes and duties are high, afterwards taxes are lessened, but not duties. Protectionists do not maintain that people should be taxed for giving more than average rewards.

These are principles. There are great diversities of opinion in regard to the application as to what industries need this encouragement. No industry ever came forward and told Congress that it was making too much. Case of the paper manufacturers during the war. There was a loud clamor to reduce the duties, a louder still against this. The lowering of duty was successfully resisted. While particular persons may be rapidly enriched by having enormous gains, it is in the end in the highest degree disastrous to any industry by any kind of bounties to be brought up to be enormously profitable. The enormous profits are self-consuming, because they draw so many into their business that competition ensues and so lowers profits. Iron is used greatly in war. The government imposes high duties upon this, hence must pay a large portion of these itself. The iron interest is intimate by connection with the railroad interest now prostrate. The railroads were built when iron was held at enormous prices. The support of these railroads depends on the amount of articles transported, and the rate of toll or freight which can be paid. It raised prices to farmers so that they did not make anything. This gave rise to the granger movement. They complain that they have to pay enormous rates of freight.

A house evaded payment of dues on lead by having it cast into images, these by law being free from taxation. When the lead mines were discovered at Galena, Ill., a tax of three cents a pound was laid. The manufacturers of white lead found themselves in a predicament; but finding that the law referred to bars of lead, they imported old lead from roofs, then weights, then metallic images. The duty on foreign white lead is to protect the white lead manufacturers.

GENERAL REMARKS ON PROTECTION.

A priori, the reason for protection is to establish and make profitable new industries. This is aiding an industry that is not so remunerative as some other, and is a wrong principle.

The presumptions in favor of protection are that greater advantages arise from protecting an industry which does not maximize utility with a minimum of labor, than arise from free trade. By encouraging new industries, they say, we get a greater scope for division of labor. This is advantageous, but has its limits. Division of labor is in order to productiveness of labor, and is limited to the point when it ceases to be as productive as if there were no division. This refers only to permanent protection. It is also alleged that protection fosters one industry while it kills another. The Bessemer process made steel rails very cheaply and they could be imported free for eighty dollars per ton. The duty was twenty dollars. The American railroads had to pay one hundred dollars per ton, while the Canada road, just over the line, paid but eighty. Bastiat says, "Protection is like petitioning government to order the people to shut their windows and use gas or candles for light. This would aid the culture of sheep and the manufacturers of candlesticks."

It is further claimed that we ought to aid American industry, as it will tend to elevate American labor above European pauper labor. But this increases the reward of one set of laborers at the expense of all the rest.

We maintain the principle of free emigration to our shores. The average laboring man will be rewarded on a nearly equal basis. Our greatest curse and danger is in the large number of unemployed men brought here by extravagant wages which can no longer be paid. Tariffs must not be imposed to raise wages.

It is said that unless we have extra protection, foreign manufacturers will unite and undersell us.

Anti-protectionists allege that, in the long run, the system of bounties is injurious. If tariff makes one industry very profitable and wages high, vast capital and labor will be attracted, and depression must eventually result.

Every commercial nation must have exported products which are priced according to their value in other nations. Things produced here in excess are sent abroad. Grain, meat and other products raised here in plenty cannot receive any benefit from protection. A tariff may hurt some of our importations, as wool, for some of our

domestic wools must be mixed with the foreign in order to make good cloth.

Farmers can receive no protection. If the iron for his tools and transportation is taxed, it will cost him more to get his goods to market. The farmer should not be taxed to support an industry not self-sustaining. He should, however, be willing to pay a temporary tariff. Temporary tariff should be allowed to die out and not be suddenly removed.

Dr. Atwater's general idea is that all classes should select those occupations where they can work most advantageously and receive a reward in opposition to the whims of party or people.

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